



## **DLR Kredit A/S**

*(incorporated as a public limited company in Denmark with CVR no. 25781309)*

**DKK 10,000,000,000**

### **Debt Issuance Programme**

Under the Debt Issuance Programme described in this Base Prospectus (the “**Programme**”) and subject to compliance with all relevant laws, regulations and directives, DLR Kredit A/S (the “**Issuer**”) may from time to time issue notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding under the Programme will not at any time exceed DKK 10,000,000,000 (or the equivalent in other currencies at the date of issue).

Under the Programme, the Issuer may from time to time issue Notes, which may be (i) senior non-preferred notes with a ranking as described in Condition 4(a) (*Status of the Notes - Senior Non-Preferred Notes*) in "Terms and Conditions of the Notes" (“**Senior Non-Preferred Notes**”), (ii) subordinated notes constituting Tier 2 Capital (as defined in the Condition 2 (*Definitions*) in "Terms and Conditions of the Notes") (“**Subordinated Notes**”), or (iii) perpetual non-cumulative additional tier 1 capital notes, which are subordinated and constitute additional tier 1 capital (as defined in the Condition 2 (*Definitions*) in "Terms and Conditions of the Notes") (“**Additional Tier 1 Capital Notes**”) as indicated in the relevant Final Terms or Pricing Supplement (each as defined below), as applicable.

An application may be made to Nasdaq Copenhagen A/S for Notes issued under the Programme (other than Exempt Notes (as defined below)) to be listed on the official list of Nasdaq Copenhagen A/S and to be admitted to trading on Nasdaq Copenhagen A/S’ regulated market. Nasdaq Copenhagen A/S’ regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended) (“**MiFID II**”). Unlisted Exempt Notes may also be issued pursuant to the Programme. The relevant Final Terms or Pricing Supplement, as applicable, in respect of the issue of any Notes will specify whether or not such Notes will be listed on Nasdaq Copenhagen A/S’ regulated market.

This Base Prospectus has been prepared by the Issuer with a view to having the Notes admitted to trading on Nasdaq Copenhagen A/S’ regulated market.

Save in the case of Exempt Notes (as defined below), this Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

References in this Base Prospectus to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the FSMA. The Danish Financial Supervisory Authority has neither approved nor reviewed information contained in the section headed “Pricing Supplement” in this Base Prospectus in connection with Exempt Notes.

**This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (“EEA”) and/or offered to the public in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The requirement to publish a prospectus under the Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”) only applies to Notes which are admitted to trading on a UK regulated market as defined in Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) (“**UK MiFIR**”) and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the FSMA.

The Notes issued under the Programme will be issued in dematerialised book entry form and settled through VP Securities A/S (branded as Euronext Securities Copenhagen) (“**ES-CPH**”).

The Issuer has been rated A-/Stable/A-2 (Issuer Credit Rating) by S&P Global Ratings Europe Limited (“**S&P**”). S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) and is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with the CRA Regulation. Notes to be issued under the Programme will be rated or unrated. Where Notes issued under the Programme are to be rated, the applicable rating(s) will be specified in the relevant Final Terms or Pricing Supplement, as applicable. Whether or not a rating in relation to any Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under CRA Regulation will be specified in the relevant Final Terms or Pricing Supplement, as applicable. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Similarly, United Kingdom regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom and registered under the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). In the case of ratings issued by third country non-United Kingdom credit rating agencies, third country credit ratings can either be: (a) endorsed by a United Kingdom registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant United Kingdom registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

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

In the case of any Notes other than Exempt Notes, either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note shall be €100,000 (or, in each case its equivalent in any other currency as at the date of issue of the Notes).

In the case of Exempt Notes, any person making or intending to make an offer in a Member State of the EEA or the United Kingdom of Exempt Notes which are the subject of an offering contemplated in this Base Prospectus as completed by the relevant Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for Issuer or any Dealer (as defined in “General Description of the Programme”) to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or pursuant to section 85 of the FSMA, as the case may be, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or Article 23 of Regulation (EU) 2019/1127 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”), as the case may be, in each case, in relation to such offer. Neither the Issuer nor any of the Dealers have authorised, nor do they authorise, the making of any offer of Exempt Notes in circumstances in which an obligation arises for any Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Base Prospectus should be read and construed together with any supplement hereto and with any documents incorporated by reference herein and, in relation to any Tranche (as defined in “*Terms and Conditions of the Notes*” below) of Notes, should be read and construed together with the relevant Final Terms or Pricing Supplement, as applicable.

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

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus, see “*Subscription and Sale*”.

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

To the fullest extent permitted by law, none of the Dealers accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement. No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and none of the Dealers and any of their respective affiliates (other than the Issuer) makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the

information contained in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of any of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Each potential investor of Notes must determine the suitability of investment in light of its own circumstances. In particular, each investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated; (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

In connection with the issue of any Tranche of Notes, one or more relevant Dealers named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “**Danish kroner**”, “**Kr**” and “**DKK**” are to the lawful currency of the Kingdom of Denmark, those to “**euro**”, “**EUR**” or “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union (as amended from time to time), those to “**Norwegian kroner**” are to the lawful currency of the Kingdom of Norway and those to “**Swedish kronor**” are to the lawful currency of the Kingdom of Sweden.

In this Base Prospectus, words and expressions defined in Condition 2 (*Definitions*) or elsewhere in this Base Prospectus, have the same meanings in the entire Base Prospectus.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## EEA RETAIL INVESTORS

If the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) no. 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## UNITED KINGDOM RETAIL INVESTORS

If the relevant Final Terms or Pricing Supplement, as applicable, in respect of the Notes includes a legend entitled “Prohibition of Sales to United Kingdom Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

## MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The relevant Final Terms or Pricing Supplement, as applicable, in respect of the Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. A distributor (as defined above) should

take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purposes of the UK MiFIR Product Governance Rules.

#### **EU BENCHMARK REGULATION**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”). If any such reference rate does constitute such a benchmark, the relevant Final Terms or Pricing Supplement, as applicable, will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. Transitional provisions in the EU Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms or Pricing Supplement, as applicable. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms or Pricing Supplement, as applicable, to reflect any change in the registration status of the administrator.

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this general description of the Programme.*

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| <b>Issuer:</b>   | DLR Kredit A/S   |
| <b>Description:</b>                                      | Debt Issuance Programme  |
| <b>Size:</b>   | DKK 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.   |
| <b>Dealers:</b>  | The Issuer may from time to time appoint dealers in respect of one or more Tranches. References in this Base Prospectus to “ <b>Dealers</b> ” are to all persons appointed as a dealer in respect of one or more Tranches.   |
| <b>Fiscal Agent, Paying Agent and Calculation Agent:</b> | DLR Kredit A/S.<br>The Issuer reserves the right at any time to appoint a Paying Agent or a Calculation Agent that is not the Issuer.  |
| <b>Issuing Agent:</b>                                    | DLR Kredit A/S (being authorised by the Securities Depository to process and register issues in the system operated by the Securities Depository).<br>The Issuer reserves the right at any time to appoint an Issuing Agent that is not the Issuer.  |
| <b>Method of Issue:</b>                                  | The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms or Pricing Supplement, as applicable. |
| <b>Issue Price:</b>                                      | Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.   |
| <b>Form of Notes</b>                                     | The Notes will be issued in dematerialised book entry form and settled through ES-CPH.   |
| <b>Central securities depository system:</b>             | ES-CPH.  |

**Final Terms or Pricing Supplement:**

Each Tranche of Notes other than Exempt Notes will be the subject of the Final Terms which, for the purposes of that Tranche only, completes the Terms and Conditions of the Notes. Each Tranche of Exempt Notes will be the subject of the Pricing Supplement which, for the purposes of that Tranche only, completes and/or amends and/or replaces the Terms and Conditions of the Notes. Each Final Terms or Pricing Supplement must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the relevant Final Terms or (in the case of Exempt Notes) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “*Exempt Notes*” below.

**Status of the Notes:**

The Issuer may issue Senior Non-Preferred Notes, Subordinated Notes and Perpetual Non-cumulative Additional Tier 1 Capital Notes, as specified in the relevant Final Terms or Pricing Supplement, as applicable.

The Senior Non-Preferred Notes will constitute Senior Non-Preferred Obligations of the Issuer. Subject to Condition 6 (*Loss absorption following a Resolution Event*), the Senior Non-Preferred Notes will constitute direct and unsecured debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) (a) *pari passu* with the Existing Senior Non-Preferred Notes and (b) *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank *pari passu* with the Senior Non-Preferred Notes (including any other Senior Non-Preferred Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Issuer’s ordinary shares and any subordinated obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Senior Non-Preferred Notes, or any obligations pursuant to section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act and any other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations, in each case as regards the right to receive periodic payments on a

liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

Subordinated Notes (in Danish: *kapitalbeviser*) will constitute Tier 2 Capital (in Danish: *supplerende kapital*) of the Issuer under the CRD/CRR requirements.

Subordinated Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall, subject to (A) the Danish implementation of Article 48(7) of the BRRD in section 13(4) of the Danish Recovery and Resolution Act and/or (B) section 13(5) of the Danish Recovery and Resolution Act, at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligation or capital instruments of the Issuer that constitute Tier 2 Capital (including the Existing Subordinated Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to (a) holders of the Issuer's ordinary shares, (b) any obligations or capital instruments of the Issuer which constitute Tier 1 Capital and (c) any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer (including unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act and unsubordinated creditors that are creditors in respect of Senior Non-Preferred Obligations) and (b) other subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes, in each case as regards to the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

Perpetual Non-cumulative Additional Tier 1 Capital Notes (the "**Additional Tier 1 Capital Notes**") (in Danish: *kapitalbeviser*) constitute Additional Tier 1 Capital (in Danish: *hybrid kernekapital*) of the Issuer under the CRD/CRR requirements.

Subject to Condition 7 (*Loss Absorption following a Trigger Event and reinstatement of the Additional Tier 1 Capital Notes*), the Notes will constitute direct, unconditional, unsecured and subordinated debt obligations of the Issuer.

The Additional Tier 1 Capital Notes shall, subject to (A) the Danish implementation of Article 48(7) of the BRRD in section 13(4) of the Danish Recovery and Resolution Act and/or (B) section 13(5) of the Danish Recovery and Resolution Act, at all times rank, at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to (a) holders of the Ordinary Shares and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer (including unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act and unsubordinated creditors that are creditors in respect of Senior Non-Preferred Obligations), (b) creditors of the Issuer that are creditors in respect of any obligations or capital instruments of the Issuer which constitute Tier 2 Capital, and (c) other subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

The Issuer reserves the right in the future to issue other notes or instruments which rank identical to, or different to, the Notes.

**Currencies:**

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

**Maturities:**

Notes may be issued having any maturity, subject to such minimum or maximum maturity as may be allowed or required from time to time by the Relevant Regulator or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

As at the date of this Base Prospectus,

- (i) section 268 c(1)(1) of the Danish Financial Business Act provides that, to be eligible to fulfil the Debt Buffer Requirement, the relevant Tranche of Notes must have an original maturity of at least two years;
- (ii) section 13(3) of the Danish Recovery and Resolution Act provides that, to rank as Senior Non-Preferred Obligations, the relevant Tranche of Senior Non-Preferred Notes must have an original maturity of at least one year;
- (iii) Article 63(g) of the CRR provides that, to be treated as Tier 2 Capital, the relevant Tranche of Subordinated Notes must have an original maturity of at least five years; and
- (iv) Article 52(1)(g) of the CRR provides that, to be treated as Additional Tier 1 Capital, the relevant Tranche of Additional Tier 1 Capital Notes must be perpetual.

In the case of Additional Tier 1 Capital Notes, there is no fixed maturity date. The Additional Tier 1 Capital Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Additional Tier 1 Capital Notes at its discretion in the circumstances described herein.

**Redemption:**

Subject to any purchase and cancellation or early redemption or, in respect of Notes other than Additional Tier 1 Capital Notes, which are perpetual securities that have no fixed date for redemption, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date.

**Specified Denomination:**

Notes will be issued in such denominations as may be specified in the relevant Final Terms or Pricing Supplement, as applicable, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that in respect of Notes other than Exempt Notes, either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency).

**Fixed Rate Notes:**

Fixed Rate Notes will bear interest at a fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable, and will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to CIBOR, EURIBOR, NIBOR or STIBOR (subject, if applicable, to the benchmark replacement provisions in the Conditions) as adjusted for any applicable margin,

in each case, all as specified in the relevant Final Terms.

Interest periods will be specified in the relevant Final Terms and interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Reset Notes:**

Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an Initial Period, bear interest at an initial fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate or a rate based on the yield for an identified government bond or certain government bonds (in each case relating to the relevant Specified Currency), and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms or Pricing Supplement, as applicable. Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Interest cancellation (*Additional Tier 1 Capital Notes only*)**

Any payment of interest (including, for the avoidance of doubt, any Additional Amounts payable pursuant to Condition 10 (*Taxation*)) in respect of the Additional Tier 1 Capital Notes shall be payable only out of the Issuer's Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion, or
- (ii) will be mandatorily cancelled, in whole or in part, to the extent:
  - (A) that, if the relevant payment were so made, the amount of such payment, when aggregated together with, where relevant, (x) other distributions of the kind referred to in Article 141(2) of the CRD Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141(2) of the CRD Directive), or any successor thereto, or (y) distributions of the kind referred

to in any analogous payment restrictions arising in respect of the capital buffers under CRD/CRR or the BRRD (including without limitation Article 16a thereof) and/or any minimum requirement for own funds and eligible liabilities under CRD/CRR and/or the BRRD (including without limitation Article 16a thereof) (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions), would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments relating to any applicable Maximum Distributable Amount; or

- (B) otherwise so required by CRD/CRR, including the applicable criteria for Additional Tier 1 Capital instruments, or the BRRD or where the Relevant Regulator requires the Issuer to cancel the relevant payment in whole or in part.

See Condition 5(f) (*Interest cancellation*).

**Optional redemption – General:** The relevant Final Terms or Pricing Supplement, as applicable, will state whether the Notes may be redeemed prior to their stated maturity (if any) at the option of the Issuer and, if so, the terms applicable to such redemption. Any such redemption shall be subject to the provisions of Condition 8(k) (*Conditions to redemption etc.*) to the extent it is applicable.

**Optional redemption of Subordinated Notes:** The first optional redemption date in relation to any Series of Subordinated Notes may occur no earlier than the fifth anniversary of the date of issue of the last Tranche of the Notes of such Series.

**Early redemption of Senior Non-Preferred Notes:** In case of Senior Non-Preferred Notes, subject to the provisions of Condition 8(k) (*Conditions to redemption etc. prior to the Maturity date*), early redemption will be permitted;

- (i) at the option of the Issuer upon the occurrence of a Tax Event as described in Condition 8(d)(ii) (*Redemption upon the occurrence of a Tax Event*); and/or
- (ii) if so specified in the relevant Final Terms or Pricing Supplement, as applicable, at the option of the Issuer upon the occurrence of an Eligibility Event as described in Condition 8(d)(iii) (*Redemption upon the occurrence of a Eligibility Event*).

**Early redemption of Subordinated Notes and Additional Tier 1 Capital Notes:** In the case of Subordinated Notes and Additional Tier 1 Capital Notes, subject to the provisions of Condition 8(k) (*Conditions to redemption etc. prior to the Maturity date*), early redemption will be permitted;

- (i) at the option of the Issuer upon the occurrence of a Tax Event as described in Condition 8(e)(ii) (*Redemption upon the occurrence of a Tax Event*); and/or

- (ii) at the option of the Issuer upon the occurrence of a Capital Event as described in Condition 8(e)(iii) (*Redemption upon the occurrence of a Capital Event*).

**Clean-up Redemption Option**

Subject to the provisions of Condition 81(i)(f) (*Redemption at the option of the Issuer*), redemption will be permitted at the option of the Issuer if (i) the Clean-up Redemption Option is specified as applicable in the relevant Final Terms or Pricing Supplement and (ii) 75 per cent (or any other percentage as may be specified in the relevant Final Terms or Pricing Supplement, as applicable) of the initial aggregate nominal amount of the Notes of the relevant Series have been redeemed or purchased by the Issuer and, in each case, cancelled, the Issuer may redeem all (but not only some) of such outstanding Notes as described in Condition 81(i)(g) (*Clean-up Redemption Option*).

**Substitution and variation  
(Senior Non-Preferred Notes  
only):**

In the case of a Series of Senior Non-Preferred Notes only, if an Alignment Event and/or an Eligibility Event and/or a Rating Methodology Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may subject to the provisions of Condition 8(k) (*Conditions to redemption etc. prior to the Maturity Date*), at its option, substitute all (but not some only) of the Notes, or vary the terms of all (but not some only) of the Notes, or vary the terms of all (but not some only) of such Notes, without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Senior Non-Preferred Notes.

See Condition 8(j) (*Substitution and variation*).

**Substitution and variation  
(Subordinated Notes and  
Additional Tier 1 Capital Notes  
only):**

In the case of a Series of Subordinated Notes or Additional Tier 1 Capital Notes, as the case may be, if a Capital Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, subject to the provisions of Condition 8(k) (*Conditions to redemption etc. prior to the Maturity Date*), at its option, substitute all (but not some only) of such Notes or vary the terms of all (but not some only) of such Notes or vary the terms of all (but not some only) of such Notes, without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Subordinated Notes or Qualifying Additional Tier 1 Capital Notes, as the case may be.

See Condition 8(j) (*Substitution and variation*).

**Loss absorption following a  
Resolution Event (Senior Non-  
Preferred Notes only):**

In the case of a Series of Senior Non-Preferred Notes, upon the occurrence of a Resolution Event, the Outstanding Principal Amounts of such Notes may be written-down permanently (in whole or in part) or the Notes may be converted (in whole or in part) into a subordinated instrument of the Issuer, all as determined by the Relevant Regulator and/or the Danish Resolution Authority as described, and subject as provided for in Condition 6 (*Loss absorption following a Resolution Event*).

**Loss absorption following a Trigger Event and reinstatement of the Notes (Additional Tier 1 Capital Notes only):**

If at any time a Trigger Event occurs, the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes shall be reduced (in whole or in part).

Following any such reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate some or all of the principal amount of the Additional Tier 1 Capital Notes, if certain conditions are met.

See Condition 7 (*Loss Absorption following a Trigger Event and reinstatement of the Additional Tier 1 Capital Notes*).

**Negative pledge:**

None.

**Enforcement Events:**

There will be enforcement events relating only to non-payment (allowing a Noteholder to institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Noteholder) and the liquidation or bankruptcy of the Issuer, provided that a Noteholder may not itself file for the liquidation or bankruptcy of the Issuer.

**Meetings of Noteholders and modifications:**

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

The Issuer may also, subject to Condition 8(k) (*Conditions to redemption etc. prior to the Maturity Date*) make any modification to the relevant Series of Notes which is not prejudicial to the interests of the holders of such Series without the consent of the holders of such Series. Any such modification shall be binding on the holders of such Series.

**Ratings:**

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms or Pricing Supplement, as applicable.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

- Taxation:** All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall, save in certain limited circumstances provided in Condition 10 (*Taxation*), be required to pay Additional Amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.
- Notwithstanding the foregoing, the payment of Additional Amounts by the Issuer will be limited to payments of interest only.
- Governing law and jurisdiction:** The Conditions and the Notes shall be governed by, and construed in accordance with, Danish law and the courts of Denmark shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Conditions and the Notes.
- Listing and admission to trading:** Application may be made to Nasdaq Copenhagen A/S for Notes issued under the Programme (other than Exempt Notes) to be admitted to the official list of Nasdaq Copenhagen A/S and trading on its regulated market. The relevant Final Terms or Pricing Supplement, as applicable, in respect of the issue of any Notes will specify whether or not such Notes will be listed on Nasdaq Copenhagen A/S.
- Selling restrictions:** For a description of restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom and Denmark, see “*Subscription and Sale*” below.
- Exempt Notes:** The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes and this General Description of the Programme, in which event the relevant provisions will be included in the relevant Pricing Supplement. The relevant Final Terms or Pricing Supplement will specify whether the Notes are Senior Non-Preferred Notes, Subordinated Notes or Additional Tier 1 Capital Notes.

## RISK FACTORS

*The Issuer has identified the risk factors described below and believes that they represent factors which are specific to the Issuer and/or the Notes and which are material for investors to consider when investing in Notes issued under the Programme. The Issuer may, however, be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons. Additional risks not currently known to the Issuer or that it now deems immaterial may become material as a result of the occurrence of events outside the Issuer's control and may adversely affect the Issuer or affect an investment in the Notes.*

*Prospective investors should read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*The risk factors are grouped in two main sections. The first section covers risk factors which may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. The second section covers risk factors the Issuer believes may be material in relation to the Notes.*

*The most material risks, as currently assessed by the Issuer, taking into account (i) the expected magnitude of their negative impact on the Issuer and/or the Notes and (ii) the probability of their occurrence, are set out first in the risk factor categories "Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme" and "Risk factors relating to the Notes – Risks related to the structure of a particular issue of Notes". For risk factors where there are no comments on the probability of the specific risks occurring, the Issuer believes that it is not possible to estimate such probability. Many of the risks addressed in this section have not materialised in the past but it is the best assessment of the Issuer that they are relevant for prospective investors to consider. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the probability of any such contingency occurring except as may be set out in with respect to such contingencies below.*

*Word and expressions defined in the "Terms and Conditions of the Notes" or "Investment Considerations" below have the same meanings in this section, unless otherwise stated. Reference to a numbered "Condition" shall be to the relevant Condition in the Terms and Conditions of the Notes.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### ***Credit risk related to borrowers, counterparties and customers of the Issuer***

The Issuer's most significant risk is credit risk, defined as the risk of loss caused by the failure of any borrower or other counterparty to honour its payment obligations to the Issuer. This risk should be seen in light of the fact that the Issuer, as a mortgage bank, only grants loans secured against real property. Moreover, these loans are typically partially guaranteed by the financial institutions providing the loans under one of the Issuer's guarantee concepts, and the Issuer can under certain circumstances set-off losses against payments of commission to the financial institutions.

In Q1 2023, approximately 94 per cent of the Issuer's Risk Exposure Amount derived from credit risk, which makes credit risk the largest contribution to the Issuer's Risk Exposure Amount.

From Q3 2018 to Q4 2021, the annual lending growth for residential rental properties (in Danish: *erhverv med boligformål*) was higher than the recommended threshold of below 15 per cent provided by the Danish FSA under the "supervisory diamond for mortgage credit institutions". The Danish FSA assessed that the exceeding of the threshold represented an increased risk. However, since Q1 2022, the annual lending growth for residential rental properties has been below the recommended threshold provided by the Danish FSA.

The Issuer may have counterparty risks in connection with financial derivatives in the form of outstanding positive market value, which depends on market factors. The counterparty risk on financial derivatives is reduced through netting agreements and margin calls in accordance with standard documentation such as the International Swaps and Derivatives Association (ISDA) and the International Capital Market Association (ICMA) with major counterparties.

Settlement and delivery risk derives from securities, derivatives and foreign exchange trading.

The Issuer's credit risk profile is laid down in the credit policy, as further set out in the annual Risk and Capital Management Report, which is available on the Issuer's website: <https://dlr.dk/investor/regnskaber-rapporter/>

The Issuer's total provisions for loan impairments and guarantees amounted to DKK 368m in the end of 2022, equivalent to 0.22 per cent of total lending. Adverse changes in the credit quality of the Issuer's borrowers or other counterparties could affect the recoverability and value of the Issuer's assets and require an increase in provisions made for bad and doubtful debts and other provisions.

The Issuer's mortgage loans, which are used as collateral for issuance of covered bonds, are secured by mortgages over real property. The credit risk of the Issuer may partly be related to the performance of the real estate market primarily in Denmark. It is not possible to predict the future development of the value of the collateral. Should the prices of real property substantially decline, this could erode the value of the collateral and adversely affect the Issuer's financial position or prospects.

Changes in regulation that affect borrowers', counterparties', or customers' activities (e.g., regulation of real estate, property taxes, requirements for building standards, etc.) may also have a significant negative impact on the Issuer's credit exposures. An example of such change in regulation is an increase of carbon taxes applicable to the agricultural sector which may result in borrowers defaulting on their loans granted by the Issuer.

There are many circumstances that affect the level of credit loss, early repayments, withdrawals and final payments of interest and principal amounts, such as changes in the economic climate, both nationally and internationally, and changes regarding regulation, taxation, interest rate developments, inflation and/or the political environment. Borrowers may default on their loans granted by the Issuer as a result of interest rate increases or as a result of adverse developments in their personal circumstances.

Losses from credit risk could have a material adverse effect on the Issuer's business, results of operations, financial position or prospects.

The risk of such event occurring is regarded as medium.

### ***Risks relating to non-compliance with the balance principle***

In the course of its lending business, the Issuer applies the specific balance principle laid down in the Executive Order no. 1425 of 16 December 2014 on the Issuance of Bonds, Balance Principle and Risk Management (the "**Executive Order on Bonds**"). This principle dictates consistency between interest and instalments received by the Issuer from borrowers and the Issuer's payments to bondholders. The balance principle also implies that the Issuer does not assume any actual interest risk, currency risk or liquidity risk on its lending operations, including risks associated with prepayment of loans.

Non-compliance with the balance principle may cause the Issuer to lose its authorisation to issue bonds, which may have a material adverse effect on the Issuer's business, results of operations, financial position or prospects.

For a description of the Issuer's risk management, see the section headed "Business Description" in this Base Prospectus.

The risk of such event occurring is regarded as low.

***Market risk related to adverse developments in market values resulting from fluctuations in interest rates, yield spreads, foreign currency exchange rates and equity and commodity prices***

Market risk is defined as the risk of a loss prompted by unfavourable fluctuations in interest rates, foreign exchange rates and equity prices. As per 31 December 2022, approximately 3.6 per cent of the Issuer's Risk Exposure Amount derives from market risk.

The Issuer's Board of Directors has laid down principles for the management of and limits for market risks. As the Issuer has decided to comply with the specific balance principle as set out in the Executive Order on Bonds, the market risk associated with the issuance of covered bonds (SDOs) for purposes of financing mortgage loans will reflect the loan terms of the mortgagors. The market risks assumed by the Issuer arise solely as a consequence of a natural need to invest the Issuer's own funds, senior debt and profits/results of operations (the securities portfolio) and prepaid funds.

The Issuer basically targets a low market risk, and the Issuer's policies and guidelines lay down detailed market risk targets as regards placement, amount of interest risk, currency risk, etc. The Issuer's Board of Directors has also laid down a policy for the placement of the securities portfolio and specific limits for the amount and volatility of each type of risk.

On this basis, the Issuer has placed the main part of its securities portfolio in AAA-rated Danish mortgage bonds (ROs), SDOs and mortgage-covered bonds (SDRO), typically short-term papers, and a minor portion in AAA-rated government bonds.

Fluctuations in the debt, foreign exchange or equity markets may affect the market value and liquidity of the Issuer's securities assets. In addition, the occurrence of such events may have an adverse impact on the revenue generated by the Issuer. This could have a material adverse effect on the Issuer's business and the Issuer's business, results of operations or financial position.

The risk of such event occurring is regarded as low.

***Funding and liquidity risk related to funding costs, liquidity and refinancing risk and access to funds***

Liquidity risk is defined as the risk of markedly higher funding costs and/or inability to honour payments when due. Liquidity risks arise when a lack of funding in the form of bond sales prevents the Issuer from pursuing its business model or from fulfilling its payment obligations. Failure to address the liquidity risk may prevent the Issuer from continuing its operations at their current scope and/or meeting its payment obligations on a timely basis.

Currently, the Issuer's mortgage loans are fully match-funded by the issue of covered bonds, where the cashflow on loans matches the cashflow on the covered bonds that fund such loans. The liquidity risk in the mortgage book is therefore primarily related to the risk that borrowers do not make timely interest or principal payments on the loans.

The Danish mortgage legislation requires that issuers, such as the Issuer, of covered bonds applicable for preferential capital requirements for some investors (in Danish: *særligt dækkede obligationer*) provide supplementary collateral in the event that declining property prices reduce the value of the collateral breaching the statutory borrowing limits. A decline in property values could increase the requirement for the Issuer to provide supplementary collateral and lead to an increase in the funding needs of the Issuer, which could have a material adverse effect on the Issuer's funding costs, results of operations or prospects.

The risk of such event occurring is regarded as low.

### ***Risks related to a credit rating downgrade of the Issuer's credit rating***

The Issuer is rated by a credit rating agency and is dependent on credit ratings in order to access the capital markets in order to raise capital and funding. The Issuer's credit rating could be negatively affected by a number of factors that can change over time, including the credit rating agency's methodology or the assessment of the Issuer's strategy and management, its financial condition, market position, asset quality, capital, funding and liquidity, the applicable regulation, macroeconomic developments in key markets as well as global financial conditions. Also, the Issuer's credit rating may decline if the rating of the Kingdom of Denmark declines, irrespective that there is no direct connection with the Issuer's activities or financial performance. A downgrade, or concern about a possible downgrade, of the Issuer's credit rating could affect the Issuer's access to capital markets and could lead to higher costs of raising capital and funding, which may have a material adverse effect on the Issuer's business or prospects.

The Issuer has been rated by S&P Global Ratings since 2012.

The Issuer has since May 2017 had an Issuer Credit Rating (ICR) to 'A-'. The Issuer's Stand-Alone Credit Profile (SACP) is 'BBB+', which is topped by an ALAC-uplift (additional loss-absorbing capacity) of +1, due to the fact that the Issuer has issued loss absorbing senior debt to fulfil the debt buffer requirements set out in section 268 of the Danish Financial Business Act (the "**Debt Buffer Requirement**") for Danish mortgage banks.

The outlook for the Issuer's ratings is stable.

The risk of such event occurring is regarded as low.

### ***Regulatory risks related to supervision and non-compliance with regulation, including sanctions, which may affect the Issuer's business, the products and services offered or the value of its assets***

The Issuer is subject to extensive legal regulation, including capital requirements, in respect of its conduct as a mortgage bank in Denmark. Regulatory risk is the risk that changes, (including of the interpretation of) in supervision and regulation applicable to the Issuer, in particular in Denmark, could materially affect or limit the Issuer's business, capital requirements the products and services offered or the value of its assets. Further, the European Banking Authority ("**EBA**") and the Danish FSA will continue to propose detailed rules through binding technical standards, guidelines, recommendations and/or opinions in respect of many areas, including the CRR and the CRD. Such changes could potentially lead to a reduction in the regulatory capital or an increase in the Risk Exposure Amounts of the Issuer or changes in regulatory requirements.

Regulatory risk may also arise from a failure by the Issuer to comply with laws and regulations, including personal data, anti-money laundering and antitrust regulation. Such non-compliance could lead to civil liability, disciplinary action, the imposition of fines, which may be significant, and/or the revocation of the licence, permission, or authorisation to conduct the Issuer's business in the jurisdictions in which the Issuer operates.

As a consequence of the uniform nature of the Issuer's products, errors in what was considered to be one single case and/or product may due to the uniform nature of the Issuer's products relate to a significant number of similar cases and/or products or client relationships, which could affect the extent of the claims that are brought against the Issuer.

Any such sanctions, including significant fines, may have significant adverse consequences for the Issuer's financial position, and may adversely limit the Issuer's business activities and materially increase the Issuer's operating costs. Further, such sanctions could lead to adverse consequences for the Issuer's reputation, which could have a material adverse effect on the Issuer's business or prospects.

As of the date of this Base Prospectus, the Issuer has not been subject to any sanctions which may adversely limit the Issuer's business activities or which has materially increased the Issuer's operating costs. Further, the Issuer is not, as of the date of this Base Prospectus, involved in, and has not been involved in any court

proceedings regarding civil liability in relation to such non-compliance with regulation, which may have a material adverse effect on the Issuer's business or prospects.

Investors are referred to the section "*Investment Considerations*", in particular the subsections "*Basel III and CRR III / CRD VI Proposals: Finalising post-crisis reforms*" and "*Resolution tools and powers under the BRRD*" thereof.

The risk of such event occurring is regarded as low.

#### ***Basel III and CRR III/CRD VI Proposals: Finalising post-crisis reforms***

The Basel IV framework (implemented in the CRR III Proposal and CRD VI Proposal, as defined below in the section "*Investment Considerations*") includes a number of different requirements. The Issuer considers the most important impact to be the introduction of a capital floor requirement for credit institutions applying internal ratings-based risk models. The capital floor requirement entails that a credit institution will be subject to a minimum capital requirement across risk types (credit, market and operational risk) of 72.5 per cent of the capital requirement calculated according to the standardised approach. According to the CRR III Proposal, a minimum capital requirement of 50 per cent will apply to the Issuer as early as 2025 and will gradually increase until fully implemented in 2030. The CRR III Proposal also includes some temporary mitigating effects to the capital floor; however, these effects are to be phased out by the end of 2032. The introduction of such a capital floor implies that the Risk Exposure Amounts of credit institutions applying internal ratings-based risk models (such as the Issuer) could be floored at a higher level, which consequently would increase such credit institutions' capital requirements. The specific impact of Basel IV depends on the final EU implementation.

The Risk Exposure Amounts of the Issuer and the capital requirements applicable to the Issuer are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors.

Any failure by the Issuer to satisfy its regulatory capital requirements, liquidity requirements and other requirements, and any further increases in such requirements, could result in regulatory intervention or sanctions or significant reputational harm, which may have a material adverse effect on the Issuer's funding costs, business or prospects.

#### ***MREL Requirement and Debt Buffer Requirement***

With the implementation in Denmark of the BRRD, Danish banks, but not mortgage banks such as the Issuer, are required to have bail-inable resources in order to fulfil the minimum requirement for own funds and eligible liabilities (the "**MREL Requirement**"). According to the BRRD, mortgage banks, such as the Issuer, are still exempt from the application of the MREL Requirement. Instead of MREL, Danish mortgage banks are subject to the Debt Buffer. Section 268(1) of the Danish Financial Business Act stipulates that all Danish mortgage banks, such as the Issuer, must have a debt buffer of 2 per cent calculated on the basis of the total unweighted lending of the individual mortgage bank.

The Danish Central Bank (in Danish: *Danmarks Nationalbank*) has stated that it is the opinion of the central bank that the mortgage credit banks, such as the Issuer, should be subject to an MREL Requirement. In the event, that an MREL Requirement is imposed for the Issuer, this may have a material adverse effect on the Issuer's funding needs, funding costs, business, results of operations, financial position or prospects.

Further, section 268(2) of the Danish Financial Business Act states that if a Danish mortgage bank has been designated as a systemically important institution ("**SI**") (such as the Issuer), the debt buffer must be set at a level that ensures that the combined requirement of the mortgage bank's debt buffer and own funds amounts to at least 8 per cent of the mortgage bank's total liabilities. However, the debt buffer must be set at a level of at least 2 per cent of the mortgage bank's total unweighted lending.

If an institution does not fulfil the Debt Buffer Requirement, the relevant authority may withdraw the mortgage banking licence of that institution. If the Issuer is unable to fulfil the Debt Buffer Requirement, it could have an adverse impact on the Issuer's ability to pay amounts due on the Notes.

As of the date of this Base Prospectus, the Issuer has issued debt of DKK 4,000 million that is eligible for fulfilment of the Debt Buffer Requirement. Any future changes to this requirement may require the Issuer to issue additional liabilities, which could have a material adverse effect on the Issuer's funding costs, business, results of operations, financial position or prospects.

***Risks related to stress tests and other regulatory enquiries, which could trigger enforcement actions by supervisory authorities***

The banking and mortgage banking sector, which includes the Issuer, is subject to periodic stress testing and other regulatory enquiries to examine the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the EBA, the Danish Central Bank and/or the national supervisors such as the Danish FSA. Stress tests and the disclosure of their results by supervisory authorities can influence the banking, mortgage banking or the financial services sector and lead to a loss of trust with regard to individual banks, mortgage banks or the financial services sector as a whole. The outcome of stress tests could materially and adversely affect the Issuer's reputation, funding costs and trigger enforcement action by supervisory authorities, e.g., through requirements to make additional provisions or result in the Issuer having to meet higher capital and liquidity requirements, which may require the Issuer to seek new capital and funding.

The risk of such event occurring is regarded as low.

***Risks related to the operations, business and reputation of the Issuer***

Operational risk arises from human errors, system faults, breakdown of IT systems and insufficient or defective internal procedures or external events. Operational risk also includes reputational and strategic risk as well as conduct and legal risk.

The sources of potential loss events arising from operational risk are diverse for financial institutions such as the Issuer. This includes examples of fraud or other illegal or unethical conduct, failure of proper governance related to policies, procedures, and controls in place to prevent, detect and report loss events and non-compliance with applicable laws or regulations, claims relating to inadequate products, inadequate documentation, insufficient data quality, errors in transaction processing, system failures, as well as the inability to retain and attract key personnel. The Issuer or key IT outsourcing partners may be the target of malicious hacking with consequences in the form of shutdown of individual or all IT systems. Consequences of a malicious hacker attack may be, *inter alia*, financial losses, business disruption, inability to issue bonds, inability to service payments on time, loss of data or other sensitive information.

As of 31 December 2022, approximately 3.6 per cent of the Issuer's Risk Exposure Amount derives from operational risk.

Failure to identify and manage these risks may have a material adverse effect on the Issuer's reputation or business, result in regulatory investigations or sanctions being imposed and the Issuer may be exposed to losses or additional costs and liabilities.

The risk of such event occurring is regarded as low.

***Risks relating to the Issuer's business model***

In addition to the mortgage collateral provided for the mortgaged properties and thorough credit assessments, the Issuer has reduced the credit risk relating to individual loans and portfolio risks by requiring the financial institutions (the Issuer's shareholders) to provide guarantees for the loans provided as part of the Issuer's business model. In consideration of the provision of loan guarantees and of making their distribution network

available for the Issuer's provision of loans, customer services, etc., the Issuer pays commission to the financial institutions.

Changes to the loss-mitigating agreements made with financial institutions or failure on the part of the financial institutions to comply with these agreements may result in increased losses and thus lower earnings for the Issuer. Similarly, changes in the Issuer's current distribution collaboration with shareholder banks could affect the Issuer's future lending and earnings.

The risk of such event occurring is regarded as low.

#### ***Risk pertaining to the use of risk models***

The Danish FSA has approved the Issuer's use of advanced internal ratings-based risk models to determine the Risk Exposure Amount for credit risk of the full-time farm portfolio. The models are in accordance with current national and international guidelines and approved by the Danish FSA. As they are internal models based on the Issuer's historical data on defaults and losses, as well as modelling assumptions, and since past behaviour may not always be a reliable indicator of future behaviour, there is a risk that the models may not capture the actual credit and market risk satisfactorily, which could have a material adverse effect on the Issuer's results.

#### ***Change in the Issuer's internal models***

The Issuer's internal models may be changed as a result of various factors, including changes in credit markets and customer portfolios, market volatility, changes in national or international legislation and changes in supervision practice. Changes to the models may result in increased capital requirements for the Issuer, which may lead to failure by the Issuer to satisfy its regulatory capital requirements.

The Issuer has developed a new definition of default (DoD) and a new IRB PD model compliant with new EBA guidelines. The Danish FSA has approved the new DoD and PD model under certain conditions. Most of the conditions were fulfilled prior to the implementation 1 October 2022 and some conditions must be fulfilled afterwards. The Issuer's LGD-model (Loss Given Default model) is not compliant with new EBA guidelines, and the Issuer is in the process of developing a new LGD-model. Until this model is approved by the Danish FSA the Issuer will make a capital reservation to mitigate the non-complains risk.

The risk of such event occurring is regarded as low.

### **RISK FACTORS RELATED TO THE NOTES**

#### **Risks related to the structure of a particular issue of Notes**

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

#### ***No limitations on issuing senior or pari passu securities***

There is no restriction on the amount of securities that the Issuer may issue, nor on the amount of any other obligations it may assume, which rank senior to, or *pari passu* with, the Notes. The issue of any such securities and/or the assumption of any such other obligations may reduce the amount recoverable by Noteholders on a resolution, liquidation or bankruptcy of the Issuer, which could also affect the market value of an investment in the Notes, and/or may increase the likelihood of a cancellation of interest amounts under the Notes.

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

An optional redemption feature is likely to decrease the market value of the Notes. During any period when the Issuer may elect to redeem the Notes (including if (i) a Tax Event, Capital Event or Eligibility Event specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable with respect to the Notes, occurs or (ii) the Clean-up Redemption Option specified as applicable in the relevant Final Terms or Pricing

Supplement, as applicable with respect to the Notes and if the Clean-Up Percentage (or more) of the initial aggregate nominal amount of the Notes have been redeemed or purchased and subsequently cancelled) or is perceived to be able to redeem the Notes, subject to prior approval by the Relevant Regulator and/or the Danish Resolution Authority (as applicable), the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If the Issuer is specified in the relevant Final Terms or Pricing Supplement, as applicable, as having an option to redeem, the Notes may be redeemed at the option of the Issuer at their Optional Redemption Amount together with accrued interest (insofar, in the case of Additional Tier 1 Capital Notes, as such interest has not been cancelled),

If the cost of borrowing for the Issuer decreases, there is an increased risk to Noteholders that the Issuer will elect to redeem the Notes. At those time, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Under the CRR, any Subordinated Notes or Additional Tier 1 Capital Notes may generally not be redeemed during the first five years after such Notes have been issued. Redemption of Subordinated Notes and Additional Tier 1 Capital Notes during the first five years after such Notes have been issued (and at any time thereafter) is subject to prior permission from the Relevant Regulator (see "*Redemption of the Notes by the Issuer; redemption subject to permission of the Relevant Regulator*").

#### ***Changes in credit ratings may result in a reduction in the market value of the Notes***

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The value of the Notes is expected to be affected, in part, by credit rating agencies' appraisal of the creditworthiness of the Issuer. If credit rating agencies perceive there to be adverse changes in the factors affecting the credit rating of the Issuer, including changes to the applicable rating methodologies, the credit rating agencies may revise lower, suspend, or withdraw the ratings assigned to a Series of Notes and/or the Issuer. In addition, credit ratings may also change due to changes in law and regulation; see "*The Senior Non-Preferred Notes rank junior to the Issuer's other unsubordinated creditors pursuant to Section 97 of the Danish Bankruptcy Act*", or depending on the assessment, by one or more credit rating agencies, of the impact on the different instrument classes resulting from the changed liability structure following the issuance of the Notes.

If any rating assigned to a Series of Notes and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of such Notes may be reduced.

The Notes, upon issue, are expected to be rated by one or more credit rating agencies lower than the Issuer's credit rating, reflecting the increased risk of loss in the event of the Issuer's insolvency.

#### ***Notes with a fixed rate of interest carry interest rate risks***

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

#### ***Reset Notes***

Reset Notes will initially bear interest at the relevant Initial Rate of Interest until (but excluding) the relevant First Reset Date. On the relevant First Reset Date, the relevant Second Reset Date (if applicable) and each relevant Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the relevant Reset Reference Rate and the relevant Subsequent Reset Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Interest Determination Date (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any relevant Reset Interest Period could be less than the

relevant Initial Rate of Interest or the relevant Subsequent Reset Rate of Interest for prior Reset Interest Periods, which could affect the market value of an investment in the relevant Notes.

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

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

***The market price and liquidity of the Additional Tier 1 Capital Notes may be volatile and will be affected by a number of factors***

The market price and liquidity of the Additional Tier 1 Capital Notes is expected to be affected by fluctuations in the Common Equity Tier 1 Capital Ratio of the Issuer. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is trending towards the Trigger Event Threshold may have an adverse effect on the market price and liquidity of the Notes. The level of the Common Equity Tier 1 Capital Ratio of the Issuer may significantly affect the trading price of the Notes.

The occurrence of a Trigger Event and, therefore a write down of the Original Principal Amounts of the Additional Tier 1 Capital Notes, is inherently unpredictable and depends on a number of factors. In addition, as the Common Equity Tier 1 Capital Ratio can be calculated as of any date, a Trigger Event could occur at any time. The calculation of the Common Equity Tier 1 Capital Ratio of the Issuer could be affected by a wide range of factors, including, among other things, factors affecting the level of the Issuer's earnings or dividend payments, statutory deductions in own funds, the mix of businesses, the ability to effectively manage the Risk Exposure Amounts in both the ongoing businesses and those the Issuer may seek to exit, losses in commercial banking, investment banking or other businesses, changes in the Issuer's structure or organisation, or any of the factors described in "Description of the Issuer". The calculation of the ratios also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion is under the applicable accounting rules is exercised.

The Issuer will have no obligation to consider the interests of the holders of Additional Tier 1 Capital in connection with the strategic decisions of the Issuer, including in respect of capital management. Holders of Additional Tier 1 Capital will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause holders of Additional Tier 1 Capital Notes to lose all or part of the value of their investment in the Additional Tier 1 Capital Notes.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Original Principal Amount of the Additional Tier 1 Capital Notes may be written down.

In addition, it is difficult to predict whether any payment of interest in respect of the Additional Tier 1 Capital Notes will be cancelled pursuant to the Conditions. Accordingly, the trading behaviour of the Additional Tier 1 Capital Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is approaching the level that would trigger a Trigger Event or that the Maximum Distributable Amount may have been, or is likely to be, exceeded may have an adverse effect on the market price and liquidity of the Additional Tier 1 Capital Notes. The level of the Common Equity Tier 1 Capital Ratio of the Issuer may significantly affect the trading price of the Additional Tier 1 Capital Notes. Under such circumstances, investors may not be able to sell their Additional Tier 1 Capital Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

## **Legal risks connected to the Notes**

### ***The Senior Non-Preferred Notes rank junior to the Issuer's other unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act***

Subject to Condition 6 (*Loss absorption following a Resolution Event*) the Senior Non-Preferred Notes will constitute direct and unsecured debt obligations of the Issuer, which rank as described in Condition 4(a) (*Senior Non-Preferred Notes*) and, in particular, the Senior Non-Preferred Notes will rank junior to present or future claims of unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act.

Moreover, as stated in Condition 4(a) (*Senior Non-Preferred Notes*), the Senior Non-Preferred Notes will rank *pari passu* with the Existing Senior Non-Preferred Notes.

The Issuer may issue other unsubordinated obligations or instruments that rank or are expressed to rank senior to the Senior Non-Preferred Notes as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors and its unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act in full before it can make any payments on the Senior Non-Preferred Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Senior Non-Preferred Notes.

In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Senior Non-Preferred Notes, payments relating to other obligations or instruments of the Issuer that rank *pari passu* with the Senior Non-Preferred Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Senior Non-Preferred Notes on a liquidation or bankruptcy of the Issuer.

### ***The claims of holders of Subordinated Notes are subordinated***

The Subordinated Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer as described in Condition 4 (*Status of the Notes*).

Moreover, as stated in Condition 4(a) (*Subordinated Notes*), the Subordinated Notes will rank *pari passu* with the Existing Subordinated Notes.

The Issuer may issue other subordinated obligations or instruments that rank or are expressed to rank senior to the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors, its unsubordinated creditors and, subject as described in the paragraph that follows, its other subordinated creditors other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to each of the Subordinated Notes, as applicable, in full before it can make any payments on the Subordinated Notes, as applicable. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Subordinated Notes, as applicable.

According to section 13(4) of the Danish Recovery and Resolution Act, implementing Article 48(7) of the BRRD (i.e. Article 1(2)(c) of BRRD II), liabilities resulting from fully or partially recognised own funds instruments (within the meaning of the CRR, and including the Subordinated Notes) shall rank junior to all other liabilities. In principle, this means that liabilities resulting from own funds instruments that are no longer fully or partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities resulting from any fully or partially recognised own funds instrument regardless of their contractual ranking. Accordingly, in the event of a liquidation or bankruptcy of the Issuer, the Issuer will, *inter alia*, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that no longer fully or

partially are recognised as an own funds instrument (within the meaning of the CRR) in full before it can make any payments on the Subordinated Notes.

Section 13(5) of the Danish Recovery and Resolution Act, which entered into force on 1 January 2022, prescribes a bankruptcy ranking of own funds instruments that is aligned with the CRR. In the case of bankruptcy, section 13(5) of the Danish Recovery and Resolution Act stipulates that Common Equity Tier 1 Capital instruments are paid after Additional Tier 1 Capital instruments (such as the Additional Tier 1 Capital Notes) and that Additional Tier 1 Capital instruments are paid after Tier 2 Capital instruments (such as the Subordinated Notes). A capital instrument that is only partly recognised as an own funds item shall in its entirety be treated as if it belongs to that respective own funds item. According to the preparatory works of the Danish Recovery and Resolution Act, the ranking as provided for in section 13(5) of the Danish Recovery and Resolution Act will apply irrespective of the contractual ranking of the capital instruments. Accordingly, section 13(5) of the Danish Recovery and Resolution Act and the preparatory works thereto provide that own funds instruments will rank in accordance with their classification in the own funds of the credit institution, regardless of their contractual terms. As an example of the operation of section 13(5) of the Danish Recovery and Resolution Act, in the event of a liquidation or bankruptcy of the Issuer, Additional Tier 1 Capital instruments that no longer fully or partially are recognised as Additional Tier 1 Capital for the purpose of the CRR, but which fully or partially are recognised as Tier 2 Capital for the purpose of the CRR, would rank *pari passu* with Subordinated Notes. In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Subordinated Notes, payments relating to other obligations or capital instruments of the Issuer that rank, e.g. by operation of section 13(5) of the Danish Recovery and Resolution Act and/or are expressed to rank *pari passu* with the Subordinated Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Subordinated Notes on a liquidation or bankruptcy of the Issuer.

In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Subordinated Notes, payments relating to other obligations or instruments of the Issuer that rank (for example, by operation of section 13(5) of the Danish Recovery and Resolution Act) and/or are expressed to rank *pari passu* with the Subordinated Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Subordinated Notes on a liquidation or bankruptcy of the Issuer.

There is a risk that an investor in the Subordinated Notes will lose all or some of its investment should the Issuer become insolvent.

***The Issuer's obligations related to the Additional Tier 1 Capital Notes are deeply subordinated***

The Additional Tier 1 Capital Notes will constitute direct, unconditional, unsecured and subordinated debt obligations of the Issuer and will rank as described in Condition 4(c) (*Perpetual Non-cumulative Additional Tier 1 Capital Notes*).

The Issuer may issue other subordinated obligations or instruments that rank or are expressed to rank senior to the Additional Tier 1 Capital Notes or *pari passu* with the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay (i) unsubordinated creditors of the Issuer (including unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act and unsubordinated creditors that are creditors in respect of Senior Non-Preferred Obligations), (ii) creditors of the Issuer that are creditors in respect of any obligations or capital instruments of the Issuer which constitute Tier 2 Capital, (iii) other subordinated creditors of the Issuer (other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Additional Tier

1 Capital Notes) and (iv) creditors of the Issuer that as a result of section 13(4) of the Danish Recovery and Resolution Act, implementing Article 48(7) of the BRRD and/or section 13(5) of the Danish Recovery and Resolution Act, rank or shall rank senior to the Additional Tier 1 Capital Notes in full before it can make any payments on the Additional Tier 1 Capital Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Additional Tier 1 Capital Notes.

According to section 13(4) of the Danish Recovery and Resolution Act, implementing Article 48(7) of the BRRD, liabilities resulting from fully or partially recognised own funds instruments (within the meaning of the CRR, and including the Additional Tier 1 Capital Notes) shall rank junior to all other liabilities. In principle, this means that liabilities resulting from own funds instruments that no longer fully or partially are recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities resulting from any fully or partially recognised own funds instrument regardless of their contractual ranking. Accordingly, in the event of a liquidation or bankruptcy of the Issuer, the Issuer will, *inter alia*, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that no longer fully or partially are recognised as an own funds instrument (within the meaning of the CRR) in full before it can make any payments on the Additional Tier 1 Capital Notes. In addition, in the event of a liquidation or bankruptcy of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the Additional Tier 1 Capital Notes, payments relating to other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Additional Tier 1 Capital Notes may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Additional Tier 1 Capital Notes on a liquidation or bankruptcy of the Issuer.

As mentioned above, section 13(5) of the Danish Recovery and Resolution Act stipulates that Common Equity Tier 1 Capital instruments are paid after Additional Tier 1 Capital instruments and Additional Tier 1 Capital instruments (such as the Additional Tier 1 Capital Notes) are paid after Tier 2 Capital instruments. As an example of the operation of Section 13(5) of the Danish Recovery and Resolution Act see "*The claims of holders of Subordinated Notes are subordinated*" above, in the event of a liquidation or bankruptcy of the Issuer, Additional Tier 1 Capital instruments that no longer fully or partially are recognised as Additional Tier 1 Capital for the purpose of the CRR, but which fully or partially are recognised as Tier 2 Capital for the purpose of the CRR, would rank senior to the Additional Tier 1 Capital Notes.

There is a risk that an investor in the Additional Tier 1 Capital Notes will lose all or some of its investment should the Issuer become insolvent.

#### ***Redemption of the Notes by the Issuer; redemption subject to permission of the Relevant Regulator***

Under the CRR, any Subordinated Notes or Additional Tier 1 Capital Notes may generally not be redeemed during the first five years after such Notes have been issued. The Issuer may, subject to prior permission from the Relevant Regulator (in accordance with the requirements in Articles 77 and 78 of the CRR and Article 29 of the CDR) (as provided in Condition 8(k)), redeem such Notes five years after issuance if the option is so specified in the applicable Final Terms or Pricing Supplement, as applicable, and the other requirements under Condition 8 are complied with.

In addition, during the first five years after any Subordinated Notes or Additional Tier 1 Capital Notes have been issued (and at any time thereafter), the Issuer may, at its option but subject to prior permission from the Relevant Regulator and/or the Danish Resolution Authority (as applicable), at any time redeem all, but not some, of such Notes at their Early Redemption Amount together with accrued interest (insofar, in the case of Additional Tier 1 Capital Notes, as such interest has not been cancelled) upon the occurrence of a Tax Event or upon the occurrence of a Capital Event in accordance with Condition 8(d), Condition 8(e) or Condition 8(f), as the case may be.

In the case of Senior Non-Preferred Notes, any early redemption by the Issuer of such Notes upon the occurrence of a Tax Event or an Eligibility Event (as the case may be) in accordance with Condition 8(d)) will also be subject to the prior permission of the Relevant Regulator and/or the Danish Resolution Authority (as applicable) in accordance with the requirements in Articles 77(2) and 78a of the CRR, in the event an MREL Requirement is imposed on mortgage banks such as the Issuer.

Noteholders should not invest in the Notes in the expectation that a call option included in the terms of the Notes will be exercised by the Issuer. The Relevant Regulator and/or the Danish Resolution Authority (as applicable) must, in case of any of the Notes, agree to permit such a call to be exercised by the Issuer, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. In any such case, there can be no assurance that the Relevant Regulator and/or the Danish Resolution Authority (as applicable) will permit such a call to be exercised by the Issuer.

In addition, if, after a notice of redemption has been given in accordance with Condition 8(d), Condition 8(e) or Condition 8(f), as the case may be, the Relevant Regulator and/or the Danish Resolution Authority (as applicable) withdraw(s) its/their its permission(s) to the relevant redemption (or in the case of Additional Tier 1 Capital Notes, a Trigger Event occurs) before the relevant redemption date, the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in Condition 8(k), as the case may be, have been fulfilled. Prospective investors in the relevant Notes should be aware that, whether or not a redemption notice has been issued in respect of the Notes, any redemption of the Notes will, at all times, remain subject to the permission of the Relevant Regulator and/or the Danish Resolution Authority (as applicable).

***Resolution tools and powers under the BRRD (as implemented into Danish law by way of the Danish Recovery and Resolution Act)***

The BRRD contains various powers which may be used alone or in combination without the consent of the credit institution's creditors, including the Noteholders, where the relevant resolution authority considers that (a) a credit institutions is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such credit institution within a reasonable timeframe, and (c) a resolution action is in the public interest, including (I ) the sale of business tool, (ii) the bridge institution tool, and (iii) the asset separation tool.

The exercise of any resolution tools and powers under the BRRD, or any suggestion of such exercise, could have a material adverse effect on the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

***Senior Non-Preferred Notes: Loss absorption following a Resolution Event***

The Senior Non-Preferred Notes include a principal loss absorption feature that means that the proceeds of their issue will be available to absorb any losses of the Issuer upon the occurrence of a Resolution Event. The principal loss absorption feature is included as a contractual provision of the Senior Non-Preferred Notes as a result of the fact that the general bail-in tool under the BRRD as implemented in Denmark does not apply to Danish mortgage banks such as the Issuer. The principal loss absorption feature applicable to the Senior Non-Preferred Notes is (A) intended to have the same effect as the general bail-in tool would have to an institution to which the general bail-in tool applies and (B) included as a contractual provision in the Conditions as the

Senior Non-Preferred Notes are intended to be (i) used to fulfil the Debt Buffer Requirement of the Issuer pursuant to section 268 of the Danish Financial Business Act and/or the MREL Requirement (if applicable) of the Issuer (ii) eligible for inclusion in the Additional Loss-Absorbing Capacity of the Issuer as described by S&P.

Upon the occurrence of a Resolution Event, the Outstanding Principal Amounts of the Senior Non-Preferred Notes may be written-down permanently (in whole or in part) or the Senior Non-Preferred Notes may be converted (in whole or in part) into a subordinated instrument of the Issuer, all as determined by the Relevant Regulator and/or the Danish Resolution Authority, provided that all other debt instruments and other obligations of the Issuer which are expressed to rank or which rank junior to the Senior Non-Preferred Notes in the case of bankruptcy or liquidation of the Issuer have already fully absorbed losses of the Issuer to the extent required by the Danish Resolution Authority before any write-down or conversion of the Notes pursuant to the application of Condition 6 (*Loss absorption following a Resolution Event*)

Holders of Senior Non-Preferred Notes will lose all or a part of their investment as a result of (i) such a write-down to the Outstanding Principal Amounts of the Senior Non-Preferred Notes or (ii) such a conversion of the Senior Non-Preferred Notes to a subordinated instrument. Any such write-down or conversion is not a default in payment pursuant to the Conditions.

Following (i) a write-down of the Outstanding Principal Amounts of the Senior Non-Preferred Notes or (ii) a conversion of the Senior Non-Preferred Notes into a subordinated instrument of the Issuer, in either case as described above, the holders of Senior Non-Preferred Notes will be automatically deemed to waive irrevocably their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Senior Non-Preferred Notes so written down or converted (such amount, the "**Written Down Amount**" or the "**Converted Amount**") or any accrued but unpaid interest on the Written Down Amount or Converted Amount.

Investors should note that any such write-down or conversion as a result of the occurrence of a Resolution Event will be irrevocable and that the holders of Senior Non-Preferred Notes will, following any such write-down or conversion, not be entitled (A) to any subsequent reinstatement of any Written Down Amount or any Converted Amount or (B) to receive any additional subordinated instruments or any other compensation in the event of a potential recovery of the Issuer.

The market price of the Senior Non-Preferred Notes is expected to be affected by the financial viability of the Issuer. Any indication that the Issuer is failing or likely to fail may have a material adverse effect on the market price of the Senior Non-Preferred Notes.

Investors should note that, while neither a write-down of the Outstanding Principal Amounts of the Senior Non-Preferred Notes nor a conversion of the Notes into a subordinated instrument of the Issuer is common, the occurrence of either such event is an appreciable risk and is not limited to the liquidation or bankruptcy of the Issuer.

***Additional Tier 1 Capital Notes will be subject to loss absorption following a Trigger Event***

The Additional Tier 1 Capital Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions and which, in particular, require the Additional Tier 1 Capital Notes and the proceeds of their issue to be available to absorb any losses of the Issuer.

Accordingly, if at any time the Common Equity Tier 1 Capital Ratio of the Issuer has fallen below the Trigger Event Threshold per cent., the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes shall be written down as described below and in Condition 7(b).

Holders of the Additional Tier 1 Capital Notes may lose all or some of their investment as a result of such a write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes. In the case of any such write down of the Outstanding Principal Amounts, in compliance with the CRD/CRR and BRRD requirements and subject to the Principal Minimum Amount, the amount of the relevant write down to the Outstanding Principal Amounts on the Write Down Date will be equal to the amount of a write down of the Outstanding Principal Amounts of the Notes on the relevant Write Down Date that would restore the Common Equity Tier 1 Capital Ratio of the Issuer, as applicable, to at least the Trigger Event Threshold per cent. at the point of such write down, taking into account the amount of Common Equity Tier 1 Capital (if any) of the Issuer, as the case may be, generated on or prior to the relevant Write Down Date by the *pro rata* write down of, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of all Other Loss Absorbing AT1 Instruments (if any) outstanding at such time.

It is possible that, following a material decrease in the Common Equity Tier 1 Capital Ratio of the Issuer, a Trigger Event could occur simultaneously with a trigger event in relation to one or more Other Loss Absorbing AT1 Instruments having, as the case may be, (i) a higher, (ii) an identical or (iii) a lower trigger level than the Trigger Event Threshold. In such circumstances, investors should note that, with respect to each such Other Loss Absorbing AT1 Instrument (if any), Condition 7(b) provides that the *pro rata* write down or, as the case may be, conversion shall only be taken into account as described above to the extent required to restore the Common Equity Tier 1 Capital Ratio of the Issuer, as applicable, to the Trigger Event Threshold per cent. or, if lower, such Other Loss Absorbing AT1 Instrument's trigger level. Once the Common Equity Tier 1 Capital Ratio of the Issuer, as applicable, has been restored to at least the Trigger Event Threshold per cent. at the point of the relevant write down, the Issuer expects that any additional amounts of Common Equity Tier 1 Capital which are required to cure a trigger event in relation to any Other Loss Absorbing AT1 Instruments with a higher trigger level (“**Higher Trigger Other Loss Absorbing AT1 Instruments**”) than the Trigger Event Threshold per cent. will only be generated by the further write down of, or, as the case may be, further conversion into Common Equity Tier 1 Capital instruments of, the principal amount of such Higher Trigger Other Loss Absorbing AT1 Instruments, in each case in accordance with the terms of such Higher Trigger Other Loss Absorbing AT1 Instruments and the CRD/CRR requirements.

Investors should also note that, if the Issuer issues any Other Loss Absorbing AT1 Instruments, the Issuer expects that such Other Loss Absorbing AT1 Instruments shall be treated for the purposes of determining the relevant *pro rata* amounts to be taken into account as described above and in Condition 7(b) as if their terms permitted partial write down or, as the case may be, partial conversion into Common Equity Tier 1 Capital instruments.

In addition, investors should note that Condition 7(b) provides that, to the extent the write down of, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing AT1 Instrument is not, or by the relevant Write Down Date will not be, effective for any reason:

- (A) the ineffectiveness of any such write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments shall not prejudice the requirement to effect a write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes pursuant to Condition 7(b); and
- (B) the write down of, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing AT1 Instrument which is not, or by the relevant Write Down Date will not be, effective shall not be taken into account in determining such write down of the Additional Tier 1 Capital Notes.

Therefore, (i) the write down of, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing AT1 Instruments is not a condition to a write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes and (ii) as a result of any

failure to write down or, as the case may be, convert into Common Equity Tier 1 Capital instruments the principal amount of any Other Loss Absorbing AT1 Instruments, the amount of the write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes may therefore be higher than expected.

As any such write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes is subject to compliance with the CRD/CRR and BRRD requirements, the write down provisions described above and in Condition 7(b) are subject to, and will be interpreted in light of, any applicable changes to any such requirements. Notwithstanding any of the provisions relating to a write down of the Additional Tier 1 Capital Notes as described above, there is a risk that the Issuer may determine that the CRD/CRR requirements require a write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes to be calculated and determined in a different manner than as described above and in Condition 7(b). Investors should note that, in the case of any such write down of the Outstanding Principal Amounts of the Perpetual Non-cumulative Additional Tier 1 Capital Notes pursuant to Condition 7(b), the Issuer's determination of the relevant amount of such write down shall be binding on all parties.

Any such write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes shall not constitute an event of default or an Enforcement Event and, following such write down, such Noteholders' claims in respect of principal will, in all cases, be based on the written down Outstanding Principal Amounts of the Additional Tier 1 Capital Notes to the extent the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes have not subsequently been reinstated as described in Condition 7(c).

In addition, following a write down of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes as described above, interest can only continue to accrue on the Outstanding Principal Amounts following such write down.

Following any such write down, the Issuer will not in any circumstances be obliged to reinstate the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes, but any reinstatement must be undertaken, subject to compliance with CRD/CRR requirements and the Reinstatement Limit described in Condition 7(c), on a *pro rata* basis with all other Parity Trigger Loss Absorbing AT1 Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital and feature similar reinstatement provisions. Prospective holders of Additional Tier 1 Capital Notes should note that, while the Conditions provide for a *pro rata* reinstatement as described in the preceding sentence, there is no guarantee (including as regards the timing of the relevant reinstatement) how a reinstatement of the Outstanding Principal Amounts of the Additional Tier 1 Capital Notes would be conducted when compared to any proposed reinstatement of any obligations or capital instruments of the Issuer (i) with a similar principal loss absorption mechanism but with a higher or lower trigger level compared to the Additional Tier 1 Capital Notes and (ii) which include similar reinstatement provisions.

Investors should note that, while such a write down is not common, it is an appreciable risk and is not limited to the liquidation or bankruptcy of the Issuer. In such event, holders of Additional Tier 1 Capital Notes may lose some or substantially all of their investment in the Additional Tier 1 Capital Notes.

***Uncertainty in respect of the enforceability relating to the principal loss absorption feature of the Senior Non-Preferred Notes***

The principal loss absorption feature for the Senior Non-Preferred Notes included in the Conditions grants broad powers and a wide discretion to the Relevant Regulator and/or the Danish Resolution Authority as to the precise scope and manner in which the loss absorption should be affected if a Resolution Event were to occur. Certain provisions of the BRRD as implemented into Danish law would apply to an application of the principal loss absorption feature. For example, according to section 49 of the Danish Recovery and Resolution Act, the Danish Resolution Authority can only exercise its powers to write-down or convert the Senior Non-Preferred Notes as described in Condition 6 (*Loss absorption following a Resolution Event*) to the extent that the holders

of Senior Non-Preferred Notes do not incur greater losses than they would have incurred had the Issuer been wound up under normal insolvency proceedings. Moreover, section 268(a) of the Danish Financial Business Act stipulates that capital or debt instruments used to meet the Debt Buffer Requirement must be eligible for write-down or conversion without the use of bail-in. However, unlike the general bail-in tool, which applies to Danish banks but not to Danish mortgage banks such as the Issuer, there is no explicit statutory basis for the principal loss absorption feature. The broad powers and large discretion granted to the Relevant Regulator and/or the Danish Resolution Authority and the lack of statutory basis for the principal loss absorption feature mean that there is some uncertainty in respect of (i) the enforceability of the principal loss absorption feature and (ii) the precise scope and manner in which it may be effected if a Resolution Event were to occur. This could have a material adverse effect on the market value of the Notes.

***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”***

Interest rates and indices which are deemed to be “benchmarks” (such as a Reference Rate), are the subject of national and international regulatory guidance and reforms. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to cease entirely, or to be changed in a way where the consequences cannot be entirely predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”.

Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the United Kingdom. Similarly, it prohibits the use in the United Kingdom by United Kingdom supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-United Kingdom based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

Certain initiatives have been made by the ECB in respect of EURIBOR fallback rates (such as the Euro Short-term Rate) and by Finance Denmark (a Danish business association for banks, mortgage banks, asset management, securities trading and investment funds in Denmark), the Money Market Committee and Danish Central Bank (in Danish: *Danmarks Nationalbank*) in respect of CIBOR (such as Denmark Short-term Rate and other rates based thereon) which may provide guidance on the market consensus on fallback trigger events and fall-back rates, however, it is still not possible to predict whether, and to what extent, EURIBOR, CIBOR and other benchmarks will continue to be supported going forward. This may cause these benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the cessation of the benchmark. Any of the above changes or any other

consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

***Future discontinuance of certain benchmark rates (for example, EURIBOR or CIBOR) may adversely affect the value of Floating Rate Notes which are linked to or which reference any such benchmark rate***

Investors should be aware that, if a benchmark rate such as EURIBOR or CIBOR were discontinued or otherwise unavailable, (including if any page on which such benchmark may be published (or any successor service)), unavailable or if a Benchmark Event (as defined in “*Terms and Conditions of the Notes*” below) otherwise occurs, the rate of interest on Floating Rate Notes or Reset Notes which are linked to or which reference such benchmark rate will be determined for the relevant period by the fallback provisions in the Conditions applicable to such Notes.

If the circumstances described in the preceding paragraph occur, such fallback arrangements may include the possibility that, without the consent of Noteholders:

- (i) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a Successor Reference Rate or an Alternative Reference Rate (as applicable) determined by the Issuer (following consultation with an Independent Adviser (if any)); and
- (ii) such Successor Reference Rate or Alternative Reference Rate (as applicable) may be adjusted (if required) by the Issuer (following consultation with an Independent Adviser (if any)) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the Original Reference Rate with the relevant Successor Reference Rate or Alternative Reference Rate (as applicable),

in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Conditions of the Relevant Notes. Any such adjustment could have unexpected commercial consequences and which may be less favourable to the Noteholders than EURIBOR and CIBOR.

In addition, the Issuer (following consultation with an Independent Adviser (if any)) may also determine (acting in good faith and in a commercially reasonable manner), without the consent of Noteholders, that other amendments to the Conditions of the Notes are necessary, as described in Condition 5(c)(v)(e).

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the relevant Floating Rate Notes or Reset Notes.

In addition, potential investors should also note that no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the relevant Notes will be made, if and to the extent that, in the determination of the Issuer, the same could be expected to prejudice, *inter alia*, the eligibility or qualification of the Notes, as more fully described in Condition 5(c)(v).

## RESPONSIBILITY STATEMENT

### The Issuer's responsibility

The Issuer is responsible for this Base Prospectus in accordance with Danish law.

### Responsible persons

The Board of Directors and the Executive Board of the Issuer are responsible for this Base Prospectus on behalf of the Issuer.

#### *Board of Directors of the Issuer*

**Vagn Hansen**

(Chairman)

**Bjarne Larsen**

(Deputy Chairman)

**Carsten Jakobsen**

(Director)

**Claus Andersen**

(Director)

**Frank Mortensen**

(Director)

**Jakob G. Hald**

(Director)

**Lars Faber**

(Director (staff-elected member))

**Lars Petersson**

(Director)

**Ole Beith**

(Director (staff-elected member))

**Randi Holm Franke**

(Director (staff-elected member))

who have pursuant to a special authority dated 8 May 2023 authorised that the Executive Board may jointly sign this Base Prospectus and any future supplements.

The members of the Executive Board of the Issuer are:

**Jens Kr. A. Møller**

(Managing Director and CEO)

**Pernille Lohmann**

(Managing Director)

The Board of Directors and the Executive Board of the Issuer are responsible for this Base Prospectus on behalf of the Issuer.

## **Declaration**

The persons responsible for this Base Prospectus hereby declare that to the best of our knowledge, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The persons responsible furthermore declare that this Base Prospectus has been approved by the Danish Financial Supervisory Authority (the "**Danish FSA**") as competent authority under the Prospectus Regulation. The Danish FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Shareholders and investors should make their own assessment as to the suitability of investing in the Notes.

Copenhagen, 29 September 2023

For and on behalf of DLR Kredit A/S

**Jens Kr. A. Møller**

(Managing Director and CEO)

**Pernille Lohmann**

(Managing Director)

## INVESTMENT CONSIDERATIONS

### Issuer's capital requirements and liquidity requirements

#### *Basel III and CRR III / CRD VI Proposals: Finalising post-crisis reforms*

The regulatory framework for the Issuer's capital requirements is set forth in Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms as amended or replaced from time to time (including, for the avoidance of doubt, the amendment to such Regulation resulting from Regulation (EU) 2019/876 of the European Parliament and of the Council) (the "CRR") and Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time (as implemented in Denmark (including, the amendments to such Directive resulting from Directive (EU) 2019/878 of the European Parliament and of the Council) (the "CRD"), and consists of three pillars:

- Pillar I contains a set of rules for calculating the minimum capital requirement (i.e. 8 per cent of the Risk Exposure Amount for credit risk, market risk and operational risk - including counterparty credit risk, exposures to central counterparties and exposures to collective investment undertakings), a minimum loss coverage for non-performing loans (non-performing loan backstop) and large exposure requirements.
- Pillar II describes, *inter alia*, the ICAAP (Internal Capital Adequacy Assessment Process), the ILAAP (Internal Liquidity Adequacy Assessment Process) frameworks and the supervisory review.
- Pillar III deals, *inter alia*, with market discipline and sets forth disclosure requirements for risk and capital management and the individual solvency need.

The European Union Banking Reform Package, consisting of Directive 2019/878 of the European Parliament and of the Council ("CRD V"), Regulation (EU) 2019/876 of the European Parliament and of the Council ("CRR II") and Directive (EU) 2019/879 of the European Parliament and of the Council ("BRRD II"), have been implemented into Danish law by amendments to the Danish Financial Business Act and the Danish Recovery and Resolution Act.

On 7 December 2017, the Basel Committee issued a publication titled: "*Basel III: Finalising post-crisis reforms*" (informally referred to as the "**Basel IV**"). The publication includes, among other things, a number of changes to and restrictions for credit institutions using internal models. On 27 October 2021, the EU Commission adopted a review of the CRR and CRD (the "**CRR III Proposal**" and "**CRD VI Proposal**"), which implements the Basel IV standards. As of the date of this Base Prospectus, the CRR III Proposal and the CRD VI Proposal are being negotiated by the Council and the European Parliament.

The Basel IV framework (implemented in the CRR III Proposal and CRD VI Proposal, as defined below in the section "*Investment Considerations*") includes a number of different requirements. The Issuer considers the most important impact to be the introduction of a capital floor requirement for credit institutions applying internal ratings-based risk models. The capital floor requirement entails that a credit institution will be subject to a minimum capital requirement across risk types (credit, market and operational risk) of 72.5 per cent of the capital requirement calculated according to the standardised approach. According to the CRR III Proposal, a minimum capital requirement of 50 per cent will apply to the Issuer as early as 2025 and will gradually increase until fully implemented in 2030. The CRR III Proposal also includes some temporary mitigating effects to the capital floor; however, these effects are to be phased out by the end of 2032. The introduction of such a capital floor implies that the Risk Exposure Amounts of credit institutions applying internal ratings-based risk models (such as the Issuer) could be floored at a higher level, which consequently would increase such credit institutions' capital requirements. The specific impact of Basel IV depends on the final EU implementation.

### *The NPE Backstop Regulation*

Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures (the “**NPE Backstop Regulation**”) was adopted in 2019 and concerns requirements for minimum loss coverage for non-performing exposures (“**NPEs**”). The purpose of the NPE Backstop Regulation is to limit the build-up of NPEs in credit institutions and at the same time encourage the institutions to reduce their current portfolio of NPEs. In addition, the purpose is to ensure an adequate reservation for NPEs – contributing towards a more resilient financial sector.

Pursuant to the NPE Backstop Regulation, for all NPEs, a minimum coverage must be calculated, and this must be compared with the loan impairment charges made on the exposure. If the minimum coverage exceeds the loan impairment charges, this results in a deduction in the institution’s Common Equity Tier 1 Capital, corresponding to the difference (referred to as the “**NPE backstop**”), which would also lead to a lower Common Equity Tier 1 Capital Ratio of the institution. When calculating the minimum coverage, a distinction is made between exposures that are covered by real estate collateral, exposures covered by other collateral and unsecured exposures. The minimum coverage increases the longer the exposure is in default and the minimum coverage on unsecured exposures is generally higher than on exposures secured by collateral. The minimum coverage is 100 per cent. of the exposure in the 10th year after the exposure is considered to be non-performing. The NPE backstop deduction in an institution’s Common Equity Tier 1 Capital will to some extent, especially for NPE vintage exposures with a high REA, be partly offset by a reduction in the REA calculation in respect of such exposures (and thereby in the own funds requirement calculation).

All exposures granted before 26 April 2019 are excluded from the NPE backstop. However, the exposures fall out of the transitional scheme if the terms and conditions regarding the exposure are changed in a way that increases the institution's exposure to the borrower. As a consequence, the NPE backstop will increase over the coming years, partly due to exposures that fall out of the transitional scheme, and partly due to new NPEs.

### ***Individual solvency requirement***

Pursuant to Executive Order No. 2155 of 03 December 2020 on Calculation of Risk Exposures, Own Funds and Solvency Need, banks and mortgage banks such as the Issuer are required to publish their individual solvency need each quarter. The individual solvency need is the capital considered sufficient to cover the Issuer’s risks on a consolidated basis. The individual solvency requirement is calculated on the basis of the requirement under Pillar I plus a supplement for requirements under Pillar II (the “**P2R**”). The P2R are the additional own funds requirements to cover certain risks, including unexpected losses, risk arising from deficiencies in internal governance arrangements and the risk of underestimation of risk due to model deficiencies. Competent authorities may require additional Pillar II capital to be maintained by an institution.

The additional own funds requirement must be fulfilled with at least 56.25 per cent Common Equity Tier 1 Capital and at least 75 per cent Tier 1 Capital. Furthermore, competent authority may require that the institution fulfils its additional own funds requirement with a higher portion of Tier 1 Capital or Common Equity Tier 1 Capital where necessary (while having regard to the specific circumstances of the relevant institution).

### ***Combined capital buffer requirement***

The CRD includes a combined capital buffer requirement consisting of a capital conservation buffer and, depending on the circumstances, increased by an institution-specific countercyclical capital buffer, a G-SII buffer (applicable to global systemically important institutions (“**G-SIIs**”)) or O-SII buffer (applicable to other systemically important institutions (“**O-SIIs**”)) and a systemic risk buffer (“**SyRB**”).

The combined capital buffer requirement consists, in the case of the Issuer, of a 2.5 per cent capital conservation buffer, a 1.0 per cent O-SII buffer and a countercyclical buffer, currently at 0 per cent (but will be 2 per cent at

the end of 2022) (all are stated as a percentage of the overall risk exposure and must be met through the Common Equity Tier 1 Capital under CRD/CRR).

The Danish Minister for Industry, Business and Financial Affairs determines the countercyclical buffer rate in Denmark after recommendations from The Danish Systemic Risk Council. The countercyclical capital buffer was reduced from 1 per cent to 0 per cent on 11 March 2020 as a result of unrest in the financial markets due to the COVID-19 outbreak. At the meeting in June 2021, The Danish Systemic Risk Council recommended to reactivate the countercyclical capital buffer at a rate of 1.0 per cent. from 30 September 2022. On 23 June 2021, the Minister for Industry, Business and Financial Affairs decided to increase the countercyclical capital buffer in line with the recommendation. On 14 December 2021, The Danish Systemic Risk Council recommended a further increase in the capital buffer rate to 2.0 per cent. from 31 December 2022. On 15 December 2021, the Minister for Industry, Business and Financial Affairs announced his decision, following the recommendation from the Danish Systematic Risk Council, to increase the contracyclical capital buffer for the fourth quarter of 2021 from 1 per cent to 2 per cent with effect from 31 December 2022. On 30 March 2022, the Minister for Industry, Business and Financial Affairs announced his decision, following a recommendation from the Danish Systematic Risk Council, to increase the countercyclical capital buffer from 2 per cent to 2.5 per cent with effect from 31 March 2023 as a result of the rapid economic rebound after the COVID-19 outbreak.

The Danish FSA designates the Danish O-SIIs once a year on or before 30 June. Since June 2014, the Danish FSA has designated the Issuer as an O-SII. The Issuer is expected to be continuously designated as a Danish O-SII. The designation as a Danish O-SII result in the institution being subject to a higher capital requirement (referred to above as the O-SII buffer) reflecting the individual institution's systemic importance, so-called systemicness. The O-SII buffer requirement must be fulfilled with Common Equity Tier 1 Capital (CET1) and is expressed as a percentage of the total REA. The Issuer is subject to a O-SII buffer requirement of 1.0 per cent as regards Common Equity Tier 1 Capital as of 2022.

### ***Guidance of additional own funds***

The CRD also includes the possibility for competent authorities to impose “guidance on additional own funds” (the "**P2G**") to credit institutions, such as the Issuer, which sets a level and quality of Common Equity Tier 1 Capital the relevant credit institution is expected to hold in excess of its overall capital requirement. The guidance on additional own funds will be based on, *inter alia*, the stress tests performed in respect of the Issuer (see “*Risks related to stress tests and other regulatory enquiries, which could trigger enforcement actions by supervisory authorities*” below). Where an institution repeatedly fails to meet the guidance on additional own funds, the competent authority is entitled to take supervisory measures and, where appropriate, impose additional own funds requirements (P2R).

### ***Leverage ratio***

The CRR requires institutions, such as the Issuer, to comply with a “Leverage Ratio” requirement of minimum 3 per cent Tier 1 Capital. For G-SIIs, the minimum requirement is 5 per cent including a leverage ratio related maximum distributable amount for G-SIIs (the "**L-MDA**"). The L-MDA restrictions may, at a later stage, be extended to O-SIIs, such as the Issuer.

### ***Liquidity requirements***

The CRR requires institutions, such as the Issuer, to comply with a “Liquidity Coverage Ratio” (the "**LCR**") and a harmonised binding requirement for stable funding (the “**Net Stable Funding Ratio**” or “**NSFR**”). Both ratios are required to be above 100 per cent.

## **Resolution tools and powers under the BRRD**

### ***Recovery and Resolution Directive***

Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms (the “**BRRD**”), including the general bail-in tool, the non-viability loss absorption tool and the MREL Requirement, has been implemented into Danish law by the Danish Recovery and Resolution Act and by amendments to the Danish Financial Business Act. Any reference to the BRRD below shall include the implementation hereof into Danish law.

The BRRD confers substantial powers on national resolution authorities designed to enable them to take a range of actions in relation to credit institutions which are considered to be at risk of failing.

The BRRD contains various powers which may be used alone or in combination without the consent of the credit institution's creditors, including the Noteholders, where the relevant resolution authority considers that (a) a credit institutions is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such credit institution within a reasonable timeframe, and (c) a resolution action is in the public interest. An institution will be considered as failing or likely to fail when either: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In such circumstance, the relevant resolution authority may use the following resolution tools and powers alone or in combination without the consent of the institution's creditors: (i) the sale of business tool, (ii) the bridge institution tool, (iii) the asset separation tool, and (iv) the bail-in tool.

The general bail-in tool does not apply to mortgage banks such as the Issuer. However, the relevant resolution authority has the power to permanently write-down or convert into equity, certain capital instruments (such as the Subordinated Notes and the Additional Tier 1 Capital Notes), at the point of non-viability and before any other resolution action is taken (“**non-viability loss absorption**”). Furthermore, the Danish Financial Business Act confers a power on the Danish FSA that enables it to permanently write down or convert certain eligible liabilities items (such as the Senior Non-Preferred Notes) into equity, if the Danish FSA finds that the institution will not be viable unless the power is applied (see "*Senior Non-Preferred Notes: Loss absorption following a Resolution Event*").

### ***The non-viability loss absorption tool***

The application of the non-viability loss absorption tool with respect to the Notes may result in the write down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to such application of non-viability loss absorption tool. Accordingly, potential investors in the Notes should consider the risk that the application of the non-viability loss absorption tool could result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security than the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply the non-viability loss absorption tool without providing any advance notice to the Noteholders.

To the extent any resulting treatment of Noteholders pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the credit institution (which is

referred to as the “no creditor worse off principle” under the BRRD). However, any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes that have been subject to the application of the general bail-in tool.

#### ***Additional powers of Member States and resolution authorities***

The BRRD also provides for a Member State as a last resort, after having assessed and applied the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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

#### ***MREL Requirement and Debt Buffer Requirement***

With the implementation in Denmark of the BRRD, Danish banks, but not mortgage banks such as the Issuer, are required to have bail-inable resources in order to fulfil the the minimum requirement for own funds and eligible liabilities (the "**MREL Requirement**"). According to the BRRD, mortgage banks, such as the Issuer, are still exempt from the application of the MREL Requirement.

The Danish Central Bank (in Danish: *Danmarks Nationalbank*) has stated that it is the opinion of the central bank that the mortgage credit banks, such as the Issuer, should be subject to an MREL Requirement. In the event, that an MREL Requirement is imposed for the Issuer, this may have a material adverse effect on the Issuer’s funding needs, funding costs, business, results of operations, financial position or prospects.

Instead of MREL, Danish mortgage banks are subject to the Debt Buffer Requirement set out in section 268 of the Danish Financial Business Act. Section 268(1) of the Danish Financial Business Act stipulates that all Danish mortgage banks, such as the Issuer, must have a debt buffer of 2 per cent calculated on the basis of the total unweighted lending of the individual mortgage bank.

Further, section 268(2) of the Danish Financial Business Act states that if a Danish mortgage bank has been designated as an SII (such as the Issuer), the debt buffer must be set at a level that ensures that the combined requirement of the mortgage bank’s debt buffer and own funds amounts to at least 8 per cent of the mortgage bank’s total liabilities. However, the debt buffer must be set at a level of at least 2 per cent of the mortgage bank’s total unweighted lending.

If an institution does not fulfil the Debt Buffer Requirement, the relevant authority may withdraw the mortgage banking licence of that institution.

#### **General investment considerations**

##### ***Modification and waivers***

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) or written procedures of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did

not attend and vote at the relevant meeting or written procedure and Noteholders who voted in a manner contrary to the majority.

The Issuer may also, subject to the provisions of Condition 19 (*Modification of Notes*), make any modification to the Notes, which is not prejudicial to the interests of the Noteholders without the consent of the Noteholders. Any such modification shall be binding on the Noteholders.

***Because the Notes are dematerialised securities, investors will have to rely on the central securities depository system procedures for transfer, payment and communication with the Issuer.***

Notes issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by ES-CPH through which the Notes are issued and settled. Ownership of the Notes will be recorded and transfer effected only through the book entry system and register maintained by ES-CPH through which the Notes are issued and settled.

***The secondary market***

Notes may have no established trading market when issued, and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid and any liquidity in such market could be significantly affected by any purchase and cancellation of the Notes by the Issuer, as provided in Condition 8 (*Redemption, purchase and options*). Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes.

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

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

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

***The Issuer is exposed to changing methodology by rating agencies***

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

Potential investors should note that a credit rating is not a recommendation to buy, sell or hold securities and any rating agency may revise, suspend or withdraw at any time the relevant rating assigned by it if, in the sole

judgment of the relevant rating agency, among other things, the credit quality of an issue of Notes or, as the case may be, either Issuer has declined or is in question.

***The Issuer may decline ratings and the Notes may be rated on a non-solicited basis***

To the extent permitted by a rating agency hired by the Issuer, the Issuer may decline a rating (which may include a non-investment grade rating) assigned by the hired rating agency to the Notes, which would typically delay the publication of that rating by such rating agency. In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Notes may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to the Notes, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Notes.

**Legal considerations**

***Change of law***

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

***There are no events of default and limited enforcement events related to the Notes***

Each Series of Notes will not contain any events of default and will only contain limited enforcement events relating to:

- (i) non-payment by the Issuer of any amounts due under the relevant Series of Notes. In such circumstances, as described in more detail in Condition 12 (*Enforcement Events*) and subject as provided below, a Noteholder may institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Noteholder; and
- (ii) the liquidation or bankruptcy of the Issuer. In such circumstances, as described in more detail in Condition 12 (*Enforcement Events*), the relevant Series of Notes will become due and payable at their Outstanding Principal Amount, together with accrued interest thereon.

Accordingly, a Noteholder under such Series of Notes may not itself file for the liquidation or bankruptcy of the Issuer.

If proceedings with respect to the liquidation or bankruptcy of the Issuer should occur, the holders of the relevant Series of Notes would be required to pursue their claims on such Notes in proceedings with respect to the Issuer in Denmark. In addition, to the extent that the relevant Noteholders are entitled to any recovery with respect to such Notes in any such Danish bankruptcy proceedings, such Noteholders would be entitled to a recovery in Danish Kroner or in another relevant currency (the amount of which would be based on the relevant conversion rate of Danish Kroner to such currency in effect on the date the Issuer entered into such liquidation or bankruptcy proceedings).

Furthermore, according to section 17(2) of the Danish Bankruptcy Act, a debtor is insolvent if it cannot meet its obligations as and when they fall due, unless the inability to meet such obligations may be considered to be temporary. However, according to section 234(2) of the Danish Financial Business Act, notwithstanding section 17(2) of the Danish Bankruptcy Act, if the Issuer cannot meet its obligations regarding capital raised as Additional Tier 1 or Tier 2 Capital, which as of the date hereof will include the Additional Tier 1 Capital Notes and/or Subordinated Notes, as the case may be, the Issuer is not considered insolvent. Therefore, even if the

Issuer cannot meet its obligations regarding capital raised as Additional Tier 1 Capital and/or Tier 2 Capital, as the case may be, the Issuer will not be considered insolvent.

***No right of set-off, netting or counterclaim***

No Noteholder, who shall be indebted to the Issuer, shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

***Minimum trading amount of Notes (other than Exempt Notes)***

All trades in Notes (other than Exempt Notes) shall either be in a minimum amount of €100,000 or the minimum specified denomination of each Note (other than Exempt Notes) shall be a minimum €100,000 (or, in each case, if the Notes (other than Exempt Notes) are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency). In such a case a Noteholder who, as a result of trading such amounts or as a result of the application of the write down and conversion powers, holds an amount which is less than €100,000 in its account would not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes (other than Exempt Notes) at or in excess of €100,000 such that its holding amounts to €100,000 or above (or, in each case, if the Notes (other than Exempt Notes) are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency).

***The Additional Tier 1 Capital Notes have no fixed date for redemption***

The Additional Tier 1 Capital Notes are perpetual securities and have no fixed date for redemption. The Issuer is under no obligation to redeem the Additional Tier 1 Capital Notes at any time. There will be no redemption at the option of the Noteholders in any circumstances.

***Substitution and variation of the Senior Non-Preferred Notes without consent from the holders of such Notes***

If an Alignment Event, and/or an Eligibility Event and/or a Rating Methodology Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may, at its option, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Senior Non-Preferred Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Senior Non-Preferred Notes.

Qualifying Senior Non-Preferred Notes are securities issued or guaranteed by the Issuer that have, *inter alia*, terms not otherwise materially less favourable to the Noteholders than the terms of the Senior Non-Preferred Notes, as reasonably determined by the Issuer (provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent).

***Substitution and variation of the Subordinated Notes and Additional Tier 1 Capital Notes without consent from the holders of such Notes***

If a Capital Event and/or a Tax Event, has/have occurred and is/are continuing, the Issuer may, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, at its option, substitute all (but not some only) of the Subordinated Notes and/or Additional Tier 1 Capital Notes, as the case may be, or vary the terms of all (but not some only) of the Subordinated Notes and/or Additional Tier 1 Capital Notes, as the case may be, without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Subordinated Notes and/or Additional Tier 1 Capital Notes, as the case may be.

Qualifying Subordinated Notes are securities issued or guaranteed by the Issuer that have, *inter alia*, terms not prejudicial to the interests of the Noteholders compared to the terms of the Subordinated Notes (provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent).

Qualifying Additional Tier 1 Capital Notes are securities issued by the Issuer that have, *inter alia*, terms which are not materially less favourable to Noteholders than the terms of the Additional Tier 1 Capital Notes (provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent).

***Limitation on gross-up obligation under the Notes***

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, holders of such Notes may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected. Noteholders should note that principal for these purposes may include any payments of premium.

***Interest on Additional Tier 1 Capital Notes may be cancelled in certain circumstances, including with respect to the applicable Maximum Distributable Amount***

Subject as provided in Condition 5(f), any payment of interest in respect of the Additional Tier 1 Capital Notes shall be payable only out of the Issuer's Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or
- (ii) will be mandatorily cancelled, in whole or in part, to the extent:
  - (a) that, if the relevant payment were so made, the amount of such payment, when aggregated together with, where relevant, (x) other distributions of the kind referred to in Article 141(2) of the CRD (or, as the case may be, any provision of Danish law transposing or implementing Article 141(2) of the CRD), or any successor thereto, or (y) distributions of the kind referred to in any analogous payment restrictions arising in respect of capital buffers under CRD/CRR or the BRRD (including, without limitation, Article 16a thereof) and/or any minimum requirement for own funds and eligible liabilities under CRD/CRR and/or the BRRD (including, without limitation, Article 16a thereof) (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions), would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments relating to any applicable Maximum Distributable Amount; or
  - (b) otherwise so required by CRD/CRR, including the applicable criteria for Additional Tier 1 Capital instruments, or the BRRD or where the Relevant Regulator requires the Issuer to cancel the relevant payment in whole or in part.

The CRD/CRR requirements currently provide that discretionary payments in respect of certain capital instruments (including payments of interest on the Additional Tier 1 Capital Notes, which would include, for the avoidance of doubt, any Additional Amounts in respect of interest which may be payable under Condition 10 (*Taxation*)) will be required to be cancelled, in whole or in part, to the extent that:

- (i) the Issuer's Distributable Items are insufficient to make the relevant payment(s); or
- (ii) the combined buffer requirement is not met and, if the relevant payment(s) were made, the amount of such payment(s) would exceed the Maximum Distributable Amount.

The Issuer also expects to cancel any such discretionary payment to the extent that the CRD/CRR or the BRRD prescribes and/or, as the case may be, the Relevant Regulator requires that the relevant payment(s) shall be cancelled.

The Issuer's Distributable Items will depend to a large extent on the net income earned by the Issuer. The determination of the Maximum Distributable Amount is subject to some uncertainty. Under Article 141 of the CRD, European Union Member States must require that institutions that fail to meet the combined buffer requirement (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution), the systemic risk buffer, the global systemically important institutions buffer and, in general, the other systemically important institution buffer, in each case as applicable to the institution) will be subject to restricted "discretionary payments" (which are defined broadly by CRD/CRR as distributions in connection with Common Equity Tier 1 Capital, payments on Additional Tier 1 Capital instruments and, under certain conditions, payments of variable remuneration). The restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the institution since the most recent decision on the distribution of profits or discretionary payment. Such calculation will result in a "maximum distributable amount" in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce discretionary payments, including potentially exercising the discretion to cancel (in whole or in part) interest payments in respect of the Additional Tier 1 Capital Notes. Moreover, in the event that the combined buffer requirement is no longer met by the credit institution it will be required to submit a capital conservation plan to the Relevant Regulator and if the capital conservation plan is not approved by the Relevant Regulator more stringent restrictions on distributions, than those required subject to Article 141 of the CRD, can be imposed on the credit institution.

Further, there can be no assurance that any of the combined buffer requirements applicable to the Issuer will not be increased in the future, which may exacerbate the risk that discretionary payments, including payments of interest on the Additional Tier 1 Capital Notes, are cancelled.

As mentioned above, the Issuer is entitled to cancel payments of interest in its sole discretion and it is permitted to do so even if it could make such payments without exceeding the limits described in the paragraph immediately above. Notwithstanding the above expectations, payments of interest on the Additional Tier 1 Capital Notes may be cancelled even if holders of the Issuer's shares continue to receive dividends. The Issuer intends to respect the hierarchy of different capital providers subject to compliance at all times with applicable regulatory requirements. However, the Issuer may at any time depart from this policy at its sole discretion.

Following any cancellation of interest as described above, the right of holders of Additional Tier 1 Capital Notes to receive accrued interest in respect of the relevant Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an event of default or an Enforcement Event.

Any actual or anticipated cancellation of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provision of the Additional Tier 1 Capital Notes, the market price of such Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the financial condition of the Issuer. Holders of Additional Tier 1 Capital Notes should be aware that any announcement relating to the future cancellation of interest payments or any actual cancellation of interest payments may have an adverse effect on the market price of the Additional Tier 1 Capital Notes. Holders of Additional Tier 1 Capital Notes may find it difficult to sell their Notes in such circumstances, or may only be

able to sell their Additional Tier 1 Capital Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, holders of Additional Tier 1 Capital Notes may lose some or substantially all of their investment in the Additional Tier 1 Capital Notes.

## **PROSPECTUS SUPPLEMENT**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, in respect of any subsequent issue of Notes to be listed on Nasdaq Copenhagen A/S, shall constitute a supplement to this Base Prospectus as required by the Prospectus Regulation.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- (i) the audited annual financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2022 together, in each case, with the audit report thereon; and
- (ii) the unaudited interim financial statements of the Issuer for the first quarter of 2023,

each of which has been previously published or is published simultaneously with this Base Prospectus. Such documents shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The audited annual financial statement of the Issuer for the two financial years ended 31 December 2021 and 31 December 2022, respectively, incorporated by reference herein have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and Danish disclosure requirements for issuers of listed bonds.

The audited annual financial statements of the Issuer for the financial year ended 31 December 2022 is presented and prepared in a form consistent with that which will be adopted in the Issuer's next published annual financial statements.

The table below sets out the relevant page references for (i) the audited annual financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2022 as set out in the relevant annual report of the Issuer for such periods (respectively, the “**2021 Annual Report of the Issuer**”, the “**2022 Annual Report of the Issuer**” and together, the “**Annual Reports of the Issuer**”) and (ii) the unaudited interim financial statements of the Issuer for the first quarter of 2023 as set out in the interim report of the Issuer for such period (the “**Interim Report of the Issuer**”). Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only and does not form part of this Base Prospectus.

### **Audited annual financial statements of the Issuer for the financial year ended 31 December 2022**

#### **2022 Annual Report of the Issuer**

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### **Audited annual financial statements of the Issuer for the financial year ended 31 December 2021**

#### **2021 Annual Report of the Issuer**

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## Unaudited interim financial statements of the Issuer for the first quarter of 2023

### Interim Report of the Issuer

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The section “Terms and Conditions of the Notes” from the following base prospectuses, etc. relating to the Programme shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (i) Base Prospectus dated 11 July 2019 (pages 34-62) (the “**2019 Terms and Conditions**”);
- (ii) Base Prospectus dated 8 September 2020 (pages 35-64) (the “**2020 Terms and Conditions**”);
- (iii) Base Prospectus dated 15 September 2021 (pages 38-69) (the “**2021 Terms and Conditions**”); and
- (iv) Base Prospectus dated 9 August 2022 (pages 54-106) (the “**2022 Terms and Conditions**”) and together with the 2019 and 2020 Terms and Conditions the “**Previous Terms and Conditions**”).

The Interim Report of the Issuer for the first quarter of 2023 incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2023/04/DLR-delaarsrapport-1-kvartal-2023-UK.pdf>

The 2022 Annual Report of the Issuer incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2023/02/DLR-Kredit-Annual-Report-2022.pdf>

The 2021 Annual Report of the Issuer incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2022/02/DLR-Kredit-Aarsrapport-2021.pdf>

The Annual Reports of the Issuer and the Interim Report of the Issuer are English translations of the original reports in the Danish language. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.

The 2022 Terms and Conditions incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2022/08/DLR-Basis-Prospectus-for-Debt-Issuance-Programme-2022-1.pdf>.

The 2021 Terms and Conditions incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2021/09/DLR-Kredit-Senior-Non-Preferred-Base-Prospectus-15092021.pdf>.

The 2020 Terms and Conditions incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2020/09/Senior-Non-Preferred-Note-Programme-September-2020.pdf>.

The 2019 Terms and Conditions incorporated by reference herein can be viewed online at <https://dlr.dk/wp-content/uploads/2020/09/Senior-Non-Preferred-Note-Program-juli-2019.pdf>.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms or (in the case of Exempt Notes only) subject to completion and/or amendment and/or replacement by the relevant Pricing Supplement, shall be applicable to the Notes. All capitalised terms that are not defined in the Conditions will have the meanings given to them in Part A of the relevant Final Terms or (in the case of Exempt Notes only) the relevant Pricing Supplement. Unless the context otherwise requires, references in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

### 1 Introduction

- (a) **Programme:** DLR Kredit A/S, CVR no. 25781309, Legal Entity Identifier (LEI): 529900PR2ELW8QI1B775 (the “**Issuer**”) has established a Debt Issuance Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”). References herein to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the UK Prospectus Regulation (each as defined below).
- (b) **Final Terms or Pricing Supplement:** Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche of Notes other than Exempt Notes (as defined below) is the subject of a final terms document (the “**Final Terms**”) which completes these Terms and Conditions (the “**Conditions**”). Each Tranche of Exempt Notes is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes and/or amends and/or replaces the Conditions. The terms and conditions applicable to any particular Tranche of Notes are the Conditions as completed by the relevant Final Terms or (in the case of Exempt Notes only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between the Conditions and the relevant Final Terms or Pricing Supplement, as applicable, the relevant Final Terms or Pricing Supplement, as applicable, shall prevail. Where a particular Condition is applicable only to certain classes or to a particular Tranche or Series of Notes, “Notes” shall be construed in accordance with the relevant Condition. The relevant Final Terms or Pricing Supplement will specify whether the Notes are Senior Non-Preferred Notes, Subordinated Notes or Additional Tier 1 Capital Notes.
- (c) **Recording of Notes in dematerialised form:** Notes issued under the Programme will be recorded electronically in dematerialised book entry form with VP Securities A/S (branded as Euronext Securities Copenhagen and referred to as “**ES-CPH**” or the “**Securities Depository**” with such terms deemed to include any successor or replacement thereto), Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark, CVR no. 21599336 in accordance with an agreement between the Issuer and ES-CPH (effective date 18 October 2005) (the Issuer in this capacity, the “**Issuing Agent**”). References herein to ES-CPH the Securities Depository shall, wherever the context so permits, be deemed to include a reference to any additional or alternative securities depository specified in the relevant Final Terms or Pricing Supplement, as applicable. Settlement of the Notes may take place on the ES-CPH settlement platform, or on the TARGET2-Securities (“**T2S**”) platform, if the required conditions for T2S settlement as set out in ES-CPH’s settlement rules are fulfilled. The T2S platform provides harmonised and commoditised delivery-versus-payment settlement and corporate actions processing in central bank money.

### 2 Definitions

In the Conditions, in addition to the expressions defined in Condition 1 above, the following expressions have the following meanings:

“**Additional Amounts**” shall have the meaning given in Condition 10(a);

“**Additional Tier 1 Capital**” means capital which is treated as Additional Tier 1 capital (in Danish: *hybrid kernekapital*) (or any equivalent or successor term) under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer;

“**Additional Tier 1 Capital Notes**” and “**Perpetual Non-cumulative Additional Tier 1 Capital Notes**” mean Notes (i) specified as such in the relevant Final Terms or Pricing Supplement, as applicable, and (ii) having the status set out in Condition 4(c);

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Original Reference Rate with the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the relevant Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

“**Aggregate Nominal Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**ALAC**” means Additional Loss-Absorbing Capacity (or such similar nomenclature used by S&P from time to time);

“**Alignment Event**” means, in respect of a Series of Senior Non-Preferred Notes, as a result of any change in, or amendment to, section 13(3) of the Danish Recovery and Resolution Act, CRD/CRR and/or BRRD (including any provision of Danish law transposing or implementing BRRD) and/or the legislation relating to the Debt Buffer Requirement (as applicable), at any time after the date of issue of the last Tranche of Notes, the Issuer would be able to issue an Eligible Liability that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those in the Conditions;

“**Alternative Reference Rate**” means an alternative benchmark or screen rate that the Issuer (following consultation with an Independent Adviser (if applicable)) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of

interest (or the relevant component part thereof) in respect of debt securities denominated in the Specified Currency and of a comparable duration:

- (i) in the case of Notes for which the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to the relevant Interest Periods, or,
- (ii) in the case of Notes for which the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, to the relevant Reset periods,

or, in any case, if the Issuer (following consultation with an Independent Adviser (if applicable)) determines that there is no such rate, such other rate as the Issuer (following consultation with an Independent Adviser (if applicable)) determines in its discretion is most comparable to the Original Reference Rate;

**“Available Reinstatement Amount”** has the meaning given in Condition 7(c)(B);

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) the latter of (A) the making of a public statement by the administrator of such Original Reference Rate that it will, on or before a specified date, cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate) and (B) the date falling six months prior to the specific date referred to in (ii)(A); or
- (iii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (iv)(A); or
- (v) the latter of (A) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that means such Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (v)(A); or
- (vi) it has or will prior to the next Interest Determination Date or Reset Determination Date (as applicable) become unlawful for the Calculation Agent to calculate any payments due to be made to the Noteholders using such Original Reference Rate; or
- (vii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**“Broken Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“BRRD”** means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**Business Centre(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

“**Calculation Agent**” means the Fiscal Agent or such other person specified in the relevant Final Terms or Pricing Supplement, as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Calculation Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable, (the “**Original Calculation Amount**”), provided that;

- (i) in respect of Senior Non-Preferred Notes or Subordinated Notes, if the Outstanding Principal Amount of each Note is reduced as required by the current legislation and/or regulations applicable to the Issuer, the Calculation Agent shall (a) adjust the Calculation Amount on a *pro rata* basis to account for such reduction and (b) notify (1) the Noteholders in accordance with Condition 21, and (2) the Paying Agent (if the Paying Agent is not the Calculation Agent), of the details of such adjustment; or
- (ii) in respect of Additional Tier 1 Capital Notes, the Outstanding Principal Amount of each Note is amended (either by reduction or reinstatement) in accordance with Condition 6 or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Calculation Agent shall (a) adjust the Calculation Amount on a *pro rata* basis to account for such reduction or reinstatement, as the case may be, and (b) notify (1) the Noteholders in accordance with Condition 21, and (2) the Paying Agent (if the Paying Agent is not the Calculation Agent), of the details of such adjustment;

“**Calculation Period**” means the period from, and including, the first day of any period of time in respect of the calculation of an amount of interest of any Note to, but excluding, the last day of such period (whether or not constituting an Interest Period);

“**Capital Event**” means, in respect of a Series of Subordinated Notes or Additional Tier 1 Capital Notes, at any time, on or after the date of issue of the last Tranche of such Notes, there is a change in the regulatory classification of such Notes that results or will result in:

- (i) their exclusion, in whole or in part, from the regulatory capital of the Issuer; or
- (ii) reclassification, in whole or in part, as a lower quality form of regulatory capital of the Issuer.

In each case provided that (a) the Issuer satisfies the Relevant Regulator that the regulatory reclassification of such Notes was not reasonably foreseeable at the time of their issuance and (b) the Relevant Regulator considers such a change to be sufficiently certain. For the avoidance of doubt, a Capital Event shall not be deemed to have occurred in case of a partial exclusion of the Notes as a result of (A) a principal write down (in the case of Additional Tier 1 Capital Notes only), (B) a change in the regulatory assessment of the tax effects of a

principal write down (in case of Additional Tier 1 Capital Notes only) or (C) any applicable limit on the amount of Additional Tier 1 Capital Notes or Subordinated Notes;

"**CDR**" means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions (Capital Delegated Regulation), as amended or replaced from time to time;

"**CIBOR**" means the Copenhagen interbank offered rate;

"**Code**" has the meaning given in Condition 10(c);

"**Common Equity Tier 1 Capital**" means common equity tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer, in each case as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangement under CRD/CRR;

"**Common Equity Tier 1 Capital Ratio**" means the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Exposure Amounts of the Issuer, all as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangements under CRD/CRR and reported to the Relevant regulator;

"**Converted Amount**" shall have the meaning given in Condition 6(b);

"**CRD**" means the Directive (2013/36/EU) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/878 of the European Parliament and of the Council as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

"**CRD/CRR**" means, as the context requires, any or any combination of the CRD, the CRR and any CRD/CRR Implementing Measures;

"**CRD/CRR Implementing Measures**" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD or the CRR, including for the avoidance of doubt any regulatory technical standards guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Relevant Regulator, as the case may be;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Regulation resulting from Regulation (EU) 2019/876 of the European Parliament and of the Council as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019 as well as the amendments to Regulation (EU) No 575/2013 and Regulation (EU) 2019/876 resulting from Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 as regards adjustments in response to the COVID-19 pandemic);

“**Danish Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act no. 1600 of 25 December 2022, as amended);

“**Danish Capital Markets Act**” means the Danish Capital Markets Act (Consolidated Act no. 41 of 13 January 2023, as amended or replaced from time to time);

“**Danish Financial Business Act**” means the Danish Financial Business Act (Consolidated Act no. 406 of 29 March 2022, as amended or replaced from time to time);

“**Danish FSA**” means the Danish Financial Supervisory Authority;

“**Danish Limitation Act**” means the Danish Limitations Act (Consolidated Act no. 1238 of 9 November 2015, as amended or replaced from time to time);

“**Danish Recovery and Resolution Act**” means the Danish Act on Restructuring and Resolution of Certain Financial Undertakings (Consolidated Act no. 24 of 4 January 2019, as amended or replaced from time to time);

“**Danish Resolution Authority**” means Finansiell Stabilitet and any successor or replacement thereto, or other authority having primary responsibility for the restructuring and resolution of the Issuer, as determined by the Issuer;

“**Danish Statutory Loss Absorption Powers**” means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Denmark, relating to (i) the transposition of the BRRD (or, as the case may be, any provision of Danish law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be written down, cancelled, modified, or converted into ordinary shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual – ISDA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/Actual – ICMA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is so specified, the Interest Payment Date;

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

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

“**Debt Buffer Requirement**” means the debt buffer requirement referred to in section 268 of the Danish Financial Business Act;

“**Distributable Items**” means, as prescribed by CRD/CRR (or any equivalent or successor term from time to time as applicable to distribution restrictions on Additional Tier 1 Capital instruments), the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (which, for the avoidance doubt, excludes any such distributions paid or made on Tier 2 Capital instruments or which have already been provided for, by way of deduction, in calculating the amount of Distributable Items) less any losses brought forward, any profits which are non-distributable pursuant to provisions in European Union or Danish legislation or the institution’s by-laws and any sums placed to non-distributable reserves in accordance with national law or the statutes of the institution, in each case with respect to the specific category of own funds instruments to which European Union or Danish law, institutions’ by-laws, or statutes relate; such profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts, or any successor provision thereto;

“**Eligibility Event**” means, in respect of a Series of Senior Non-Preferred Notes, at any time, on or after the date of issue of the last Tranche of the Senior Non-Preferred Notes, there is a change in the regulatory treatment

of the Senior Non-Preferred Notes (as a result of (i) a change of laws, (ii) new laws or regulations coming into effect or (iii) a change in the interpretation or administrative practice by the Relevant Regulator) that results, or will result in, their exclusion in full from eligibility for the purposes of the Debt Buffer Requirement of the Issuer and/or the MREL Requirement (if applicable) of the Issuer, provided that the Issuer satisfies the Relevant Regulator that the change in regulatory treatment of such Notes was not reasonably foreseeable at the time of their issuance;

**“Eligible Liability”** means a security that, if issued, would be eligible for the purposes of (i) the Debt Buffer Requirement of the Issuer and (ii) the MREL Requirement (if applicable) of the Issuer;

**“Enforcement Events”** has the meaning given in Condition 12;

**“EURIBOR”** means the Euro-zone interbank offered rate;

**“euro”** and **“€”** mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union (as amended from time to time);

**“Euro-zone”** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

**“Exempt Notes”** shall have the meaning given to it in Condition 1(a);

**“Existing Senior Non-Preferred Notes”** means the following debt instruments issued by the Issuer:

- (i) DKK 1,000,000,000 Floating Rate Senior Non-Preferred Notes due July 2024 (ISIN: DK0006352273);
- (ii) DKK 1,000,000,000 Floating Rate Senior Non-Preferred Notes due July 2025 (ISIN: DK0006352943);
- (iii) DKK 300,000,000 Fixed Rate Senior Non-Preferred Notes due July 2026 (ISIN: DK0006356340);
- (iv) DKK 700,000,000 Floating Rate Senior Non-Preferred Notes due July 2026 (ISIN: DK0006356266); and
- (v) DKK 1,000,000,000 Floating Rate Senior Non-Preferred Notes due July 2027 (ISIN: DK0006359609).

**“Existing Subordinated Notes”** means the following debt instrument issued by the Issuer:

- (i) DKK 1,000,000,000 Floating Rate Subordinated Notes due December 2029 (ISIN: DK0030450804) (unlisted); and
- (ii) DKK 650,000,000 Floating Rate Subordinated Notes due October 2032 (ISIN: DK0006357900).

**“Final Redemption Amount”** means, in respect of any Note, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, the Conditions or the relevant Final Terms or Pricing Supplement, as applicable;

**“First Interest Payment Date”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“First Reset Date”** means the date specified in the relevant Final Terms;

**“First Reset Margin”** means the margin specified as such in the relevant Final Terms;

**“First Reset Period”** means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms or Pricing Supplement, as applicable, the Maturity Date (if any);

**“First Reset Period Fallback Yield”** means the yield specified in the relevant Final Terms;

**"First Reset Rate of Interest"** means, in respect of the First Reset Period and, if applicable, subject to Condition 5(b)(iii) and Condition 5(b)(iv), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Reset Margin;

**"Fiscal Agent"** has the meaning given in Condition 13;

**"FISN"** means the financial instrument short name code which, if applicable, will be specified in the relevant Final Terms or Pricing Supplement, as applicable;

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Full Loss Absorbing AT1 Instruments"** has the meaning given in Condition 7(b);

**"IA Determination Cut-off Date"** means;

- (i) in the case of Notes for which the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, in any Interest Period, the date that is no later than five Business Days prior to the Interest Determination Date relating to the immediately following Interest Period; or
- (ii) in the case of Notes for which the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, in any Reset Period, the date that is no later than five Business Days prior to the Reset Determination Date relating to the next succeeding Reset Period;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

**"Initial Mid-Swap Rate"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Initial Period"** means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

**"Initial Rate of Interest"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Interest Accrual Period"** means (as applicable):

- (i) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date; and
- (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due;

**"Interest Amount"** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Reset Notes, and unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable, shall mean the Fixed Coupon Amount or Broken Amount as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“**Interest Basis**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period:

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

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement, as applicable;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**ISDA Definitions**” means the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Issue Date**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Margin**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Maturity Date**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Maximum Distributable Amount**” means any applicable maximum distributable amount, which is determined pursuant to Article 141 of the CRD Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 of the CRD Directive), or any successor provision thereto or any analogous, applicable or future applicable (as the case may be) payment restrictions arising in respect of (i) capital buffers under CRD/CRR or the BRRD (including, without limitation, Article 16a thereof) and/or any minimum requirement for own funds and eligible liabilities under CRD/CRR and/or the BRRD (including, without limitation, Article 16a thereof) (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions) and/or or (ii) the debt buffer requirement under the Danish Financial Business Act;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Mid-Market Swap Rate"** means, subject as provided in Condition 5(c)(v), if applicable, for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means, subject as provided in Condition 5(c)(v), if applicable, EURIBOR (if the Specified Currency is euro), CIBOR (if the Specified Currency is Danish Kroner), NIBOR (if the Specified Currency is Norwegian Kroner), STIBOR (if the Specified Currency is Swedish Kroner) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Calculation Agent in its discretion after consultation with the Issuer;

**"Mid-Swap Floating Leg Maturity"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"MREL Requirement"** means the minimum requirement of eligible liabilities referred to in the BRRD and relevant implementing legislation in Denmark;

**"NIBOR"** means the Norwegian interbank offered rate;

**"nominal amount"** means in respect of a Note or Notes held by a Noteholder, unless the context otherwise requires, the Outstanding Principal Amount(s) of such Note(s).

**"Noteholder"** means a person who is registered with the Securities Depository as directly registered owner or nominee holder of a Note;

**"Noteholders' Meeting"** means a Noteholders' meeting held pursuant to Condition 15;

**"Optional Redemption Amount"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Optional Redemption Date"** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**"Original Principal Amount"** means, with respect to an issue of Additional Tier 1 Capital instruments (including the Additional Tier 1 Capital Notes), the original principal amount of such Additional Tier 1 Capital instruments.

**"Original Reference Rate"** means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) of the Notes; or

- (ii) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 5(c)(v),

as applicable;

**“Original Reset Reference Rate Payment Basis”** has the meaning given in the relevant Final Terms. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

**“Other Loss Absorbing AT1 Instruments”** means, in respect of a Series of Additional Tier 1 Capital Notes, obligations or capital instruments (other than the Additional Tier 1 Capital Notes of such Series) which are eligible to constitute Additional Tier 1 Capital of the Issuer and which include a principal loss absorption mechanism that:

- (i) is capable of generating Common Equity Tier 1 Capital of the Issuer and; and
- (ii) is activated by an event equivalent to the Trigger Event in all material respects (or, as the case may be, in all material respects other than the threshold for such activation);

**“outstanding”** means, of any Series, all the Notes issued other than:

- (i) those that have been redeemed in accordance with the Conditions;
- (ii) those which have become void or in respect of which claims have become prescribed;
- (iii) those which have been purchased and cancelled as provided in the Conditions;

provided that, for the purposes of:

- (i) ascertaining the right to attend and vote at any meeting of Noteholders; and
- (ii) the determination of how many Notes are outstanding for the purposes of Conditions 14 and 16, as applicable,

those Notes that are held by, or are held on behalf of the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding;

**“Outstanding Principal Amount”** means, in respect of a Note:

- (i) if such Note is a Senior Non-Preferred Note issued by the Issuer, the outstanding principal amount of such Note as adjusted from time to time for any reduction of the principal amount of the Notes in accordance with Condition 6 or as otherwise required by then current legislation and/or regulations applicable to the Issuer;
- (ii) if such Note is Subordinated Note, the outstanding principal amount of such Note as adjusted from time to time for any reduction of the principal amount of such Note required by then current legislation and/or regulations applicable to the Issuer; or
- (iii) if such Note is an Additional Tier 1 Capital Note, the outstanding principal amount of such Note, as adjusted from time to time for any write down or reinstatement of the principal amount of such Note in accordance with Condition 7 or as otherwise required by then current legislation and/or regulations applicable to the Issuer;

and **“Outstanding Principal Amounts”** means the sum of the Outstanding Principal Amount of each Note;

**“Parity Trigger Loss Absorbing AT1 Instruments”** means, in respect of a Series of Additional Tier 1 Capital Notes, obligations or capital instruments (other than the Additional Tier 1 Capital Notes of such Series) which

are, as at their relevant issue date, eligible to constitute Additional Tier 1 Capital of the Issuer and which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital of the Issuer and that is activated by an event equivalent to the Trigger Event in all material respects and that has a threshold for such activation which is identical to the Trigger Event Threshold in respect of the Additional Tier 1 Capital Notes of such Series.

“**Paying Agent**” has the meaning given in Condition 13(a);

“**Permission Withdrawal Early Redemption Restriction**” has the meaning given to such term in Condition 8(k)(iv);

“**Principal Minimum Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended;

“**Qualifying Additional Tier 1 Capital Notes**” means any securities (other than the Additional Tier 1 Capital Notes, in the case of a substitution pursuant to Condition 8(j)) issued by the Issuer that:

- (i) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital;
- (ii) carry the same rate of interest of the Additional Tier 1 Capital Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iii) have the same Specified Denomination(s) and Outstanding Principal Amounts as the Additional Tier 1 Capital Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iv) have the same Interest Payment Dates as the Additional Tier 1 Capital Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (v) have at least the same ranking as the Additional Tier 1 Capital Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (vi) shall not, immediately following the relevant substitution or variation pursuant to Condition 8(j) be subject to a Capital Event and/or a Tax Event;
- (vii) are assigned (or maintain) at least the same solicited credit ratings as were assigned to the Additional Tier 1 Capital Notes immediately prior to the relevant substitution or variation pursuant to Condition 8(j);
- (viii) have terms not materially less favourable to the holders of Additional Tier 1 Capital Notes than the terms of such Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Issuing Agent (and copies thereof will be available at the Issuing Agent’s specified office during its normal business hours) not less than 5 Business Days prior to (a) in the case of a substitution of the Additional Tier 1 Capital Notes pursuant to Condition 8(j), the issue date of the relevant securities or (b) in the case of a variation of the Additional Tier 1 Capital Notes pursuant to Condition 8(j), the date such variation becomes effective; and
- (ix) if (A) the Additional Tier 1 Capital Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) the Additional Tier 1 Capital Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer;

**“Qualifying Senior Non-Preferred Notes”** means, in respect of a Series of Senior Non-Preferred Notes, at any time, any securities issued or guaranteed by the Issuer that:

- (i) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Debt Buffer Requirement of the Issuer, the MREL Requirement (if applicable) of the Issuer and the ALAC of the Issuer, in each case, to at least the same extent as such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (ii) carry the same rate of interest from time to time applying to such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iii) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amounts as such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iv) rank senior to, or *pari passu* with such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (v) shall not at such time, following the substitution or variation pursuant to Condition 8(j), be subject to an Eligibility Event, a Rating Methodology Event and/or a Tax Event;
- (vi) have terms not otherwise materially less favourable to the Noteholders than the terms of such Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent’s specified office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of the Notes pursuant to Condition 8(j), the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to Condition 8(j), the date such variation becomes effective;
- (vii) if (A) such Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) such Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and
- (viii) have a solicited published rating ascribed to them or expected to be ascribed to them if such Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation;

**"Qualifying Subordinated Notes"** means, in respect of a Series of Subordinated Notes, at any time, any securities issued or guaranteed by the Issuer that:

- (i) constitute Tier 2 Capital of the Issuer immediately following the relevant substitution or variation pursuant to Condition 8(j);
- (ii) carry the same rate of interest from time to time applying to such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iii) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amounts as such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (iv) rank *pari passu* with such Notes prior to the relevant substitution or variation pursuant to Condition 8(j);
- (v) shall not at such time, following the substitution or variation pursuant to Condition 8(j), be subject to a Capital Event and/or a Tax Event;

- (vi) have terms not prejudicial to the interests of the holders of such Notes compared to the terms of such Notes and provided that the Issuer shall have delivered a certificate to that effect signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of such Notes pursuant to Condition 8(j), the issue date of the relevant securities or (y) in the case of a variation of such Notes pursuant to Condition 8(j), the date such variation becomes effective;
- (vii) if (A) such Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) such Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and
- (viii) have a solicited published rating ascribed to them or expected to be ascribed to them if such Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation;

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms or Pricing Supplement, as applicable and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero, unless otherwise stated in the relevant Final Terms or Pricing Supplement, as applicable;

**"Rating Methodology Event"** means, in respect of a Series of Senior Non-Preferred Notes, there is a change in, clarification to or amendment of any relevant methodology of S&P (or in the interpretation of such methodology) after the date of issue of the last Tranche of the Senior Non-Preferred Notes as a result of which the ALAC assigned to the Notes by S&P is, in the reasonable opinion of the Issuer, reduced in full;

**"Reference Banks"** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of CIBOR, the principal Danish office of four major banks in the Copenhagen inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms or Pricing Supplement, as applicable;

**"Reference Bond"** means, in relation to any Reset Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany), as selected by the Issuer on the advice of an investment bank of international repute, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

**"Reference Bond Quotation"** means, in relation to a Reset Reference Bank and a Reset Determination Date if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered yields for the relevant Reference Bond provided to the Calculation Agent by such Reset Reference Bank at approximately the Relevant Time on such Reset Determination Date;

**"Reference Rate"** means the rate specified as such in the relevant Final Terms or Pricing Supplement, as applicable, subject as provided in Condition 5(c)(v). In the case of Notes other than Exempt Notes, the Reference Rate shall be any one of Compounded Daily EURIBOR, NIBOR, STIBOR or CIBOR, subject as provided in Condition 5(c)(v);

**“Regulated Market”** means a regulated market as defined in Article 1(1)(21) of Directive 2014/65/EU, as amended;

**“Reinstatement Limit”** has the meaning given in Condition 7(c);

**“Relevant Date”** means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 21;

**“Relevant Nominating Body”** means, in respect of an Original Reference Rate:

- (i) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of
  - (a) the central bank for the currency to which such Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

**“Relevant Regulator”** means the Danish FSA and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer;

**“Relevant Reset Margin”** means, in respect of a Reset Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period;

**“Relevant Resolution Authority”** means the resolution authority with the ability to exercise any Danish Statutory Loss Absorption Powers in relation to the Issuer;

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms or Pricing Supplement, as applicable, or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reset Date”** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**“Reset Determination Date”** means, in respect of a Reset Period, the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reset Period”** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**“Reset Period Maturity Initial Mid-Swap Rate”** has the meaning specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reset Reference Bank Rate”** means in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms or Pricing Supplement, as applicable, the rate (expressed as a percentage rate per annum and rounded, if necessary,

to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Calculation Agent at the Relevant Time on such Reset Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (a) in the case of each Reset Period other than the First Reset Period, the Reset Reference Bank Rate in respect of the immediately preceding Reset Period or (b) in the case of the First Reset Period, the First Reset Period Fallback Yield;

**"Reset Reference Banks"** means:

- (i) if Mid-Swap Rate is specified as the Reset Reference Rate in the relevant Final Terms, as applicable, the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate; or
- (ii) if Reference Bond is specified as the Reset Reference Rate in the relevant Final Terms, as applicable, the principal office in the principal financial centre of the Specified Currency of five major banks which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency,

in each case, as selected by the Issuer in its discretion after consultation with the Calculation Agent;

**"Reset Reference Rate"** means, in relation to a Reset Determination Date and subject to Condition 5(b)(iii) and Condition 5(c)(v), if applicable:

- (i) if Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable:
  - (a) if Single Mid-Swap Rate is further specified in the relevant Final Terms or Pricing Supplement, as applicable, the rate for swaps in the Specified Currency:
    - (A) with a term equal to the relevant Reset Period; and
    - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
  - (b) if Mean Mid-Swap Rate is further specified in the relevant Final Terms or Pricing Supplement, as applicable, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
    - (A) with a term equal to the relevant Reset Period; and
    - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time on such Reset Determination Date, all as determined by the Calculation Agent; or

- (ii) if Reference Bond is specified in the relevant Final Terms or Pricing Supplement, as applicable:

- (a) if a Relevant Screen Page is specified in the relevant Final Terms or Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page at the Relevant Time on such Reset Determination Date; or
- (b) if (i) a Relevant Screen Page is so specified and such rate does not appear on the Relevant Screen Page at such Relevant Time on such Reset Determination Date or (ii) a Relevant Screen Page is not so specified, the Reset Reference Bank Rate on such Reset Determination Date,

“**Resolution Event**” means that a determination has been made by the Danish Resolution Authority that the conditions for resolution in accordance with section 4 of the Danish Recovery and Resolution Act have been satisfied;

“**Risk Exposure Amounts**” means the aggregate amount of the risk exposure amounts (or any equivalent or successor term) of, as the case may be, the Issuer, in each case as calculated by the Issuer in accordance with CRD/CRR requirements and any applicable transitional arrangements under CRD/CRR;

“**S&P**” means S&P Global Ratings Europe Limited (or any successor therefor);

“**Second Reset Date**” means the date specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Senior Non-Preferred Notes**” means the Notes (i) specified as such in the relevant Final Terms, and (ii) having the status set out in Condition 4(a);

“**Senior Non-Preferred Obligations**” means any unsubordinated and unsecured liabilities of the Issuer which rank below (i) any unsubordinated notes issued by the Issuer and (ii) any obligations of the Issuer that rank *pari passu* with any unsubordinated notes upon an insolvency of the Issuer in accordance with section 13(3) of the Danish Recovery and Resolution Act;

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is specified, the currency in which the Notes are denominated;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**STIBOR**” means the Stockholm interbank offered rate;

“**Subordinated Notes**” means the Notes (i) specified as such in the relevant Final Terms or Pricing Supplement, as applicable, and (ii) having the status set out in Condition 4(b);

“**Subsequent Reset Date**” means the date or dates specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Margin**” means the margin specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Period**” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date (if any), as the case may be;

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period and, if applicable, subject to Condition 5(b)(iii) and Condition 5(b)(iv), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Reset Margin;

“**Successor Reference Rate**” means the rate that the Issuer determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**Tax Event**” means:

- (i) as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of the last Tranche of the Notes, the Issuer receives an opinion of external counsel in the Kingdom of Denmark that (A) it would be required to pay Additional Amounts as provided in Condition 10; or (B) to the extent a payment of interest under the Notes was tax deductible for the purposes of Danish tax prior to the relevant change, it will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under the Notes, in each case in respect of the relevant Notes provided that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the relevant Notes is material and was not reasonably foreseeable at the time of their issuance; and
- (ii) (in the case of (i)(A) only) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

For the avoidance of doubt, changes in the assessment of the Relevant Regulator regarding tax effects of a principal write down of Additional Tier 1 Capital Notes are not considered as a Tax Event;

“**Tier 1 Capital**” means capital which is treated as Tier 1 capital (or any equivalent or successor term) under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer;

“**Tier 2 Capital**” means capital which is treated as Tier 2 capital (or any equivalent or successor term) under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer;

“**Trigger Event**” means, in respect of a Series of Additional Tier 1 Capital Notes, as determined at any time by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, that the Common Equity Tier 1 Capital Ratio of the Issuer has fallen below the Trigger Event Threshold and such determination by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, shall be binding on the holders of Additional Tier 1 Capital Notes.

“**Trigger Event Threshold**” has the meaning given in the applicable Final Terms or Pricing Supplement, as applicable;

“**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;

“**Write Down Date**” has the meaning given in Condition 7(b);

“**Written Down Amount**” shall have the meaning given in Condition 6(b); and

“**Written Procedure**” means a written procedure held pursuant to Condition 16.

### **3 Form, Issue Date, denomination, currency, nominal amount, trades, transferability and title**

#### **(a) Form, Issue Date, currency, denomination, nominal amount and trades:**

- (i) The Notes are in bearer form (in Danish: *ihændehaver*) and issued in uncertificated and dematerialised book entry form through the Securities Depository.

- (ii) The Issue Date for each Tranche of Notes is specified in the relevant Final Terms or Pricing Supplement, as applicable.
  - (iii) The Outstanding Principal Amounts of the Notes may be adjusted as provided for (in the case of Additional Tier 1 Capital Notes) in Condition 7 or (in the case of all Notes) as otherwise required by then current legislation and/or regulations applicable to the Issuer. Any such adjustment to the Outstanding Principal Amounts of the Notes will not have any effect on the Specified Denomination(s) of such Notes.
  - (iv) The Notes are denominated in the Specified Currency. The Aggregate Nominal Amount for each Tranche of Notes is specified in the relevant Final Terms or Pricing Supplement, as applicable. The Notes shall be registered in the Securities Depository in multiples corresponding to the Specified Denomination. The minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. It may be specified in Specified Denominations in the relevant Final Terms or Pricing Supplement, as applicable, that all trades in Notes as well as the initial subscription for Notes shall be in a certain minimum amount. In respect of Notes other than Exempt Notes, either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency).
  - (v) The Notes are Senior Non-Preferred Notes, Subordinated Notes or Additional Tier 1 Capital Notes, depending upon the status specified in the relevant Final Terms or Pricing Supplement, as applicable.
  - (vi) The Notes are also Fixed Rate Notes, Reset Notes, Floating Rate Notes, or a combination of any of the foregoing, depending upon the Interest Basis specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (b) **Transferability and title:**
- (i) The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes specified under “Specified Denomination(s)” in the relevant Final Terms or Pricing Supplement, as applicable, or under laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
  - (ii) Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by the Securities Depository in accordance with the rules and procedures of the Securities Depository from time to time. A Noteholder shall (except as otherwise required by law) be treated as the absolute owner of the Notes for all purposes and no person shall be liable for so treating such Noteholder.
  - (iii) The Issuer shall, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, to the extent permitted under applicable regulations and the rules and procedures of the Securities Depository from time to time, have access on demand to static data and ownership of the Noteholders registered in the securities register.
  - (iv) The Issuer may use the information referred to in Condition 3(b)(iii) only for the purposes of carrying out its duties and exercising its rights in accordance with the Conditions and shall not disclose such information to any Noteholder.
- (c) **Noteholder’s rights:**

- (i) If a beneficial owner of a Note not being registered as a Noteholder wishes to exercise any rights under the Notes (including, but not limited to participating in Noteholders' Meeting or a Written Procedure), it must obtain proof of ownership of the Notes, acceptable to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure).
- (ii) A Noteholder (whether registered as such or proven to the satisfaction of the chairman of the Noteholders' Meeting or the Issuer, as applicable, to be the beneficial owner of the Note as set out in Condition 3(c)(i)) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Notes held or beneficially owned by such Noteholder. The chairman of the Noteholders' Meeting or the Issuer, as applicable, shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Condition 3(c) and may assume that it is in full force and effect, unless otherwise apparent from its face or the chairman of the Noteholders' Meeting or the Issuer, as applicable, has actual knowledge to the contrary.

#### 4 Status of the Notes

- (a) **Senior Non-Preferred Notes:** The Senior Non-Preferred Notes constitute Senior Non-Preferred Obligations of the Issuer.

Subject to Condition 6, the Senior Non-Preferred Notes constitute direct and unsecured debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
  - (ii) (a) *pari passu* with the Existing Senior Non-Preferred Notes and (b) *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank *pari passu* with the Senior Non-Preferred Notes (including any other Senior Non-Preferred Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
  - (iii) senior to holders of the Issuer's ordinary shares and any subordinated obligations or instruments of the Issuer that rank or are expressed to rank junior to the Senior Non-Preferred Notes, or any obligations pursuant to section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
  - (iv) junior to present or future claims of unsubordinated creditors of the Issuer pursuant to section 97 of the Danish Bankruptcy Act and any other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.
- (b) **Subordinated Notes:** The Subordinated Notes (in Danish: *kapitalbeviser*) constitute Tier 2 Capital (in Danish: *supplerende kapital*) of the Issuer under the CRD/CRR requirements.

The Subordinated Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall, subject to (A) the Danish implementation of Article 48(7) of the BRRD in section 13(4) of the Danish Recovery and Resolution Act and/or (B) section 13(5) of the Danish Recovery and Resolution Act, at all times rank:

- (i) *pari passu* without any preference among themselves;

- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer that constitute Tier 2 Capital (including the Existing Subordinated Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
  - (iii) senior to (a) holders of the Issuer's ordinary shares, (b) any obligations or capital instruments of the Issuer which constitute Tier 1 Capital, and (c) any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
  - (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer (including unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act and unsubordinated creditors that are creditors in respect of Senior Non-Preferred Obligations) and (b) other subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes, in each case as regards to the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.
- (c) **Perpetual Non-cumulative Additional Tier 1 Capital Notes:** The Perpetual Non-cumulative Additional Tier 1 Capital Notes (the "**Additional Tier 1 Capital Notes**") (in Danish: *kapitalbeviser*) constitute Additional Tier 1 Capital (in Danish: *hybrid kernekapital*) of the Issuer under the CRD/CRR requirements.

Subject to Condition 7 (*Loss Absorption following a Trigger Event and reinstatement of the Additional Tier 1 Capital Notes*), the Notes will constitute direct, unconditional, unsecured and subordinated debt obligations of the Issuer.

The Additional Tier 1 Capital Notes shall, subject to (A) the Danish implementation of Article 48(7) of the BRRD in section 13(4) of the Danish Recovery and Resolution Act and/or (B) section 13(5) of the Danish Recovery and Resolution Act, at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to (a) holders of the Ordinary Shares and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Additional Tier 1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer (including unsubordinated creditors pursuant to section 97 of the Danish Bankruptcy Act and unsubordinated creditors that are creditors in respect of Senior Non-Preferred Obligations), (b) creditors of the Issuer that are creditors in respect of any obligations or capital instruments of the Issuer which constitute Tier 2 Capital, and (c) other subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Additional Tier

1 Capital Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

- (d) **No right of set-off, netting or counterclaim:** No Noteholder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

To the extent that any Noteholder nevertheless claims a right of set-off, netting or counterclaim in respect of any such amount, whether by operation of law or otherwise, and irrespective of whether the set-off, netting or counterclaim is effective under any applicable law, if the Noteholder receives or recovers any sum or the benefit of any sum in respect of any Note by virtue of such set-off, netting or counterclaim, such Noteholder is required to immediately transfer to the Issuer an amount equal to the amount which purportedly has been set off, netted or counterclaimed.

- (e) **Further issues:** The Issuer reserves the right in the future to issue other notes or instruments, with identical or other ranking than the Notes.

## 5 Interest and other calculations

(a) **Interest on Fixed Rate Notes:**

- (i) *Application:* The provisions in this Condition 5(a) on Fixed Rate Notes shall only apply if the Fixed Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest on Fixed Rate Notes:* Each Fixed Rate Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g).

(b) **Interest on Reset Notes:**

- (i) *Application:* The provisions in this Condition 5(b) on Reset Notes shall only apply if the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest Payment Dates and Rate of Interest:* Each Reset Note bears interest on its Outstanding Principal Amount:
- (a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Rate of Interest;
  - (b) for the First Reset Period, at the First Reset Rate of Interest; and
  - (c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

such interest being payable, in each case, in arrear on each Interest Payment Date.

The First Reset Rate of Interest and each Subsequent Reset Rate of Interest shall be determined by the Calculation Agent at or as soon as practicable after each time at which the relevant Rate of Interest is to be determined. The amount of interest payable shall be determined in accordance with Condition 5(g).

- (iii) *Fallbacks*: This Condition 5(b)(iii) is only applicable if the Reset Reference Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, as Mid-Swap Rate. If on any Reset Determination Date, the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Determination Date, the Rate of Interest applicable to the Reset Notes in respect of each Interest Period falling in the relevant Reset Period will, subject as provided in Condition 5(c)(v), as applicable, be determined by the Calculation Agent on the following basis:
- (a) the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Determination Date in question;
  - (b) if at least three of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
  - (c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
  - (d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent; and
  - (e) if none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(b), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be equal to the sum of (A) the Reset Reference Rate determined on the last preceding Reset Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of:
    - (A) if Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin;
    - (B) if Reset Maturity Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the Reset Period Maturity Initial Mid-Swap Rate and (B) the Relevant Reset Margin; or
    - (C) if Last Observable Mid-Swap Rate Final Fallback is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Relevant Reset Margin,all as determined by the Calculation Agent.
- (iv) *Reset Reference Rate Conversion*: This Condition 5(b)(iv) is only applicable if Reset Reference Rate Conversion is specified in the relevant Final Terms or Pricing Supplement, as applicable, as being

applicable. The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the relevant Final Terms or Pricing Supplement, as applicable, to a basis which matches the per annum frequency of Interest Payment Dates in respect of the relevant Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it).

(c) **Interest on Floating Rate Notes:**

- (i) *Application:* The provisions in this Condition 5(c) on Floating Rate Notes shall only apply if the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable to one or more Interest Period(s).
- (ii) *Interest Payment Dates and Rate of Interest:* Each Floating Rate Note bears interest on its Outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms or Pricing Supplement, as applicable, as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (iii) *Business Day Convention:* If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iv) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms or Pricing Supplement, as applicable, and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms or Pricing Supplement, as applicable.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms or Pricing Supplement, as applicable;
- (y) the Designated Maturity is a period specified in the relevant Final Terms or Pricing Supplement, as applicable; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

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

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

for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (v) *Reference Rate Replacement*: This Condition 5(c)(v) is applicable to the Notes only if (i) the Reset Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as being applicable and Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Reset Reference Rate, or (ii) the Floating Rate Note Provisions are specified in the relevant Final Terms or Pricing Supplement, as applicable, as applicable and Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate(s) of Interest is/are to be determined, in each case, to one or more Interest Periods and if Reference Rate Replacement is also specified in the relevant Final Terms or Pricing Supplement, as applicable.

If, notwithstanding the provisions of Condition 5(b) or Condition 5(c)(iv)(B), as applicable, the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or any component thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

- (a) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Reference Rate or, failing which, an Alternative Reference Rate, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread;
- (b) if the Issuer is unable to appoint an Independent Adviser prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Reference Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 5(c)(v). Without prejudice to the definitions thereof, for the purposes of determining any Successor Reference Rate, Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;
- (c) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (a) and (b) above, such Successor Reference Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate or the Reset Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(c)(v));
- (d) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines that an Adjustment Spread is required to be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (e) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith and in a commercially reasonable manner, determines a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) and/or an Adjustment Spread in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify changes to the Conditions in order to ensure the proper operation of such Successor Reference Rate or Alternative Reference Rate or any Adjustment Spread (as applicable), including, but not limited to (1) the Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reset Reference Rate, Reference Banks, Reset Reference Banks, Relevant Financial Centre, Relevant Screen Page, Relevant Time and/or Reset Determination Date (as applicable) applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as

applicable) is not available (such amendments, the “**Reference Replacement Amendments**”); and

- (f) the Issuer shall promptly, following the determination of any Successor Reference Rate, Alternative Reference Rate and/or Adjustment Spread (as applicable), give notice thereof to the Calculation Agent and, in accordance with Condition 21, the Noteholders. Such notice shall specify the effective date(s) for such Successor Reference Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Conditions (if any).

An Independent Adviser appointed pursuant to this Condition 5(c)(v) shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5(c)(v).

Without prejudice to the obligations of the Issuer under this Condition 5(c)(v), the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 5(b)(iii) or Condition 5(c)(iv)(B) (i) if the Issuer, following consultation with the Independent Adviser (if applicable), is unable to or does not determine a Successor Reference Rate or an Alternative Reference Rate in accordance with this Condition 5(c)(v), and (ii) where the Issuer determines a Successor Reference Rate or Alternative Reference Rate, unless and until the Calculation Agent has been notified of such Successor Reference Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Conditions (if any).

Notwithstanding any other provision of this Condition 5(c)(v):

- (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 5(c)(v), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice:
    - (A) in the case of Senior Non-Preferred Notes, the eligibility of the Notes for the purposes of the Debt Buffer Requirements of the Issuer; or
    - (B) in the case of Subordinated Notes, the qualification of the Notes as Tier 2 Capital of the Issuer; or
    - (C) in the case of Additional Tier 1 Capital Notes, the qualification of the Notes as Additional Tier 1 Capital of the Issuer; and/or
  - (ii) in the case of Senior Non-Preferred Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Senior Non-Preferred Notes will be made pursuant to this Condition 5(c)(v), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
  - (e) **Margin:**

- (i) If any Margin is specified in the relevant Final Terms or Pricing Supplement, as applicable, (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
  - (ii) For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Interest Cancellation:** This Condition 5(f) only applies to Additional Tier 1 Capital Notes.
- (i) Any payment of interest (including, for the avoidance of doubt, any Additional Amounts payable pursuant to Condition 10) in respect of the Additional Tier 1 Capital Notes shall be payable only out of the Issuer's Distributable Items and:
    - (A) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion;  
or
    - (B) will be mandatorily cancelled, in whole or in part, to the extent:
      - (1) that, if the relevant payment were so made, the amount of such payment, when aggregated together with, where relevant, (x) other distributions of the kind referred to in Article 141 of the CRD Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 of the CRD Directive), or any successor thereto, or (y) distributions of the kind referred to in any analogous payment restrictions arising in respect of capital buffers under CRD/CRR or the BRRD (including without limitation Article 16a thereof) and/or any minimum requirement for own funds and eligible liabilities under CRD/CRR and/or the BRRD (including without limitation Article 16a thereof) (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions), would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital Notes instruments relating to any applicable Maximum Distributable Amount; or
      - (2) otherwise so required by CRD/CRR, including the applicable criteria for Additional Tier 1 Capital instruments, or the BRRD or where the Relevant Regulator requires the Issuer to cancel the relevant payment in whole or in part.
  - (ii) The Issuer shall give notice to (A) the holders of Additional Tier 1 Capital Notes in accordance with Condition 21 and (B) the Paying Agent, of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay interest as described above.
  - (iii) Following any cancellation of interest as described above, the right of holders of Additional Tier 1 Capital Notes to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will

not be deemed to have “accrued” or been earned for any purpose nor will the non-payment of such interest constitute a default by the Issuer for any purpose and the holders of Additional Tier 1 Capital Notes shall have no rights in respect of such payment of interest whether in a bankruptcy or liquidation of the Issuer or otherwise.

- (g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the relevant Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

In the case of Notes where the Calculation Amount has not been adjusted as described in the definition thereof, where the Specified Denomination of a Note is the Original Calculation Amount, the amount of interest payable in respect of such Note for any Interest Accrual Period (or any other period for which interest is required to be calculated) shall be the amount (determined for such Interest Accrual Period (or such other period for which interest is required to be calculated) in the manner provided above) per Calculation Amount. In the case of such Notes, where the Specified Denomination of a Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note for any Interest Accrual Period (or any other period for which interest is required to be calculated) shall be the product of the amount (determined for such Interest Accrual Period (or such other period for which interest is required to be calculated) in the manner provide above) per Calculation Amount and the number by which the Calculation Amount is required to be multiplied to equal the Specified Denomination of such Note, without any further rounding.

In the case of Notes where the Calculation Amount has been adjusted as described in the definition thereof, where the Specified Denomination of a Note is the Original Calculation Amount, the amount of interest payable in respect of such Note for any Interest Accrual Period (or any other period for which interest is required to be calculated) shall be the amount (determined for such Interest Accrual Period (or such other period for which interest is required to be calculated) in the manner provided above) per Calculation Amount. In the case of such Notes, where the Specified Denomination of a Note is a multiple of the Original Calculation Amount, the amount of interest payable in respect of such Note for any Interest Accrual Period (or any other period for which interest is required to be calculated) shall be the product of:

- (i) the amount of interest per Calculation Amount (determined for such Interest Accrual Period (or such other period for which interest is required to be calculated) in the manner provided above); and
- (ii) the number by which the Original Calculation Amount is required to be multiplied to equal the Specified Denomination of such Note,

without any further rounding.

If pursuant to (in the case of Additional Tier 1 Capital Notes) Condition 7 or (in the case of all Notes) as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Outstanding Principal Amounts are reduced and/or reinstated, as applicable, during an Interest Accrual Period, the Calculation Amount will be adjusted by the Calculation Agent to reflect such Outstanding Principal

Amounts from time to time so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Calculation Agent.

- (h) **Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period, calculate the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the relevant Rate of Interest and the Interest Amounts for each Interest Accrual Period or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent (where the Calculation Agent is not the Fiscal Agent), the Issuer, the Paying Agent (where the Paying Agent is not the Issuer), the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information, the Issuing Agent (where the Issuing Agent is not the Issuer), and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination.

Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(iii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) or, in the circumstances described in Condition 5(c)(v), the Issuer, shall (in the absence of manifest error) be final and binding upon all parties.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Conditions and/or relevant Final Terms or Pricing Supplement, as applicable, and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the relevant Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Copenhagen or London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Loss absorption following a Resolution Event

- (a) **Application:** This Condition 6 is only applicable to Senior Non-Preferred Notes.

- (b) **Write-down or conversion:** Upon the occurrence of a Resolution Event, the Outstanding Principal Amounts of the Senior Non-Preferred Notes may be written down permanently (in whole or in part) or the Senior Non-Preferred Notes may be converted (in whole or in part) into a subordinated instrument of the Issuer, all as determined by the Relevant Regulator and/or the Danish Resolution Authority, provided that all other debt instruments and other obligations of the Issuer which are expressed to rank or which rank junior to the Senior Non-Preferred Notes in the case of bankruptcy or liquidation of the Issuer have already fully absorbed losses of the Issuer to the extent required by the Danish Resolution Authority before any write-down or conversion of the Senior Non-Preferred Notes pursuant to the application of this provision.

Following a write-down of the Outstanding Principal Amounts of the Senior Non-Preferred Notes or a conversion of the Senior Non-Preferred Notes into a subordinated instrument of the Issuer, in either case as a result of the application of this Condition 6(b) the holders of Senior Non-Preferred Notes will be automatically deemed to waive irrevocably their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Senior Non-Preferred Notes so written down or converted (such amount, the “**Written Down Amount**” or the “**Converted Amount**”) or any accrued but unpaid interest on the Written Down Amount or Converted Amount.

The application of this Condition 6(b) is not a default in payment pursuant to the Conditions.

- (c) **Effect:** A write-down or conversion as described in Condition 6(b) will take effect on the date and in the manner determined by the Relevant Regulator and/or the Danish Resolution Authority.
- (d) **Notice:**
- (i) Upon the occurrence of a Resolution Event or as soon as the Issuer becomes aware that a Resolution Event may or will occur; and
  - (ii) upon any write-down or conversion of the Senior Non-Preferred Notes as a result of the application of Condition 6(b) or as soon as the Issuer becomes aware that any such write-down or conversion may or will occur,

the Issuer shall promptly give notice to the holders of Senior Non-Preferred Notes in accordance with Condition 21. Such notice will include: (A) in the case of a notice pursuant to (i) above, details of the relevant Resolution Event and (B) in the case of a notice pursuant to (ii) above, details of the relevant write-down or conversion. Any delay or failure by the Issuer to give notice in accordance with this Condition 6(d) shall for the avoidance of doubt not affect the validity and enforceability of any write-down and conversion of Notes pursuant to the application of this Condition 6.

## **7 Loss absorption following a Trigger Event and reinstatement of the Additional Tier 1 Capital Notes**

- (a) **Application:** This Condition 7 is only applicable to Additional Tier 1 Capital Notes.
- (b) **Loss absorption following a Trigger Event:** If, at any time, a Trigger Event occurs, the Issuer shall immediately notify (i) the Relevant Regulator, (ii) the Paying Agent, (iii) the Calculation Agent and (iv) the holders of Additional Tier 1 Capital Notes in accordance with Condition 21, and the Outstanding Principal Amounts shall be written down as described below. Notwithstanding the foregoing, failure to give such notice shall not prejudice the write down of the Additional Tier 1 Capital Notes as described below.

If a Trigger Event occurs after a notice of redemption has been given pursuant to Condition 8(e) or Condition 8(f), but before the relevant redemption date, such notice of redemption shall automatically be

revoked and the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in Condition 8(k) have been fulfilled. If a notice of a Trigger Event has been given pursuant to this Condition 7(b), no notice of redemption may be given pursuant to Condition 8(e) or Condition 8(f) until such Trigger Event has been cured. The redemption restrictions described in this paragraph are together referred to as the “**Trigger Event Early Redemption Restrictions**”.

Such write down shall (A) take place on such date selected by the Issuer in consultation with the Relevant Regulator (the “**Write Down Date**”) but no later than one month following the occurrence of the relevant Trigger Event; and (B) be made as a write down of the Outstanding Principal Amounts or by other ways giving the same intended financial results, in each case in consultation with the Relevant Regulator, and in accordance with the rules of ES-CPH.

Subject to compliance with the CRD/CRR and BRRD requirements, the amount of the write down of the Additional Tier 1 Capital Notes on the Write Down Date will be equal to the lower of:

- (i) the amount of write down of the Additional Tier 1 Capital Notes that would restore the Common Equity Tier 1 Capital Ratio of the Issuer to at least the Trigger Event Threshold at the point of such write down, taking into account the amount of Common Equity Tier 1 Capital (if any) of the Issuer generated on or prior to the Write Down Date by the *pro rata* write down to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of all Other Loss Absorbing AT1 Instruments (if any) outstanding at such time,

provided that

- (x) with respect to each such Other Loss Absorbing AT1 Instrument (if any), such *pro rata* write down or, as the case may be, conversion shall only be taken into account as described above to the extent required to restore the Common Equity Tier 1 Capital Ratio of the Issuer to the Trigger Event Threshold or, if lower, such Other Loss Absorbing AT1 Instrument’s trigger level; and
- (y) to the extent the write down to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing AT1 Instrument is not, or by the relevant Write Down Date will not be, effective for any reason:
  - (1) the ineffectiveness of any such write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments shall not prejudice the requirement to effect a write down to the Outstanding Principal Amounts pursuant to this Condition 7(b); and
  - (2) the write down to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing AT1 Instrument which is not, or by the Write Down Date will not be, effective shall not be taken into account in determining such write down of the Additional Tier 1 Capital Notes,

and

- (ii) the amount of a write down of the Additional Tier 1 Capital Notes that would write down the total nominal amount of the Additional Tier 1 Capital Notes held by the holder of such Notes holding the least number of such Notes at the Write Down Date to the Principal Minimum Amount.

If, in connection with the write down of the Additional Tier 1 Capital Notes or the calculation of the amount of the write down of the such Notes, there are any Other Loss Absorbing AT1 Instruments that may be written down, or, as the case may be, converted into Common Equity Tier 1 Capital instruments in full (save for any floor equivalent or comparable to the Principal Minimum Amount) but not in part only (“**Full Loss Absorbing AT1 Instruments**”), then:

- (i) the requirement that a write down of the Additional Tier 1 Capital Notes pursuant to this Condition 7(b) shall be effected *pro rata* with the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments, as the case may be, of any Other Loss Absorbing AT1 Instruments shall not be construed as requiring the Outstanding Principal Amounts to be written down in full simply by virtue of the fact that any Full Loss Absorbing AT1 Instruments will be written down or, as the case may be, converted in full; and
- (ii) for the purposes of calculating the write down of the Additional Tier 1 Capital Notes, any Full Loss Absorbing AT1 Instruments will be treated (for the purposes only of determining the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments among the Notes and all Other Loss Absorbing AT1 Instruments on a *pro rata* basis) as if their terms permitted partial write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments, such that the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of such Full Loss Absorbing AT1 Instruments shall be deemed to occur in two concurrent stages:
  - (A) the principal amount of such Full Loss Absorbing AT1 Instruments shall be written down or converted into Common Equity Tier 1 Capital instruments *pro rata* with the Notes and all Other Loss Absorbing AT1 Instruments (if any) on the basis described in Condition 7(b)(i) above; and
  - (B) the balance (if any) of the principal amount of such Full Loss Absorbing AT1 Instruments remaining following (A) above shall be written down or, as the case may be, converted into Common Equity Tier 1 Capital instruments with the effect of increasing the Issuer's Common Equity Tier 1 Capital Ratio above the minimum required level under (A) above.

The Issuer's determination of the relevant amount of a write down to the Outstanding Principal Amounts pursuant to this Condition 7(b) shall be binding on all parties.

A write down of the Notes pursuant to this Condition 7(b) may occur on more than one occasion.

Following a write down of the Additional Tier 1 Capital Notes as described above interest will continue to accrue on the Outstanding Principal Amounts following such write down, and will be subject to Condition 5(f) and Condition 6(c) as described herein.

For the avoidance of doubt, any write down of the Additional Tier 1 Capital Notes described above shall take place on a likewise *pro rata* basis. Any write down of the Additional Tier 1 Capital Notes pursuant to this Condition 7(b) shall not constitute an event of default or an Enforcement Event under the Additional Tier 1 Capital Notes.

Any write down of the Outstanding Principal Amounts pursuant to this Condition 7(b) shall not constitute an event of default or an Enforcement Event under the Additional Tier 1 Capital Notes.

- (c) **Reinstatement of the Notes:** Following a write down of the Additional Tier 1 Capital Notes in accordance with Condition 7(b), the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, subject to compliance with the CRD/CRR requirements and the Reinstatement Limit (as defined below), on a *pro rata* basis with all other Parity Trigger Loss Absorbing AT1 Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital and feature similar write down and reinstatement provisions. Any reinstatement amount will be subject to the same terms and conditions as set out in these Conditions.

Reinstatement may be made either by means of a pooling factor, where the Issuer's payment obligation under each Additional Tier 1 Capital Note is increased, or by other ways which gives the same intended financial results, or by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to

the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders.

Reinstatement by means of a pooling factor may be made on one or more occasions until the Additional Tier 1 Capital Notes have been reinstated in full so that the Outstanding Principal Amounts equal the Original Principal Amount of such Notes (save in the event of occurrence of another write down pursuant to Condition 7(b)).

(A) *Reinstatement Limit*

Any reinstatement of some or all of the principal amount of all relevant outstanding Additional Tier 1 Capital instruments, where the principal amount of such Additional Tier 1 Capital instruments has been written down, may not at any time exceed the reinstatement limit applicable to the Issuer at such time (the “**Reinstatement Limit**”). Subject to Condition 7(d), the Reinstatement Limit will be the lower of the Available Reinstatement Amounts calculated for each of the in accordance with Condition 7(c)(B).

(B) *Available Reinstatement Amounts*

The “**Available Reinstatement Amount**” for the Issuer will be calculated as the amount equal to the profits of (in the case of the calculation of the Issuer’s Available Reinstatement Amount) the Issuer, in each case after the Issuer has taken a formal decision confirming its final profits, multiplied by the ratio of the Original Principal Amount of all relevant outstanding Additional Tier 1 Capital instruments, where the principal amount of such Additional Tier 1 Capital instruments has been written down, divided by the total Tier 1 Capital of Issuer, in each case at the date of the relevant reinstatement, less:

- (i) with respect to any relevant Additional Tier 1 Capital instruments, where the principal amount has been written down, the sum of any principal amounts that have already been reinstated during the period to which such profits relate; and
  - (ii) the sum of any amounts of interest or, as the case may be, other periodic distributions in respect of any relevant Additional Tier 1 Capital instruments, where the principal amount has been written down, and which were paid or have been calculated (but disregarding any such interest which has been cancelled) during the period to which such profits relate on the basis of an outstanding principal amount which is lower than the Original Principal Amount of such Additional Tier 1 Capital instruments.
- (d) **Maximum Distributable Amount restriction:** A reinstatement as described above shall not be effected in circumstances which (when aggregated together with, where relevant (i) distributions of the kind referred to in Article 141(2) of the CRD Directive or, as the case may be, any provision of Danish law transposing or implementing Article 141(2) of the CRD Directive, or any successor thereto; or (ii) distributions of the kind referred to in any analogous payment restrictions arising in respect of capital buffers under CRD/CRR or the BRRD (including without limitation Article 16a thereof) and/or any minimum requirement for own funds and eligible liabilities under CRD/CRR and/or the BRRD (including without limitation Article 16a thereof) or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions) would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments relating to any Maximum Distributable Amount.

- (e) **Miscellaneous provisions applicable to reinstatement:** For the avoidance of doubt, at no time may the Outstanding Principal Amounts exceed the Original Principal Amount of the Additional Tier 1 Capital Notes.

To the extent that the principal amount of the Additional Tier 1 Capital Notes has been reinstated as described above, interest shall begin to accrue on the reinstated principal amount of the Additional Tier 1 Capital Notes, and become payable in accordance with the Conditions, as from the date of the relevant reinstatement.

- (f) **No liability:** None of the Issuing Agent, the Paying Agent and the Calculation Agent shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Trigger Event or any consequent write down and/or cancellation of the Additional Tier 1 Capital Notes or of any claims in respect thereof. None of the Issuing Agent, the Paying Agent and the Calculation Agent shall be responsible for any calculation or determination, or the verification of any calculation or determination, in connection with the same.

## 8 Redemption, purchase and options

- (a) **Redemption at Maturity:** Unless previously redeemed, or purchased and cancelled or unless the relevant Final Terms or Pricing Supplement, as applicable, provide that the Notes are perpetual securities and have no fixed date for redemption, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9.
- (b) **The Additional Tier 1 Capital Notes are perpetual securities:** The Additional Tier 1 Capital Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Noteholders at any time.
- (c) **Early Redemption Amount:** The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 8(d), 8(e), 8(f) or Condition 8(g) shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (d) **Reasons for redemption of Senior Non-Preferred Notes:**
  - (i) **Application:** This Condition 8(d) shall apply only to Senior Non-Preferred Notes.
  - (ii) **Redemption upon the occurrence of a Tax Event:** Subject to the provisions of Condition 8(k), upon the occurrence of a Tax Event in relation to any Series of Senior Non-Preferred Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date provided, however, that in the case (i)(A) of the definition of Tax Event, no such notice of redemption may be given earlier than 90 days (or, if such Notes are Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to such Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay the relevant Additional Amounts were a payment in respect of such Notes then due.
  - (iii) **Redemption upon the occurrence of an Eligibility Event:** Subject to the provisions of Condition 8(k), and if the relevant Final Terms, or Pricing Supplement, as applicable, specifies that this Condition 8(d)(iii) applies, then upon the occurrence of an Eligibility Event in relation to any Series

of Senior Non-Preferred Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if the Notes are Floating Rate Notes, on an Interest Payment Date.

(e) **Reasons for redemption of Subordinated Notes and Additional Tier 1 Capital Notes:**

- (i) **Application:** This Condition 8(e) shall apply only to Subordinated Notes and Additional Tier 1 Capital Notes.
- (ii) **Redemption upon the occurrence of a Tax Event:** Subject to the provisions of Condition 8(k), upon the occurrence of a Tax Event in relation to any Series of Subordinated Notes or Additional Tier 1 Capital Notes, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Trigger Event Early Redemption Restrictions (only in the case of Additional Tier 1 Capital Notes) and the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are Floating Rate Notes, on an Interest Payment Date provided, however, that in the case (i)(A) of the definition of Tax Event, no such notice of redemption may be given earlier than 90 days (or, if such Notes are Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to such Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay the relevant Additional Amounts were a payment in respect of such Notes then due.
- (iii) **Redemption upon the occurrence of a Capital Event:** Subject to the provisions of Condition 8(k), upon the occurrence of a Capital Event in relation to any Series of Subordinated Notes or Additional Tier 1 Capital Notes, the Issuer may, at its option and at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), having given no less than 30 nor more than 60 days' notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Trigger Event Early Redemption Restrictions (only in the case of Additional Tier 1 Capital Notes) and the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if such Notes are floating Rate Notes, on an Interest Payment Date.
- (f) **Redemption at the option of the Issuer:** If the Issuer is specified in the relevant Final Terms or Pricing Supplement, as applicable, as having an option to redeem (the "**Call Option**"), the Issuer may (and subject as provided in Condition 8(k)), on giving not less than 15 nor more than 30 days' notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Trigger Event Early Redemption Restrictions (only in the case of Additional Tier 1 Capital Notes) and the Permission Withdrawal Early Redemption Restriction) (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement, as applicable), redeem the then outstanding Notes in whole or, if so specified in the relevant Final Terms or Pricing Supplement, as applicable, in part on any Optional Redemption Date. Any such optional redemption of Notes shall be at their Optional Redemption Amount(s) specified in the relevant Final Terms or Pricing Supplement, as applicable, (which may be their Early Redemption Amount (as described in Condition 8(c) above)) together with interest accrued to (but excluding) the relevant Optional Redemption Date (in the case of Additional Tier 1 Capital Notes, to the extent that the same is not cancelled).

All Notes shall be redeemed on the date specified in such notice in accordance with this Condition.

If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms or Pricing Supplement, as applicable, then the Optional Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.

- (g) **Clean-up Redemption Option:** If (i) Clean-up Redemption Option is specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable, and (ii) 75 per cent. or any other percentage specified in the Final Terms (the “**Clean-up Percentage**”) of the initial aggregate nominal amount of the Notes of the relevant Series (which for the avoidance of doubt includes any additional Notes issued subsequently and forming a single series with the first Tranche of a particular Series of Notes pursuant to Condition 20) have been redeemed or purchased by, or on behalf of, the Issuer or any of its subsidiaries and, in each case, cancelled, the Issuer may, at any time, at its option, (but subject to the provisions of Condition 8(f) and having given not less than 30 nor more than 60 days’ notice in accordance with Condition 21 (which notice shall be irrevocable, subject to the Permission Withdrawal Early Redemption Restriction), redeem all (but not some only) of such outstanding Notes, at their Outstanding Principal Amounts together with accrued interest (if any) thereon.

All Notes shall be redeemed on the date specified in such notice in accordance with this Condition.

For the avoidance of doubt, the calculation described in this Condition 8(g) shall not take into account any adjustment to the Outstanding Principal Amounts in accordance with the definition of Outstanding Principal Amounts.

- (h) **Purchases:** The Issuer may at any time (but subject to Condition 8(k)) purchase Notes in the open market or otherwise at any price (including, for the avoidance of doubt, for market making purposes during the five years following the date of the issue of the last tranche of Notes). The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 14 and Condition 16.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer may (but subject to Condition 8(k)) be cancelled by the Issuer when the Issuer holds the title to them. The Notes are cancelled in the records of the Securities Depository so that the cancelled Notes cannot be reissued or resold, and subsequently the Issuer has no obligations pertaining to the cancelled Notes. The outstanding amount of Notes will be updated in the records of the Securities Depository.
- (j) **Substitution and variation:**
- (i) This Condition 8(j)(i) is only applicable to Senior Non-Preferred Notes:
- (A) Subject to having given no less than 30 nor more than 60 days’ notice to the Noteholders (in accordance with Condition 21) and the Fiscal Agent, if an Alignment Event and/or an Eligibility Event and/or a Rating Methodology Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may (subject to Condition 8(k)) at its option, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Senior Non-Preferred Notes.
- (B) Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Qualifying Senior Non-Preferred Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.
- (ii) This Condition 8(j)(ii) is only applicable to Subordinated Notes and Additional Tier 1 Capital Notes:

- (A) Subject to having given no less than 30 nor more than 60 days' notice in accordance with Condition 21 (which notice shall be irrevocable) to the holders of Subordinated Notes or Additional Tier 1 Capital Notes, as the case may be, and the Fiscal Agent, if a Capital Event and/or a Tax Event has/have occurred and is/are continuing, the Issuer may (subject to Condition 8(k)) and if the relevant Final Terms or Pricing Supplement, as applicable, specifies that this Condition 8(j)(ii) applies, at its option, substitute all (but not some only) of the Subordinated Notes or Additional Tier 1 Capital Notes, as the case may be, or vary the terms of all (but not some only) of such Notes, without any requirement for the consent or approval of the holders of such Notes, so that they become or remain Qualifying Subordinated Notes or Qualifying Additional Tier 1 Capital Notes, as the case may be.
- (B) Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the holders of Subordinated Notes can inspect or obtain copies of the new terms and conditions of the Qualifying Subordinated Notes or Qualifying Additional Tier 1 Capital Notes, as the case may be. Such substitution or variation will be effected without any cost or charge to the holders of Subordinated Notes or Additional Tier 1 Capital Notes, as the case may be.

**(k) Conditions to redemption etc. prior to the Maturity Date:**

- (i) This condition 8(k)(i) is only applicable to Senior Non-Preferred Notes:

The Senior Non-Preferred Notes may only be redeemed, purchased, cancelled, modified, substituted or varied (as applicable) pursuant to Condition 8(d), Condition 8(e), Condition 8(f), Condition 8(g), Condition 8(h), Condition 8(i), Condition 8(j), Condition 14, Condition 16 or 19(ii), as the case may be, if:

- (A) in the case of any such variation or modification, the Issuer has notified the Relevant Regulator and/or (if applicable, as determined by the Issuer) the Danish Resolution Authority of, and the Relevant Regulator and/or the Danish Resolution Authority have/has, as applicable, if required by applicable law at the time of such variation or modification, not objected to such variation or modification;
- (B) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator and/or the Danish Resolution Authority (of applicable, as determined by the Issuer) of, and the Relevant Regulator and/or the Danish Resolution Authority have/has, as applicable, if required by the CRD/CRR and BRRD requirements (which, as at the date of issue of Senior Non-Preferred Notes, are set out in Articles 77 and 78a of the CRR), as applicable, or any other applicable law at the time of such redemption, substitution, purchase or cancellation, given permission to, such redemption, purchase or cancellation (as applicable and, if so given by the Relevant Regulator and/or the Danish Resolution Authority (as applicable), such permission has not been withdrawn by the Relevant Regulator and/or the Danish Resolution Authority (as applicable) prior to the date fixed for redemption, purchase or cancellation (as applicable));
- (C) in relation to redemption as a result of a Tax Event and/or an Eligibility Event, as the case may be, the Issuer has notified the Noteholders in accordance with Condition 21 within the notice period specified in Condition 8(d)(ii) that such Tax Event has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may; and
- (D) in relation to redemption as a result of a Tax Event and/or an Eligibility Event, as the case may be, the Issuer has delivered a certificate signed by two members of its Executive Board to the

Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Tax Event has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may be.

- (ii) This Condition 8(k)(ii) is only applicable to Subordinated Notes:

The Subordinated Notes may only be redeemed, purchased, cancelled or modified, substituted or varied (as applicable) pursuant to Condition 8(d), Condition 8(e), Condition 8(f), Condition 8(g), Condition 8(h), Condition 8(i), Condition 8(j), Condition 14, Condition 16 or 19(ii), as the case may be, if:

- (A) in the case of any such variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to, such variation or modification;
- (B) in the case of any such redemption, purchase or cancellation of Subordinated Notes, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD/CRR (which, in the case of Subordinated Notes) are set out in Articles 77 and 78 of the CRR (which outline the limited circumstances in which the Relevant Regulator may grant its permission to such redemption, purchase or cancellation (as applicable) prior to 5 years after the relevant issue date of the relevant Subordinated Notes) and Article 29 of the CDR (which sets limits for purchases of the relevant Subordinated Notes in relation to market making)) and, if so given by the Relevant Regulator, such permission has not been withdrawn by the Relevant Regulator prior to the date fixed for redemption, purchase or cancellation (as applicable); and
- (C) in the case of a redemption as a result of a Tax Event and/or a Capital Event, as the case may be, the Issuer has delivered a certificate signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Tax Event and/or Capital Event, as the case may be, has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may be.

- (iii) This Condition 8(k)(iii) is only applicable to Additional Tier 1 Capital Notes:

The Additional Tier 1 Capital Notes may only be redeemed, purchased, cancelled or modified, substituted or varied (as applicable) pursuant to Condition 8(d), Condition 8(e), Condition 8(f), Condition 8(g), Condition 8(h), Condition 8(i), Condition 8(j), Condition 14, Condition 16 or 19(ii), as the case may be, if:

- (A) in the case of any such redemption of the Additional Tier 1 Capital Notes, the Trigger Event Early Redemption Restrictions do not apply to such redemption or to the redemption notice relating to such redemption (as applicable);
- (B) in the case of any such redemption, purchase or cancellation of Additional Tier 1 Capital Notes, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD/CRR (which, in the case of Additional Tier 1 Capital Notes) are set out in Articles 77 and 78 of the CRR (which outline the limited circumstances in which the Relevant Regulator may grant its permission to such redemption, purchase or cancellation (as applicable) prior to 5 years after the relevant issue date of the relevant Additional Tier 1 Capital Notes) and Article 29 of the CDR (which sets limits for purchases of the relevant Additional Tier 1 Capital Notes)) and,

if so given by the Relevant Regulator, such permission has not been withdrawn by the Relevant Regulator prior to the date fixed for redemption, purchase or cancellation (as applicable);

- (C) in the case of a redemption of the Additional Tier 1 Capital Notes as a result of a Tax Event and/or a Capital Event, as the case may be, the Issuer has delivered a certificate signed by two members of its Executive Board to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Tax Event and/or Capital Event, as the case may be, has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may be; and
  - (D) in the case of any such variation, substitution or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to, such variation, substitution or modification (as applicable) in accordance with the CRD/CRR and BRRD requirements.
- (iv) If applicable, after a notice of redemption has been given pursuant to Condition 8(d), Condition 8(e), Condition 8(f) or Condition (g) (as applicable), the Relevant Regulator and/or the Danish Resolution Authority (as applicable) withdraw/withdraws their/its, as applicable, permission to the relevant redemption before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in this Condition 8(k) have been fulfilled. The redemption restriction described in this paragraph is referred to as the “**Permission Withdrawal Early Redemption Restriction**”.

Any refusal by the Relevant Regulator and/or the Danish Resolution Authority (as applicable) to grant their/its, as applicable, permission to any such redemption, purchase or cancellation (as applicable) pursuant to paragraph 8(k)(i)(B), 8(k)(ii)(B) or 8(k)(iii)(B) of this Condition 8(k) (or, as the case may be, any withdrawal by the Relevant Regulator and/or the Danish Resolution Authority (as applicable) of any such permission)) will not constitute an event of default under the relevant Notes.

- (v) This Condition 8(k)(v) is only applicable to Additional Tier 1 Capital Notes.

If the Issuer has elected to substitute or vary the Additional Tier 1 Capital Notes pursuant to Condition 8(j)(ii) but prior to the relevant substitution or variation, as the case may be, (A) a Trigger Event occurs or (B) the Relevant Regulator withdraws its no objection to the relevant substitution or variation (as applicable), the relevant notice shall be automatically rescinded and shall be of no force and effect.

## 9 Payments

- (a) **Principal and interest:** Payments of principal and interest in respect of the Notes will be made by transfer to an account denominated in the Specified Currency with a custody bank to the Noteholders shown in the relevant records of the Securities Depository, in accordance with and subject to the rules and regulations from time to time governing the Securities Depository.
- (b) **Payments subject to fiscal laws:** All payments are subject in all cases to any fiscal or other laws, regulations and directives which are applicable to such payments in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by any such laws, regulations or directives, but without prejudice to the

provisions of Condition 10. No commission or expenses shall be charged to the Noteholders in respect of such payments.

- (c) **Payment on Business Days:** If any date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## 10 Taxation

- (a) **Gross up:** All payments of interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:
  - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the Kingdom of Denmark other than the mere holding of the Note or the receipt of interest in respect of such Note; or
  - (ii) **Claim more than 30 days after the Relevant Date:** where a claim for payment is made by the Noteholder more than 30 days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on claiming payment on or before the expiry of such period of 30 days.

Notwithstanding the foregoing, the payment of Additional Amounts by the Issuer will be limited to payments of interest only.

- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in the Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.
- (c) **FATCA:** Notwithstanding any other provision of the Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereunder.

## 11 Prescription

Claims against the Issuer for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.

## 12 Enforcement Events

- (a) **No events of default:** There are no events of default in respect of the Notes. Holders of the Notes shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.

- (b) **Enforcement Events:** If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an "**Enforcement Event**"), any Noteholder may prove or claim in such proceedings in respect of the Notes, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note (in the case of Additional Tier 1 Capital Notes, to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on the Notes (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4.
- (c) **Enforcement of obligations:** Subject to Condition 12(a) and without prejudice to Condition 12(b), any Noteholder may, at its discretion and without further notice, institute such proceedings in Denmark against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum of sums sooner than the same would otherwise have been payable by it.

### 13 Agents

- (a) **Appointment of Agents:** The Issuer will perform the tasks of the Issuing Agent, the fiscal agent ("**Fiscal Agent**") as they are described in the Conditions and the tasks of the paying agent ("**Paying Agent**"), which is paying any amount due under the Notes in accordance with the Conditions. The Issuer will also perform the task of the Calculation Agent unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable. The Issuer reserves the right at any time to appoint an Issuing Agent, Paying Agent or a Calculation Agent that is not the Issuer.

The Issuing Agent, the Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder.

- (b) **Replacement of Agents:** The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agent or the Calculation Agent and to appoint additional or other paying agents provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent (which may be the Fiscal Agent), which is authorised to act as an account holding institution with the Securities Depository and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed.

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

### 14 Decisions by Noteholders

- (a) **Powers of Noteholders' Meeting and Written Procedure:**
  - (i) A Noteholders' Meeting held in accordance with the provisions of this Condition 14 and Condition 15 (a "**Noteholders' Meeting**") or a Written Procedure pursuant to Condition 16 shall, subject to the Conditions, have power to:
    - (A) sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
    - (B) sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Issuer or any other entity;
    - (C) assent to any modification of the Notes or the Conditions proposed by the Issuer;

- (D) authorise anyone to concur in or do anything necessary to carry out and give effect to a resolution taken at a Noteholders' Meeting or a Written Procedure;
  - (E) appoint and elect a representative on behalf of the Noteholders pursuant to the Danish Capital Markets Act;
  - (F) appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise at a Noteholders' Meeting or a Written Procedure; and
  - (G) approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions.
- (ii) The Issuer or the Fiscal Agent shall upon request provide the convening Noteholder(s) with the information available in the securities register kept by the Securities Depository in respect of the Notes in order to convene and hold the Noteholders' Meeting or a Written Procedure, as the case may be.
  - (iii) Decisions to be taken by the Noteholders may be dealt with, at the option of the Issuer, at a Noteholders' Meeting or by way of a Written Procedure.
  - (iv) A Noteholders' Meeting will be held in accordance with the procedure pursuant to Condition 15.
  - (v) A Written Procedure will be held in accordance with the procedure pursuant to Condition 16.
- (b) **Voting rights:**
- (i) Each Noteholder holds one vote for each Note. The Issuer has no voting rights in respect of Notes held by the Issuer.
  - (ii) Only a person who is, or who has been provided with a power of attorney from a person who is, recorded as a Noteholder:
    - (A) on the date falling on the immediately preceding Business Day to the date of the Noteholders' Meeting being held, in respect of a Noteholders' Meeting; or
    - (B) on the Business Day specified in the communication pursuant to Condition 16(a), in respect of a Written Procedure,
 may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure.
  - (iii) In order to be entitled to exercise voting rights as a Noteholder at a Noteholders' Meeting or in a Written Procedure, each Noteholder must document its holding of Notes by:
    - (A) presenting a custody account statement from the Securities Depository or an authorised institution evidencing that such Noteholder was registered as a Noteholder on the Business Day specified in the notice to convene a Noteholders' Meeting pursuant to Condition 15(c) or communication to instigate a Written Procedure pursuant to Condition 16(a), as applicable; or
    - (B) providing other proof of holding which, in the case of a Noteholders' Meeting is satisfactory to the chairman of the Noteholders' Meeting or in the case of a Written Procedure is satisfactory to the Issuer.
  - (iv) For the purposes of this Condition 14(b), a beneficial owner of a Note that has a Note registered in the name of a nominee will, in accordance with Condition 3(c), be deemed to be the owner of the

Note rather than the nominee. No vote may be exercised at Noteholders' Meeting or in a Written Procedure by any nominee if the beneficial owner of the Note has presented relevant evidence to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure) pursuant to Condition 3(c) stating that it is the beneficial owner of the Notes voted for. If such owner of the Notes has voted directly for any of its nominee registered Notes, the owner of the Notes votes shall take precedence over votes submitted by the nominee for the same Notes.

(c) **Percentage of Noteholders required to consent:**

- (i) The following matters shall require the consent of Noteholders representing at least 75 per cent of the nominal amount of the Notes for the time being outstanding for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16(a):
  - (A) a change to the terms of any provision of Condition 4 and/or Condition 6 or 7, as applicable;
  - (B) a reduction of the amount payable upon the redemption or repurchase of any Note pursuant to Condition 8 other than as permitted or required by the Conditions;
  - (C) a change to the interest rate or the nominal amount of the Notes (other than as permitted or required by the Conditions);
  - (D) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 14(c)(i);
  - (E) a change of Issuer (other than as permitted or required by the Conditions), an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (F) a mandatory exchange of the Notes for other securities (other than as permitted by the Conditions); and
  - (G) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 13, or as otherwise permitted or required by the Conditions.
- (ii) Any matter not covered by Condition 14(c)(i) above shall require the consent of Noteholders representing more than 50 per cent in nominal amount of the Notes for the time being outstanding for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure.

(d) **Quorum:**

- (i) A quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 50 per cent in nominal amount of the Notes for the time being outstanding in case of a matter pursuant to Condition 14(c)(i), and otherwise 20 per cent in nominal amount of the Notes for the time being outstanding:
  - (A) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (B) if in respect of a Written Procedure, reply to the request.
- (ii) Notes held by the Issuer shall not be taken into account when determining whether the required quorum has been met according to Condition 14(d) or Condition 16(b).

- (iii) No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.
- (e) **Issuer's, Paying Agent's, Issuing Agent's, the Fiscal Agent's or the Calculation Agent's consent required:** Any decision which extends or increases the obligations of the Issuer, the Paying Agent, the Issuing Agent, the Fiscal Agent or the Calculation Agent or limits, reduces or extinguishes the rights or benefits of the Issuer, the Paying Agent, the Issuing Agent, the Fiscal Agent or the Calculation Agent under the Notes shall be subject to the Issuer's, the Paying Agent's, the Issuing Agent's, the Fiscal Agent's or the Calculation Agent's consent, as the case may be.
- (f) **Decisions binding on all Noteholders and information to Noteholders:**
  - (i) A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
  - (ii) Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be notified to the Noteholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer.
- (g) **Minutes:** Minutes shall be made of all resolutions and proceedings at every Noteholders' Meeting or Written Procedure and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## 15 Noteholders' Meeting

- (a) **Attendance:**
  - (i) The following may attend and speak at a Noteholders' Meeting:
    - (A) Noteholders and proxies having presented relevant evidence to the chairman of the Noteholders' Meeting pursuant to Condition 14(b)(iii);
    - (B) any beneficial owners of the Notes having presented relevant evidence to the chairman of the Noteholders' Meeting pursuant to Condition 3(c);
    - (C) any representative of the Noteholders appointed pursuant to the Danish Capital Markets Act;
    - (D) the chairman; and
    - (E) the Issuer, the Issuing Agent, the Fiscal Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

- (b) **Chairman:**
  - (i) The chairman of the Noteholders' Meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.

- (ii) The Issuer shall, upon request, provide the chairman of the Noteholders' Meeting with the information available in the securities register kept by the Securities Depository in respect of the Notes in order to convene and hold the Noteholders' Meeting.

(c) **Convening a Noteholders' Meeting:**

- (i) The Issuer may at any time, and shall, if so requested by one or more Noteholders representing at least 10 per cent of the Outstanding Principal Amounts of the Notes convene a Noteholders' Meeting or initiate a Written Procedure. The Issuer may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Issuer that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (ii) The Issuer shall call the Noteholders by notice to each Noteholders' Meeting no later than 14 days after having received request to convene such Noteholders' Meeting from the Noteholders containing the subject of such meeting. If the Issuer does not call the Noteholders' Meeting within the deadline, the Noteholders shall be entitled to call the Noteholders' Meeting. The notice to convene a Noteholders' Meeting shall be sent to each such person who is registered as a Noteholder on the date on which the notice is sent. The notice to convene a Noteholders' Meeting shall be given in accordance with Condition 21.

(d) **Notice to convene a Noteholders' Meeting:** The notice pursuant to Condition 15(c)(ii) shall include the following:

- (i) time for the Noteholders' Meeting, which must be at least 10 days but not more than 30 days after the notice to the Noteholders;
- (ii) place for the Noteholders' Meeting (including by way of conference call or by use of a videoconference platform);
- (iii) specification of the Business Day pursuant to Condition 14(b)(ii)(A) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (iv) agenda for the meeting (including each request for a decision by the Noteholders); and
- (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting.

Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

(e) **Venue for Noteholders' Meetings:** All Noteholders' Meetings shall be held in the Copenhagen area and the Issuer shall pay expenses associated with the meeting other than travel and other expenses incurred by the Noteholders which shall be borne by each individual Noteholder.

## 16 Written Procedure

(a) **Instigating a Written Procedure:**

- (i) The Issuer may instigate a Written Procedure at any time by sending a communication to each such Person who is registered as a Noteholder on the date on which the communication is sent.
- (ii) A communication pursuant to Condition 16(a)(i) shall include the following:
  - (A) each request for a decision by the Noteholders;

- (B) a description of the reasons for each request;
- (C) a specification of the Business Day(s) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (D) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
- (E) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Condition 16(a)(i)).

If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (b) **Decisions:** When the requisite majority consents of the principal amount of the Notes outstanding pursuant to Condition 14(c) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 14(c) even if the time period for replies in the Written Procedure has not yet expired.

## 17 Repeated Noteholders' Meeting or Written Procedure

### (a) Convening a repeated Noteholders' Meeting or Written Procedure:

- (i) Even if the necessary quorum set out in Condition 14(d) is not achieved, the Noteholders' Meeting or Written Procedure, as applicable, shall be held and voting completed for the purpose of recording the voting results in the minutes of the Noteholders' Meeting or Written Procedure, as applicable. The Issuer or the person who convened the initial Noteholders' Meeting or Written Procedure, as applicable, may, within ten Business Days of that Noteholders' Meeting or Written Procedure, as applicable, convene a repeated Noteholders' Meeting or Written Procedure, with the same agenda as the first Noteholders' Meeting or Written Procedure, as applicable.
- (ii) The provisions and procedures regarding a Noteholders' Meetings and a Written Procedure, as set out, as applicable, in Conditions 14, 15 and 16 shall apply *mutatis mutandis* to a repeated Noteholders' Meeting or Written Procedure, with the exception of the quorum requirements set out in Condition 15(d). A notice to convene for a repeated Noteholders' Meeting or Written Procedure, as applicable, shall also contain the voting results obtained in the initial Noteholders' Meeting or Written Procedure, as applicable,
- (iii) A repeated Noteholders' Meeting or Written Procedure, as applicable, may only be convened once for each initial Noteholders' Meeting or Written Procedure, as applicable. A repeated Noteholders' Meeting or Written Procedure, as applicable, may be convened pursuant to the procedures of a Written Procedure in accordance with Condition 16, even if the initial meeting was held pursuant to the procedures of a Noteholders' Meeting in accordance with Condition 15 and vice versa.

- (b) **Quorum at a repeated Noteholders' Meeting or Written Procedure:** The quorum at any such repeated Noteholder's Meeting or Written Procedure, as applicable, is one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of a matter pursuant to Condition 14(c)(i), in which case the quorum shall be one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than 33 1/3 per cent. of the Outstanding Principal Amount.

## 18 Representative

No trustee, agent or representative of the Noteholders will be appointed.

## **19 Modification of Notes or Conditions**

The Issuer may make, without the consent of the Noteholders:

- (i) any modification to the Notes or the Conditions to correct a manifest error; or
- (ii) subject to Condition 8(k), any modification to the Notes or the Conditions which is not prejudicial to the interests of the Noteholders.

Subject as provided in the Conditions, no other modification may be made to the Notes or the Conditions except with the consent of the Issuer and sanction of a Noteholders' Meeting or a Written Procedure or as may be required by applicable laws or a court ruling or decision by a relevant authority.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 21 as soon as practicable thereafter.

## **20 Further issues**

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

## **21 Notices**

Notices to the Noteholders shall be given in accordance with the procedures of the Securities Depository in force from time to time and in a manner which complies with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading. Any such notice will be deemed to have been given on the date it is published in accordance with the procedure of the Securities Depository.

## **22 Force majeure**

Even in areas where a stricter statutory liability applies, neither the Issuer nor the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:

- (i) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (ii) to (iv) below regardless of whether the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;
- (ii) failures in the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);
- (iii) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or
- (iv) other circumstances beyond the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.

If circumstances mentioned in paragraphs (i) to (iv) above occur, which make it impossible for the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Conditions (to the extent they have any obligations under the Conditions), including (but not limited to) the Issuer's obligations to make payments under the Notes, these obligations will be suspended until the circumstances in question cease.

The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to this Condition 22 will not apply if:

- (i) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) should have anticipated the factor causing the loss when the agreement was entered into or should have avoided or overcome the reason for the loss; or
- (ii) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable legislation.

### **23 Waiver and remedies**

No failure to exercise, and no delay in exercising, on the part of a Noteholder, any right in the Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

### **24 Governing law, jurisdiction and recognition of write down or conversion powers**

- (a) **Governing law:** The Conditions and the Notes are governed by, and shall be construed in accordance with, Danish law.
- (b) **Jurisdiction:** The courts of Denmark shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Conditions and the Notes.
- (c) **Recognition of write down or conversion powers:**
  - (i) This Condition 24(c)(i) is only applicable to Senior Non-Preferred Notes. For the avoidance of doubt, by its acquisition of the Senior Non-Preferred Notes, each Noteholder acknowledges and accepts that any liability arising under the Senior Non-Preferred Notes may be subject to write-down or conversion as provided for in Condition 6(b).
  - (ii) This Condition 24(c)(ii) is only applicable to Additional Tier 1 Capital Notes. For the avoidance of doubt, by its acquisition of the Additional Tier 1 Capital Notes, each Noteholder acknowledges and accepts that any liability arising under the Additional Tier 1 Capital Notes may be subject to write-down as provided for in Condition 7 and Interest Cancellation as provided for in Condition 5(f).
  - (iii) For the avoidance of doubt, by its acquisition of such Notes, each Noteholder acknowledges and accepts that any liability arising under such Notes may be subject to (without limitation) the exercise of any Danish Statutory Loss Absorption Powers (including, for the avoidance of doubt, in the case of Subordinated Notes and Additional Tier 1 Capital Notes only, in accordance with section 17 of the Danish Recovery and Resolution Act, implementing Article 59 of the BRRD). Upon the Issuer being informed and notified by the Relevant Resolution Authority of the actual exercise of any Danish Statutory Loss Absorption Powers with respect to the Notes, the Issuer shall notify the Noteholders without delay in accordance with Condition 21. Any delay or failure by the Issuer to give notice shall not affect the validity and enforcement of the Danish Statutory Loss Absorption Powers.

## USE OF PROCEEDS

### **Senior Non-Preferred Notes**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements including, *inter alia*, supplementary collateral requirements and, to the extent eligible, to fulfil the Debt Buffer Requirement of the Issuer pursuant to section 268 of the Danish Financial Business Act. The Issuer is, at the date of this Base Prospectus, not subject to the MREL Requirement. If and to the extent that the Issuer becomes subject to the MREL Requirement, the net proceeds from the issue of each Tranche of Notes by the Issuer will, if eligible, be used to fulfil the MREL Requirement of the Issuer.

The Notes will not qualify as regulatory capital according to CRR.

### **Subordinated Notes**

The net proceeds from the issue of each Tranche of Subordinated Notes will be applied by the Issuer to meet part of its general financing requirements. Each Tranche of Subordinated Notes will form part of the Issuer's capital base.

The Notes will qualify as regulatory capital according to CRR.

### **Additional Tier 1 Capital Notes**

The net proceeds from the issue of each Tranche of Additional Tier 1 Capital Notes will be applied by the Issuer to meet part of its general financing requirements. Each Tranche of Additional Tier 1 Capital Notes will form part of the Issuer's capital base.

The Notes will qualify as regulatory capital according to CRR.

### **Use of Proceeds in the relevant Final Terms or Pricing Supplement, as applicable**

Each of the expected use of proceeds set above may be varied in the relevant Final Terms or Pricing Supplement, as applicable.

## BUSINESS DESCRIPTION OF THE ISSUER

### Background

The Issuer is a Danish mortgage bank established in 1960. The Issuer grants loans against mortgages on real property within the agricultural (including residential farms), commercial, and private cooperative housing sectors.

The Issuer established a mortgage credit business on 12 October 1960 under the name of Dansk Landbrugs Realkreditfond. The Issuer was founded by Danmarks Nationalbank (the central bank of Denmark) and the then Associations of Danish Banks and of Danish Savings banks as a result of several years of deliberations on the availability and terms of credit in the Danish agricultural sector.

The Issuer was organised as an independent foundation with an assembly of representatives as the governing body. The Issuer had its own statutory basis (Act no. 278 of 7 July 1960 on a Financing Institute for Farming and Agriculture, etc.), which limited the lending to agricultural, forestry and market garden property, etc. The Issuer had the exclusive right to provide mortgage-credit loans to agriculture in the range from 45 per cent to 70 per cent of the value of the property, based on the issuance of bonds.

This exclusivity ended 1 January 1999. As of 1 July 2000, the Issuer's statutory basis was changed to the legal framework of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, (Consolidated Act no. 315 of 11 March 2022, as amended) (the "**Danish Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act,**") and, at the same time, the Issuer acquired a status equal to that of the other Danish mortgage banks. From then on, the Issuer's lending was no longer limited to agricultural, forestry and market garden property, etc.

Effective 1 January 2001, the Issuer was converted into a limited liability company under its present name (DLR Kredit A/S), a company founded on 1 December 2000.

After the conversion, the Issuer expanded from solely offering loans to agriculture to including also private residential rental properties, private cooperative housing properties, office and retail properties, public housing properties, manufacturing and workshop properties, community power plants and "other properties" (mainly unbuilt land). Since 2002, the Issuer has also, albeit to a limited extent, been granting loans in Greenland and, since 2009, the Faroe Islands.

### Ownership, legal structure and license

The Issuer's registered office is situated in the City of Copenhagen, at Nyropsgade 21, DK-1780 Copenhagen V, Denmark. The legal and commercial name of the Issuer is DLR Kredit A/S. The Issuer carries on business under the secondary name, Dansk Landbrugs Realkreditfond A/S.

The Issuer is incorporated in Denmark as a limited liability company under the laws of Denmark and is registered in Denmark with the Danish Business Authority under company registration (CVR) number 25 78 13 09. Legal Entity Identifier (LEI) code: 529900PR2ELW8QI1B775.

Pursuant to Article 2 of the Issuer's Articles of Associations, the Issuer's object is to carry on business as a mortgage bank and other business deemed to be related to this object.

The Issuer's share capital amounts to DKK 569,964,023 divided into shares of DKK 1 each. The share capital is not divided into classes. At the date of preparation of the Base Prospectus, the Issuer holds 46,122,083 shares itself, representing 8.1 per cent of the share capital. The remaining share capital consisting of 523,841,940 shares has been fully paid up.

The Issuer's shares are primarily owned by domestic financial institutions. No shareholder holds a controlling interest. At the date of this Base Prospectus, the Issuer has been informed that the following shareholders have an ownership interest of more than 5 per cent: Jyske Bank A/S, Nykredit Realkredit A/S, Sydbank A/S, Spar

Nord Bank A/S, Ringkjøbing Landbobank. Aktieselskab, Jutlander Bank A/S, Sparekassen Vendsyssel and PRAS A/S.

The Issuer is not part of a group. The Issuer's shares are not admitted to trading on a regulated market, and any share transaction, that is, transfer of ownership and/or voting rights, is subject to approval by the Issuer's Board of Directors. The Issuer primarily distributes its products (loans) through its shareholding banks, but also through other financial institutions.

The Issuer is licenced by the Danish FSA to operate its business, and the Danish FSA supervises the Issuer on an ongoing basis. As of the date of this Base Prospectus, the Issuer has been designated as an SII by the Danish FSA.

The Issuer had total assets of DKK 180.2bn (approx. EUR 24,2bn) as at 31 December 2022, and the Issuer's total equity amounted to DKK 15.8bn (approx. EUR 2.1bn) as at 31 December 2022. Profit before tax for the financial year ended 31 December 2022 was DKK 927m (approx. EUR 124m). The Issuer had 229 full-time equivalent employees on average in 2022, and 23 part-time employed agricultural valuers.

### Financial highlights

| DKK millions   | 2022    | 2021    |
|--|---------|---------|
| <b>Income statement:</b>                                 |         |         |
| Core income  | 1,476   | 1,410   |
| Staff costs and administrative expenses, etc.            | -326    | -325    |
| Other operating costs (contribution to Resolution Fund)  | -19     | -18     |
| Provision for impairments on loans and receivables, etc. | 10      | 109     |
| Core earnings  | 1,141   | 1,176   |
| Earnings from investment portfolios (sub-funds)          | -215    | -38     |
| Profit before tax  | 927     | 1,138   |
| Profit after tax   | 720     | 888     |
| <b>Balance sheet:</b>                                    |         |         |
| Loans and advances                                       | 169,920 | 175,213 |
| Issued bonds at fair value                               | 161,707 | 166,201 |
| Equity   | 15,791  | 15,071  |
| Total assets   | 180,244 | 183,871 |
| <b>Financial ratios:</b>                                 |         |         |
| Total capital ratio (per cent)                           | 24.3    | 18.6    |
| Common Equity Tier 1 Capital ratio (per cent)            | 22.5    | 17.1    |
| Profit before tax as a percentage of equity              | 6.0     | 7.8     |

### The Issuer's business activities

The Issuer is a mortgage bank operating in Denmark. In addition, the Issuer operates a mortgage lending business in Greenland and the Faroe Islands of very limited significance.

The Issuer carries on mortgage credit business, including any kind of activities permitted pursuant to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act and other applicable legislation on mortgage banks in force at any given time.

The Issuer primarily offers mortgage financing of agricultural, forestry and market garden property, private residential rental property, private cooperative property, office and retail property and manufacturing and workshop property.

At 31 December 2022, the Issuer's loan portfolio in terms of nominal outstanding bond debt amounted to DKK 181.9bn, of which loans to Greenland and the Faroe Islands amounted to DKK 4.4bn or 2.4 per cent of the loan portfolio. Total lending to agriculture represented 51.5 per cent of the outstanding bond debt; lending to owner-occupied dwellings including residential farms represented 5.0 per cent and lending to commercial properties and private cooperative properties represented 42.8 per cent (as set out below):

| <b>The Issuer's mortgage loans at nominal value by property category as at 31 December 2022</b> | <b>Proportion (per cent)</b> |
|---|------------------------------|
| Agricultural properties, incl. market garden property   | 51.5                         |
| Owner-occupied dwellings, incl. residential farms   | 5.7                          |
| Office and retail properties  | 17.2                         |
| Private residential rental properties   | 21.3                         |
| Private cooperative properties  | 2.2                          |
| Other properties  | 2.1                          |

### **The Capital structure**

The Issuer's capital structure should provide an adequate capital surplus and thus create the foundation for running a sound mortgage-credit business that can sell bonds on competitive terms. Moreover, the capital structure should be based on having the largest possible equity given the cost of other capital components, including Additional Tier 1 Capital and Tier 2 Capital. The Issuer must also have sufficient surplus to ensure continual loan-to-value (LTV) compliance with respect to covered bond (SDO) loans and to meet over collateral (OC) requirements from the rating agencies and also requirements concerning the accumulation of debt buffers.

The Issuer's capital structure at 31 December 2022 is shown below:

| <b>DLR's own funds at 31 December</b>                           | <b>2022 (DKKm)</b> | <b>2021 (DKKm)</b> |
|---|--------------------|--------------------|
| Share capital   | 570                | 570                |
| Issuance premium  | 0                  | 0                  |
| Non-distributable reserves                                      | 2,338              | 2,338              |
| Retained earnings   | 12,163             | 11,275             |
| Profit for the year   | 720                | 888                |
| Tier 1 Capital primary deductions:                              | -85                | -483               |
| Tier 1 Capital after primary deductions                         | 15,706             | 14,587             |
| Additional Tier 1 Capital                                       | 0                  | 0                  |
| Tier 1 Capital incl. Additional Tier 1 Capital after deductions | 15,706             | 14,587             |
| Other deductions  | 0                  | 0                  |
| Tier 1 Capital incl. Additional Tier 1 Capital                  | 15,706             | 14,587             |
| Tier 2 Capital  | 1,300              | 1,300              |

| <b>DLR's own funds at 31 December</b> | <b>2022<br/>(DKKm)</b> | <b>2021<br/>(DKKm)</b> |
|---------------------------------------|------------------------|------------------------|
| Included Tier 2 Capital               | 1,300                  | 1,300                  |
| Own funds before deductions           | 17,006                 | 15,887                 |
| Deductions in own funds               | 0                      | 0                      |
| Own funds after deductions            | 17,006                 | 15,887                 |

## **Ratings**

The Issuer is rated by the credit rating agency S&P. The credit rating is assigned to the Issuer by S&P at the request of the Issuer and with the cooperation of the Issuer in the rating process. S&P has been established in the European Community and is registered pursuant to European Parliament and Council Regulation 1060/2009 on credit rating agencies (CRA regulation).

### **DLR ratings**

### **S&P**

Issuer Credit Rating

A-/Stable/A-2

A rating of a security may at any time be revised, suspended, reduced or withdrawn by the assigning credit rating agency. Further, the Issuer may terminate the relationship with the credit rating agency.

## **Risk management**

As a mortgage credit bank, the Issuer is exposed to various types of risk, such as credit risk, market risk, liquidity risk and operational risk, etc., of which credit risk is the most significant. However, the Issuer's risk of loss is contained by the Issuer's relatively simple business model and fully match-funded lending operations, guarantee and loss-mitigating concepts, limited market risk, etc.

The Issuer has elected to operate with capital resources that exceed the regulatory minimum requirement. The Issuer's capital resources combined with its annual profit, which constitute a front-line buffer against loss, should therefore be able to absorb losses on a substantial scale.

Risk management is a key feature of the Issuer's day-to-day operations. Like other mortgage banks, the Issuer is subject to the Danish Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act, the Danish Financial Business Act, the Executive Order on Bonds and other Executive Orders issued pursuant to the above legislation.

The Issuer applies the specific balance principle as defined in Executive Order on Bonds to its lending activities. Applying the principle means there is a full funding match between the interest and principal payments received by the Issuer from borrowers and the Issuer's payments to bondholders.

In reality, the balance principle means the Issuer's credit business does not assume interest rate, exchange rate or liquidity risk – including prepayment risk. The Issuer's main risk is credit risk, i.e., the risk that a borrower is unable to repay a loan.

The Issuer's Board of Directors has overall responsibility for monitoring and mitigating the risk incurred by the Issuer. Based on the Issuer's business model and risk assessments, etc. the Board of Directors has determined policies and guidelines and hence limits for the risk that the Issuer may assume. Delegation of responsibility throughout the organisation is based on these policies, guidelines and limits.

The Board of Directors is regularly updated on and addresses general risk issues at Board meetings and on an ad hoc basis as the situation requires. Furthermore, a comprehensive assessment of the Issuer's risk situation is

prepared and presented at least annually to the Board of Directors, who determines whether risk levels are acceptable. The Issuer's Executive Board is regularly updated at meetings or in writing about the Issuer's risk profile and is also involved in the ongoing monitoring and management of risks more general or principle in nature within individual risk areas.

The Issuer's Board of Directors has also established a Risk Committee and an Audit Committee to address risk issues. The Audit Committee is tasked with reviewing accounting, auditing and security practices and monitoring the Issuer's internal control and risk management systems. The Risk Committee's duties include advising the Board of Directors on the Issuer's overall current and future risk profile and strategy and helping the Board of Directors ensure its risk strategy is implemented. The Risk Committee also undertakes preparatory work on key materials associated with, for example, risk assessments and with determining the Issuer's adequate own funds and solvency requirement prior to the Board of Directors undertaking its deliberations.

### **Credit risk**

As a mortgage bank, the Issuer only grants loans against a registered mortgage on real property subject to statutory limits on loan-to-value (LTV), etc. This activity means that credit risk, arising from the risk of loss due to a borrower defaulting on payment obligations to the Issuer, constitutes the most significant share of the Issuer's aggregate risk.

Due to the chosen business model, the Issuer's credit risk is limited to and concentrated around agriculture, etc., together with commercial properties (office and retail properties, private residential rental properties, manufacturing and workshop properties, and community power plants) and cooperative housing properties, and – to a limited extent – owner-occupied dwellings in the form of residential farms and also properties on Greenland and the Faroe Islands.

The Issuer's Board of Directors has determined the Issuer's credit policies and guidelines for the granting of credit – including limits for the Executive Board's lending authorities – in order to achieve the desired level of risk. Within the set limits, internal business procedures and instructions further delegate lending authorities to the various sections/persons in the Issuer's organisation.

To identify credit risk, a detailed assessment is made of the mortgageable property and the borrower's finances. The starting point for assessing the mortgageable property is determining its market value. This is done by the Issuer's own valuation experts, who have significant local knowledge. The condition and marketability of the property, etc. are also taken into account in the valuation.

Assessing the customer's finances normally involves several years of financial statements. The assessment process takes into account both general economic factors and individual factors that may affect the loan applicant's score. Budgets are important in connection with purchases and substantial investments, including whether a reasonable financial balance can be achieved based on realistic expectations.

Credit scoring models are used for certain customer segments. Whether additional or more detailed information about the borrower is required varies from case to case and depends on the borrower's financial circumstances. The more complex and risky the case, the more detailed the investigations to ensure an adequate basis for decision-making. The Issuer's organisational set-up ensures a separation of functions between the property valuation and the credit assessment.

As well as cover in the mortgaged property and a detailed credit assessment, the Issuer has further reduced its credit risk on individual loans and its risk at portfolio level via various guarantee scheme provided by the Issuer's loan-distributing banks (the Issuer's shareholders).

At year-end 2022 98 per cent of the Issuer's loan portfolio was covered by guarantee schemes, including a minor share of the portfolio amounting to around DKK 0.1bn covered by a government guarantee. The bulk of the exposures not covered by guarantees generally have a low loan-to-value (LTV) value.

*1. Risk cover – 6 per cent guarantee provision (Universal guarantee concept)*

The loan-distributing bank generally provides an individual guarantee on disbursement that covers the individual loan for its entire term and covers the least secure part of the loan. The guarantee covers the outermost 6 per cent of the loan's outstanding debt. In some cases, for example when certain loans that have an extended business guarantee are remortgaged, the Issuer will require a supplementary guarantee to be posted; cf. below. The guarantee is reduced proportionally as the loan is paid down.

*2. Risk cover – Loss off-set scheme*

The Issuer's universal guarantee concept also encompasses an additional loss off-setting scheme in the commission payments made to the bank where each bank offsets all losses incurred by the Issuer beyond that covered by the 6 per cent guarantee provided at the loan level. Only losses on loans distributed by the particular bank are off-set in commission payments. Losses can be off-set in commissions for up to 10 years.

*3. Risk cover – Portfolio guarantee*

If losses to be offset exceed the current year's and the following nine years' commissions, the Issuer can demand that such losses be covered by drawing on the portfolio guarantee based on the 6 per cent guarantee provision on individual loans.

At year-end 2022 DKK 178.5bn, or 98 per cent, of the Issuer's loan portfolio was covered by the universal guarantee concept.

*Loans granted up to 31 December 2014*

Until 2014 the Issuer's portfolio was covered by two different guarantee concepts that remain active but which will be reduced as the loans are redeemed or paid down, etc.

For loans on commercial property, in other words, private residential rental property, private cooperative housing, office and retail property plus manufacturing and workshop property, the loan-distributing banks have previously provided an individual loan-loss guarantee covering the outermost and most risky part of the loan. The guarantee covered as a minimum that part of the loan that exceeded 60 per cent of the value of residential rental housing and cooperative housing property without a municipal guarantee plus that part of the loan that exceeded 35 per cent of the value of office and retail property.

For manufacturing and workshop property/other property and loans issued on the Faroe Islands and Greenland, more comprehensive guarantees were required. The guarantee amount is reduced proportionally as principal payments are made and the guarantee period generally runs for up to 16 years (potentially longer for loans with interest-only payments).

Loan-loss agreements in the commercial area for loans offered up until the end of 2014 comprise at year-end 2022 a portfolio of DKK 0.6bn.

Loans on the Faroe Islands and Greenland are not covered by the universal guarantee concept and therefore still require more comprehensive guarantees.

Loans on agricultural and market garden property granted prior to 2015 were also covered by a guarantee agreement between the Issuer and its partner banks under the "cooperative agreement" (the "**Cooperative Agreement**"). This is a collective guarantee scheme for loans granted under the cooperative agreement between the Issuer and the loan-distributing banks that is invoked if the Issuer's aggregate losses on agricultural loans provided by distributing banks exceed a pre-determined amount (the Issuer's excess) within a single calendar

year. The excess is defined as 1.5 times the unweighted average of the losses in the preceding five years, though not less than 0.25 per cent of the loan portfolio covered by the agreement. The agreement covered around DKK 0.6bn of the loan portfolio at year-end 2022. Hence, the Issuer could potentially have to bear losses of up to approximately DKK 1.5m (the Issuer's excess) in 2023 (0.25 per cent of DKK 0.6bn).

Each bank's share of the guarantee is proportional to the share of loans it has distributed on behalf of the Issuer, with the banks' total loss limit potentially up to DKK 7.5m (5 x the Issuer's excess) in 2022. Losses above the Issuer's excess and the banks' total loss limit are borne solely by the Issuer.

Furthermore, the Cooperative Agreement allows the Issuer to offset losses in commission payments to individual banks if loans granted for agricultural or horticultural properties via the bank result in a loss for the Issuer. Losses that cannot be fully offset in commissions for a single year are carried forward and offset in commissions for the following up to nine years.

Finally, loans for public housing construction are generally partly guaranteed by the Danish government or Danish municipalities.

Given both the previous guarantee schemes and the ongoing implementation of the universal guarantee concept, the Issuer's risk of loss in the above-mentioned lending areas may be characterised as manageable and limited.

### **Credit risk models**

The Danish FSA has approved the Issuer's transition to the advanced IRB approach for its full-time farm portfolio as from Q1 2016. Due to new EBA guidelines, the Issuer has developed a new definition of default (DoD) and a new PD (probability of default) model, both compliant with the new rules. The Issuer received an approval of the new DoD and PD model in Q2 2022 from the Danish FSA, and the new models are expected to be implemented later in 2022. The Issuer is in working process of developing a new LGD (Loss Given Default) model compliant with the new EBA guideline. Meanwhile, the Issuer has made a capital reservation to mitigate the non-compliance risk.

The credit risk models cover the full-time agriculture loan portfolio, which accounts for around half of the Issuer's total lending. The agriculture portfolio is divided into retail (residential, hobby and part-time farms), market garden and full-time farms. Categorisation as full-time farm assumes, among other things, that one or more of the following criteria are met: (i) total agricultural holding of more than 40 ha; (ii) total livestock value of more than DKK 0.2m; or (iii) production type fish farming, poultry or mink.

The models the Issuer uses to estimate portfolio risk (behavioural score) comprise PD (Probability of Default) and LGD (Loss Given Default). The same structure is involved in a loan application situation, though additional components relevant to the application situation are also included. These factors are combined with the current exposure to calculate risk exposure. A high PD reflects a high risk on a customer, whereas a low PD reflects a low risk on a customer.

LGD indicates the Issuer's financial loss relative to exposure when a customer defaults. The model is based on the Issuer's experience of impairments and distressed properties.

The Issuer regularly monitors portfolio ratings, as credit scores are re-calculated every month. Both the Board of Directors and the Executive Board receive periodical reports on the rating systems and portfolio developments.

The Board of Directors and the Executive Board must approve any significant changes deemed necessary to the rating systems before they are presented to the Danish FSA for approval. The Board of Directors receives an annual validation report that shows how all the models have performed.

Risk Management prepares all validation reports, while Model Development develops the models. Both departments report to the Executive Board and are independent of the rest of the organisation.

### **Liquidity risk**

The risk of loss due to current liquid assets being insufficient to cover current payment obligations is limited for the Issuer. This is because the Issuer adheres to the specific balance principle whereby loan payments match the payments on issued bonds (match funding). Hence, there is a 1:1 correlation between the loan granted to the borrower and the bonds issued by the Issuer to fund the loan.

There are many advantages to this model, which ensures a funding match in terms of maturity, interest rate, currency and loan repayment. Hence, payments received by the Issuer from borrowers less an administration margin to the Issuer (risk and administration fee) perfectly match the amounts the Issuer has to pay bondholders. In general, the balance principle means the Issuer essentially only assumes a credit risk in connection with its lending activities.

As the individual borrower's dates for making interest and principal payments are pre-determined, the Issuer will – assuming due payment – receive the funds prior to or no later than concurrently with the equivalent payments falling due to bondholders. A mismatch will only occur when the frequency of the borrower's payments is higher than the Issuer's payments on the underlying bonds (for example, ARM loans). For the Issuer, this will result in a regular liquidity surplus (prepaid funds).

Loan prepayments (immediate redemptions) also give the Issuer additional liquidity, which is then invested until the amount has to be paid out to bondholders as extraordinary drawings. Like the liquidity from immediate redemptions, excess liquidity from prepaid funds is placed in secure, liquid bonds or as term deposits with banks and ring-fenced from the rest of the securities portfolio.

The Issuer's Board of Directors has determined that liquid funds must be placed in financial institutions that are subject to Danish law. The maximum deposit at any one bank may be 25 per cent of the Issuer's capital base, cf. Article 395 of the CRR, though deposits must not exceed 35 per cent of the bank's eligible capital.

### **Operational risk**

Operational risk reflects the risk of loss resulting from unsuitable or deficient internal procedures, human error or actions, system errors, or from external events. Legal risk and model risk are also operational risks.

The Issuer's Board of Directors has therefore set policies and guidelines for operational risk and insurance coverage with the aim of reducing the Issuer's risk as much as possible.

IT constitutes a key operational risk area. The Issuer's management therefore regularly addresses IT security, including contingency planning and emergency plans, etc.

The Issuer constantly strives to minimise operational risk by, for example, establishing control procedures, authorisations, emergency procedures, back-ups, business procedures, automatic updates, contingency plans, etc. The Issuer's Compliance function also helps minimise operational risk. Moreover, various process descriptions have been produced to provide instructions for pertinent procedures and to define an area's allocated responsibilities. These measures help ensure the Issuer complies with both external and internal requirements.

The Issuer also registers losses or potential losses attributable to operational risk. The Issuer's Executive Board is regularly updated on operational incidents, while the Issuer's Risk Committee is updated quarterly. The Issuer's Board of Directors is regularly updated on operational events that exceed a pre-determined limit and at least annually on all operational incidents that have occurred.

As the Issuer is considered a relatively “simple” business with few products and business areas, the Issuer’s operational risk is estimated to be limited overall.

### **Board of Directors, Executive Board and other bodies**

#### *Board of Directors*

**Vagn Hansen (Chairman)**, *Managing director and CEO of Sparekassen Danmark*

Chairman of the Board of Directors of Egnsinvest Holding A/S and two subsidiaries

Chairman of the Board of Directors of Ejendomsselskabet Vendsyssel ApS

Director of the Board of SDC A/S

Deputy Chairman of the Board of the Association of Local Banks, Savings Banks and Co-Operative Savings Banks in Denmark (Lokale Pengeinstitutter)

Director of the Board of Opendo A/S and one subsidiarie

Director of the Board of Sparinvest A/S

Director of the Board of Sparekassen Vendsyssels Fond

Director of the Board of the Association for banks, mortgage institutions, asset management, securities trading and investment funds in Denmark. (Finans Danmark)

Director of the Board of FR I af 16. September 2015 A/S

Director of the Board of PRAS A/S

Director of the Board of Kunstbygningen I Vrå

**Bjarne Larsen (Deputy Chairman)**, *Deputy Group Chief Executive of Sydbank A/S*

Director of the Board of Ejendomsselskabet af 1. juni 1986 A/S

Deputy Chairman of the Board of Directors of Syd Administration A/S

Managing Director and Director of the Board of Syd ABB (former Alm. Brand Bank A/S)

**Ole Beith (Director)** *Managing Director of Sparekassen Thy*

Chairman of the Board of the Educational Sector for the Financial Sector (Finanssektorens Uddannelsescenter)

Chairman of the Board of Skanderborg Park P/S

CEO and Director of the Board of Krone Kapital II A/S

Director of the Board of Krone Kapital A/S

Director of the Board of the Education Fund for the Association of Local Banks, Savings Banks and Co-Operative Savings Banks in Denmark (Lokale Pengeinstitutters Uddannelsesfond)

Director of the Board of the Association of Local Banks, Savings Banks and Co-Operative Savings Banks in Denmark (Lokale Pengeinstitutter)

Director of the Board of Stonehenge Fondsmæglerselskab A/S

Director of the Board of FR I af 16. September 2015 A/S

**Carsten Levring Jakobsen (Director)**,

*Managing director of Spar Nord Bank A/S*

Director of the Board of Aktieselskabet Skelagervej 15

**Claus Andersen (Director)**, *General Manager of Ringkjøbing Landbobank A/S*

Chairman of the Board of Directors of Sæbygaard Skov A/S

Director of the Board of the Association of Local Banks, Savings Banks and Co-Operative Savings Banks in Denmark (Lokale Pengeinstitutter)

Director of the Board of the Education Fund for the Association of Local Banks, Savings Banks and Co-Operative Savings Banks in Denmark (Lokale Pengeinstitutter)

**Frank Mortensen (Director)**, *Executive Bank Director of A/S Arbejdernes Landsbank*

Director of the Board of Ejendomsselskabet Sluseholmen A/S

Director of the Board of AL Finans A/S

**Lars Petersson (Director)**, *Chief Executive Officer of Sparekassen Sjælland-Fyn A/S*

Chairman of the Board of Directors of Holbæk Kommunes Talentråd

Chairman of the Board of Directors of Museum Vestsjælland

Director of the Board of Impagt Invest Sjælland A/S

Director of the Board of Ejendomsselskabet Sjælland-Fyn A/S

Director of the Board of Investeringselskabet Sjælland-Fyn A/S

Director of the Board of BI Holding A/S (Bankinvest Group)

**Randi Holm Franke**, *Head of Business Development and Communication*

Staff-elected director of DLR Kredit A/S

**Jakob G. Hald**, *Chief Agricultural Client Manager*

Staff-elected director of DKR Kredit A/S

**Lars Faber**, *IT Operations Manager*

Staff-elected director of DLR Kredit A/S

The business address of all the members of the Issuer's Board of Directors is:

DLR Kredit A/S

Nyropsgade 21

DK-1780 Copenhagen V

Denmark

Tel +45 70 10 00 00

*Executive Board*

**Jens Kr. A. Møller**, *Managing Director and CEO*

Director of the Board of Finance Denmark and the Association of Danish Mortgage Banks

Director of the Board of e-nettet A/S

Director of SEGES' Sector Board for Business Finance & Management

Director of the Board of FR I af 16. september 2015 A/S

Director of the Board of Klimaskovfonden

**Pernille Lohmann**, *Managing Director*

Director of the Board of the Association of Danish Mortgage Banks

Member of the central committee and executive committee of Danish Agriculture & Food Council

The business address of the Executive Board is:

DLR Kredit A/S

Nyropsgade 21

DK -1780 Copenhagen V

Denmark

Tel +45 70 10 00 00

There are no potential conflicting interests between the Issuer Board of Directors and Executive Board, between the obligations of the members of the Issuer Board of Directors and Executive Board vis-à-vis the Issuer, and their private interests and/or other obligations.

*Audit Committee*

**Claus Andersen (Chairman)**, *General Manager of Ringkjøbing Landbobank A/S*

**Frank Mortensen**, *Executive Bank Director of A/S Arbejdernes Landsbank*

**Randi Holm Franke**, *Head of Business Development and Communication*

*Risk Committee*

**Bjarne Larsen (Chairman)**, *Deputy Group Chief Executive of Sydbank A/S*

**Ole Beith**, *Managing Director of Sparekassen Thy*

**Jakob G. Hald**, *Chief Agricultural Client Manager*

*Nomination Committee*

**Vagn Hansen (Chairman)**, *Managing Director and CEO of Sparekassen Danmark*

**Bjarne Larsen (Deputy Chairman)**, *Deputy Group Chief Executive of Sydbank A/S*

All other members of the Issuer's Board of Directors

*Remuneration Committee*

**Vagn Hansen (Chairman)**, *Managing Director and CEO of Sparekassen Danmark*

**Bjarne Larsen**, *Deputy Group Chief Executive of Sydbank A/S*

**Jakob G. Hald**, *Chief Agricultural Client Manager*

*Board Practices*

A series of committees have been established under the Issuer's Board of Directors. These are the:

- Audit Committee;
- Nomination Committee;
- Remuneration Committee; and
- Risk Committee.

Committee members are drawn from the Issuer's Board of Directors.

## TAXATION

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

### **Danish Taxation**

The following is a summary description of the expected taxation in Denmark of the Notes according to the Danish tax laws in force at the date hereof and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes. A variety of features regarding interest, principal and repayment may apply to the Notes, and the Danish tax treatment of the Notes will depend on the features applicable to the Notes in question. It is expected that the Danish Consolidated Act no. 1390 of 29 September 2022 on taxation of debt, debt claims and financial contracts (in Danish: *Kursgevinstloven*) will apply to the Senior Non-Preferred Notes and Subordinated Notes, while Additional Tier 1 Capital Notes will be taxed pursuant to the Danish act no. 149 of 10 April 1922 on income tax to the Danish State (in Danish: *Statsskatteloven*), and in the below summary it is assumed that this will in fact be the case. However, the Issuer makes no representation that these assumptions are correct, and it is noted that there are uncertainties regarding the Danish tax treatment of the Notes, in particular the Danish tax treatment of Additional Tier 1 Capital Notes.

### **Taxation at source**

Under existing Danish tax laws, no general withholding tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in section 2(1)(d) of Consolidated Act no. 1241 of 22 August 2022 on corporation tax (in Danish: *Selskabsskatteloven*). This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer or where the Noteholders and the Issuer is not controlled by the same group of persons.

### **Resident Noteholders**

#### *Senior Non-Preferred Notes and Subordinated Notes*

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

Gains and losses on Notes issued to corporate entities are generally included in the taxable income in accordance with a mark-to-market principle (in Danish: *lagerprincippet*), i.e. on an unrealised basis. Gains and losses on Notes issued to individuals are generally included in the taxable income on a realised basis and if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation.

Gains and losses on Notes, which are subject to adjustments on principal or interest may be taxable on an annual basis in accordance with a mark-to-market principle (in Danish: *lagerprincippet*).

Pension funds and other entities governed by the Consolidated Act no. 12 of 6 January 2023 on taxation of pension yield (in Danish: *Pensionsafkastbeskatningsloven*) would, irrespective of realisation, be taxed on

annual value increase or decrease of the Notes according to a mark-to-market principle (in Danish: *lagerprincippet*) as specifically laid down in the act.

#### *Additional Tier 1 Capital Notes*

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Additional Tier 1 Capital Notes through their permanent establishment in Denmark are liable to pay tax on such interest. For private individuals the income is taxed as personal income and not as capital income.

According to the published guidelines of the Danish tax authorities, capital gains on Additional Tier 1 Capital instruments (such as the Additional Tier 1 Capital Notes) are not taxable to individuals or corporate entities, unless the relevant holder of such instrument is engaged in financial trade with such instruments or has acquired such instruments due to speculation.

### **Non-Resident Noteholders**

#### *Senior Non-Preferred Notes and Subordinated Notes*

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

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

#### *Additional Tier 1 Capital Notes*

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholder in respect of Additional Tier 1 Capital Notes are not subject to taxation in Denmark. Thus, no Danish withholding tax will be payable with respect to such payments, and any capital gain realised upon the sale, exchange or retirement of an Additional Tier 1 Capital Note will not be subject to taxation in Denmark.

This tax treatment applies solely to Noteholders in respect of Additional Tier 1 Capital Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a Danish permanent establishment to which the Additional Tier 1 Capital Notes are allocated.

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

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a “**Participating Member State**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range

of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional European Union Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

### Placing and underwriting

The Issuer has not entered into any dealer or underwriting agreement under which a third party undertakes to place Notes. In connection with an offer and placement of Notes through one or more Dealers, including where Notes are to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers, the Issuer may enter into a subscription agreement with the relevant Dealer(s) concerning that offer of Notes (a “**Subscription Agreement**”). If entered into, such Subscription Agreement is expected to provide that the Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer.

If entered into, the Subscription Agreement will provide that the Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer may agree in the Subscription Agreement to reimburse the Dealers for certain of its expenses incurred in connection with the offer of the Notes.

The Issuer may agree in the Subscription Agreement to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. If entered into, the Subscription Agreement is expected to entitle the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling restrictions

#### United States

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

Each Dealer will be required to represent and agree, that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

#### Prohibition of Sales to EEA Retail Investors

Unless the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms or Pricing Supplement, as applicable, in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, then in relation to each Member State of the EEA (each, a “**Relevant State**”), each Dealer will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or Pricing Supplement, as applicable, in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## **United Kingdom**

### ***Prohibition of Sales to United Kingdom Retail Investors***

Unless the Final Terms or Pricing Supplement, as applicable, specifies “Prohibition of Sales to United Kingdom Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes, which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms (or Pricing Supplement, as the case may be) in relation thereto, to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

- (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms or Pricing Supplement, as applicable, in respect of any Notes specifies “Prohibition of Sales to United Kingdom Retail Investors” as “Not Applicable” in relation to the United Kingdom, each Dealer will be required to represent and agree that it has not made and will not make an offer of Notes, which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or Pricing Supplement, as applicable, in relation thereto, to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression an “**offer of Notes to the public**” in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

***Other regulatory restrictions in the United Kingdom***

Each Dealer will also be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold, and will not offer or sell, any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (ii) in relation to any Notes issued by the Issuer, it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Kingdom of Denmark**

Each Dealer will be required to represent and agree that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Act on Capital Markets and Executive Orders issued thereunder and in compliance with Executive Order no. 191 of 31 January 2022 on Investor Protection in connection with Securities Trading issued pursuant to the Danish Financial Business Act.

## **General**

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

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

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

Neither the Issuer nor one of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute or publish this Base Prospectus or any Final Terms or Pricing Supplement, as applicable, or any related offering material, in each case at their own expense.

## FORM OF FINAL TERMS

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

### **[Prohibition of sales to EEA retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); (ii) a customer within the meaning of Directive 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) no. 1286/2014 (as amended) (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. *[Include unless the Final Terms specifies “Prohibition of Sales to EEA and Retail Investors” as “Not Applicable”]*

### **[Prohibition of sales to United Kingdom retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2018 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. *[Include unless the Final Terms specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”]*

### **[MIFID II product governance / Professional investors and eligible counterparties only target market**

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/54/EU (as amended) (“**MiFID II**”)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels. *[Include unless the Final Terms specifies “Prohibition of Sales to EEA Retail Investors as “Not Applicable”]*

**[UK MiFIR product governance / Professional investors and eligible counterparties only target market**

Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [the European Union (Withdrawal) Act 2018/EUWA] (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels. *[Include unless the Final Terms specifies "Prohibition of Sales to United Kingdom Retail Investors" as "Not Applicable"]*

[Amounts payable under the Notes will be calculated by reference to *[specify benchmark (as this term is defined in the Benchmarks Regulation)]* which is provided by *[legal name of the benchmark administrator]*. As at the date of these Final Terms, *[legal name of the benchmark administrator]* [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Issuer is aware, *[specify benchmark (as this term is defined in the Benchmarks Regulation)]* [does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that *[legal name of the benchmark administrator]* is not currently required to obtain authorisation or registration (or, if located outside the European Union and the United Kingdom, recognition, endorsement or equivalence).]*[Include if amounts payable under the Notes will be calculated by reference to a benchmark]*

**[MiFID II product governance / Retail investors, professional investors and eligible counterparties target market**

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/54/EU (as amended) (“**MiFID II**”)/MiFID II]; EITHER [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.]

**[UK MiFIR product governance / Retail investors, professional investors and eligible counterparties target market**

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”); EITHER [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable].]

[Amounts payable under the Notes will be calculated by reference to [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] which is provided by [*legal name of the benchmark administrator*]. As at the date of these Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Issuer is aware, [*specify benchmark (as this term is defined in the Benchmarks Regulation)*] [does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).][*Include if amounts payable under the Notes will be calculated by reference to a benchmark*]]

**Final Terms dated [●] 20[●]**

**DLR Kredit A/S**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the  
DKK 10,000,000,000 Debt Issuance Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] 20[●] [and the supplement[s] to the Base Prospectus dated [●] 20[●][ and [●] 20[●]]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)/the Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus is

available for viewing at, and copies may be obtained from, the Danish Financial Supervisory Authority's website at [www.finanstilsynet.dk](http://www.finanstilsynet.dk) (the "**Danish FSA**").

*[The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [*original date*][*together with any supplements which amend the Conditions*], which are incorporated in the Base Prospectus dated [*current date*] [and the supplement(s) to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus (the "**Current Base Prospectus**") for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")/the Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Current Base Prospectus, including the Conditions which are incorporated by reference in the Current Base Prospectus in order to obtain all the relevant information. The Current Base Prospectus is available for viewing at, and copies may be obtained from, the Danish FSA's website at [www.finanstilsynet.dk](http://www.finanstilsynet.dk).

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]*

- |   |         |  |   |
|---|---------|--|---|
| 1 | [(i)]   | Series Number:                           | [●]   |
|   | [(ii)]  | Tranche Number:                          | [●]   |
|   | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated and form a single Series with the [ <i>insert amount, interest rate, maturity date and issue date of the Series</i> ]   |
| 2 |         | Specified Currency:                      | [●]   |
| 3 |         | Aggregate Nominal Amount:                | [●]   |
|   | [(i)]   | Series:                                  | [●]   |
|   | [(ii)]  | Tranche:                                 | [●]   |
| 4 |         | Issue Price:                             | [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> )]   |
| 5 | (i)     | Specified Denomination(s):               | [●]<br>[All trades in Notes as well as the initial subscription shall be in a minimum amount of [currency][amount]. A Noteholder who, as a result of trading such amounts, holds an amount which is less than [currency][amount] in its account with the relevant central securities depository system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of [currency][amount] such that its holding amounts to [currency][amount] or above.]<br><i>(N.B Either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of</i> |

€100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency.)

|    |        |   |  |
|----|--------|---|--|
|    | (ii)   | Calculation Amount:   | [●]  |
| 6  | (i)    | Issue Date:   | [●]  |
|    | (ii)   | Interest Commencement Date:   | [Specify/Issue Date/Not Applicable]  |
| 7  |        | Maturity Date:  | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]<br><br>[Not applicable. The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in the Conditions. (N.B. Only applicable to Additional Tier 1 Capital Notes)] |
| 8  |        | Interest Basis:   | [[●] per cent Fixed Rate]<br>[[specify reference rate] +/- [●] per cent Floating Rate]<br>[Reset Notes]<br>[●]<br>(further particulars specified below)  |
| 9  |        | Redemption Basis:   | [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their Final Redemption Amount]<br><br>[Not Applicable. The Notes are perpetual securities and have no fixed maturity (N.B. only applicable to Additional Tier 1 Capital Notes)]  |
| 10 |        | Change of Interest Basis:   | [Not Applicable/cross refer to paragraph [14] and/or [15] if details are included there]   |
| 11 |        | Call Option:  | [Call Option/Not Applicable]<br>[(see paragraph [17] below)]   |
| 12 | [(i)]  | Status of the Notes   | [Senior Non-Preferred Notes/Subordinated Notes /Perpetual Non-cumulative Additional Tier 1 Capital Notes]  |
| 13 | [(ii)] | [Date [Board of Directors] approval for issuance of Notes obtained: | [●]<br><br>(N.B. Only relevant where Board of Directors (or similar) authorisation is required for the particular tranche of Notes)]   |

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

|    |                                   |                             |
|----|-----------------------------------|-----------------------------|
| 14 | <b>Fixed Rate Note Provisions</b> | [Applicable/Not Applicable] |
|----|-----------------------------------|-----------------------------|

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- |        |   |  |
|--------|---|--|
| (i)    | Rate[(s)] of Interest:  | [●] per cent per annum payable in arrear on each Interest Payment Date   |
| (ii)   | Interest Payment Date(s):                                       | [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date   |
| (iii)  | Fixed Coupon Amount:  | [[●] per Calculation Amount/Not Applicable]  |
| (iv)   | Broken Amount:  | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]  |
| (v)    | Day Count Fraction:   | [Actual/Actual – ISDA]<br>[Actual/Actual – ICMA]<br>[Actual/365 (Fixed)]<br><br>[Actual/360]<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>[30E/360 (ISDA)] |
| (vi)   | Determination Date:   | [[●] in each year/Not Applicable]<br>[Applicable/Not Applicable]   |
| 15     | <b>Reset Note Provisions</b>                                    | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| (i)    | Initial Rate of Interest:                                       | [●] per cent per annum payable [annually/semi-annually/quarterly/monthly] in arrear  |
| (ii)   | First Reset Margin:   | [+/-] [●] per cent per annum   |
| (iii)  | Subsequent Reset Margin:  | [+/-] [●] per cent per annum/Not Applicable]   |
| (iv)   | Interest Payment Date(s):                                       | [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date   |
| (v)    | Fixed Coupon Amount up to (but excluding) the First Reset Date: | [[●] per Calculation Amount/Not Applicable]  |
| (vi)   | Broken Amount up to (but excluding) the First Reset Date:       | [Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]   |
| (vii)  | First Reset Date:   | [●]  |
| (viii) | Second Reset Date:  | [[●]/Not Applicable]   |
| (ix)   | Subsequent Reset Date(s):                                       | [[●] [and [●]]/Not Applicable]   |
| (x)    | Reset Determination Date(s):                                    | [●]<br><i>(specify in relation to each Reset Date)</i>   |
| (xi)   | Relevant Time:  | [●]  |
| (xii)  | Relevant Screen Page:   | [●]  |
| (xiii) | Reset Reference Rate:   | [Mid-Swap Rate]/[Reference Bond]/[CMT Rate]  |

|         |   |  |
|---------|---|--|
| (xiv)   | Reset Reference Rate<br>Conversion:                               | [Applicable/Not Applicable]  |
| (xv)    | Original Reset Reference<br>Rate Payment Basis:                   | [Annual/Semi-annual/Quarterly/Monthly/Not<br>Applicable]   |
| (xvi)   | Mid-Swap Rate   | [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not<br>Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of<br/>this paragraph)</i> |
| –       | Reference Rate<br>Replacement:                                    | [Applicable/Not Applicable]  |
| –       | Mid-Swap Floating Leg<br>Maturity:                                | [●]  |
| –       | Initial Mid-Swap Rate Final<br>Fallback:                          | [Applicable/Not Applicable]<br><i>(If not applicable, delete “Initial Mid-Swap Rate”<br/>immediately below)</i>                                      |
|         | Initial Mid-Swap Rate:  | [●] per cent.  |
| –       | Reset Period Maturity Initial<br>Mid-Swap Rate Final<br>Fallback: | [Applicable/Not Applicable]<br><i>(If not applicable, delete “Reset Period Maturity Initial<br/>Mid-Swap Rate” immediately below)</i>                |
|         | Reset Period Maturity Initial<br>Mid-Swap Rate:                   | [●] per cent.  |
| –       | Last Observable Mid-Swap<br>Rate Final Fallback:                  | [Applicable/Not Applicable]  |
| (xvii)  | First Reset Period Fallback<br>Yield:                             | [●]/[Not Applicable]<br><i>(N.B. only applicable where the Reset Reference Rate is<br/>Reference Bond or CMT Rate)</i>                               |
| (xviii) | Reset Reference Banks:  | [●]  |
| (xix)   | Day Count Fraction:   | [30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]   |
| (xx)    | Determination Dates:  | [[●] in each year/Not Applicable]  |
| (xxi)   | Calculation Agent:  | [Specify if not the Fiscal Agent]/[The Fiscal Agent]   |
| 16      | <b>Floating Rate Note Provisions</b>                              | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of<br/>this paragraph)</i>                                 |
| (i)     | Interest Period(s):   | [●]  |
| (ii)    | Specified Interest Payment<br>Dates:                              | [●]  |
| (iii)   | First Interest Payment Date:                                      | [●]  |
| (iv)    | Interest Period Date:   | [●]<br><i>(Not applicable unless different from Interest Payment<br/>Date)</i>   |

|        |   |  |
|--------|---|--|
| (v)    | Business Day Convention:  | [Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable] |
| (vi)   | Business Centre(s):   | [●]  |
| (vii)  | Manner in which the Rate(s) of Interest is/are to be determined:  | [Screen Rate Determination/ISDA Determination]   |
| (viii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [●]  |
| (ix)   | Screen Rate Determination:  |  |
|        | – Reference Rate:   | [[●] month] [EURIBOR/CIBOR/NIBOR/ STIBOR]<br>(N.B. <i>The Reference Rate shall be any one of EURIBOR, NIBOR, STIBOR or CIBOR</i> )                                       |
|        | – Interest Determination Date(s):   | [●]  |
|        | – Relevant Screen Page:   | [●]  |
|        | – Reference Banks:  | [●]  |
| (x)    | Reference Rate Replacement  | [Applicable/Not Applicable]  |
| (xi)   | ISDA Definition:  | [●]/[2021 ISDA Definitions]  |
| (xii)  | ISDA Determination:   |  |
|        | – Floating Rate Option:   | [●]  |
|        | – Designated Maturity:  | [●]  |
|        | – Reset Date:   | [●]  |
| (xiii) | Margin(s):  | [+/-][●] per cent per annum  |
| (xiv)  | Minimum Rate of Interest:   | [●] per cent per annum   |
| (xv)   | Maximum Rate of Interest:   | [●] per cent per annum   |
| (xvi)  | Day Count Fraction:   | [Actual/Actual – ISDA]<br>[Actual/Actual – ICMA]<br>[Actual/365 (Fixed)]<br><br>[Actual/360]<br>[30/360][360/360][Bond Basis]  |

|   |  |  |  |
|---|--|--|--|
|   |  |  | [30E/360][Eurobond Basis]<br>[30E/360 (ISDA)]  |
| (xvii)  | Determination Dates:   |  | [[●] in each year/Not Applicable]  |
| <b>PROVISIONS RELATING TO REDEMPTION</b>          |  |  |  |
| 17  | <b>Call Option</b>   |  | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|   | (i) Optional Redemption Date(s):   |  | [●]  |
|   | (ii) Optional Redemption Amount:   |  | [●]/[Early Redemption Amount]  |
|   | (iii) If redeemable in part:   |  | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraph)</i>  |
|   | a) Maximum Redemption Amount:  |  | [●]  |
|   | b) Minimum Redemption Amount:  |  | [●]  |
|   | (iv) Notice period:  |  | Minimum period: [15]/[●] days<br>Maximum period: [30]/[●] days   |
| 18  | <b>Clean-up Redemption Option</b>  |  | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraph)</i>  |
|   | Clean-up Percentage  |  | [As per the Conditions/[●] per cent.]  |
| 19  | <b>Final Redemption Amount</b>   |  | [●]/[The Outstanding Principal Amount]   |
| 20  | <b>Early Redemption Amount</b>   |  | [●]/[The Final Redemption Amount]  |
| 21  | <b>Redemption for Eligibility Event</b>                                    |  | [Applicable/Not Applicable]<br><i>(Only applicable to Senior Non-Preferred Notes)</i>  |
| 22  | <b>Substitution and variation for Subordinated Notes</b>                   |  | [Applicable/Not Applicable]<br><i>(Only applicable to Subordinated Notes)</i>  |
| <b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b> |  |  |  |
| 23  | Form of Notes:   |  | Uncertificated and dematerialised book entry form through [[ES-CPH]/[●]].  |
| 24  | Financial centre(s) or other special provisions relating to payment dates: |  | [Not Applicable/[●]]<br><i>(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 16(vi) relates)</i> |
| 25  | Trigger Event Threshold  |  | [[●] per cent/Not applicable]<br><i>(N.B. Only relevant for Additional Tier 1 Capital Notes)</i>   |
| 26  | Principal Minimum Amount   |  | [[●]/Not Applicable]<br><i>(N.B. Only relevant for Additional Tier 1 Capital</i>   |

*Notes)*

**[THIRD PARTY INFORMATION]**

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

Signed on behalf of DLR Kredit A/S:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Nasdaq Copenhagen A/S’ regulated market with effect from [●].]/ [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Nasdaq Copenhagen A/S’ regulated market with effect from, or from around, [●].][*Not Applicable.*]  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Notes to be issued have been rated:]  
[The Notes to be issued are expected to be rated:]  
[S&P Global Ratings Europe Limited: [●]]  
*Insert one (or more) of the following options, as applicable:*  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the [EU/United Kingdom] and registered under Regulation (EC) No 1060/2009 (as amended).  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the [EU/United Kingdom] and has applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the registration decision has not yet been provided.]  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] not established in the [EU/United Kingdom] and [is/are] not certified under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the [EU/United Kingdom] and registered under the CRA Regulation.]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating providers]*  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No

1060/2009 (as amended) (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

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

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

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

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)*

4 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i) Reasons for the offer: [See “Use of Proceeds” in the Base Prospectus/*Give details*]

*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)*

(ii) Estimated net proceeds: [●]

5 **[YIELD**

*(Include for Fixed Rate Notes and Reset Notes only)*

Indication of yield: [●]]

6 **OPERATIONAL INFORMATION**

ISIN Code: [●]

[CFI:] [[[●] / Not Applicable]

[FISN:] [[●] / Not Applicable]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)]*

Common Code: [●]

Securities depository [VP Securities A/S (branded as Euronext Securities Copenhagen), Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, , Denmark (“**ES-CPH**”)/[●]]

[The Issuer shall be entitled to obtain certain information from the registers maintained by ES-CPH for the purpose of performing its obligations under the issue of the Notes.]

7

**DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/[●]]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/[●]]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/[●]]
- (vi) U.S. Selling Restriction: Reg. S Compliance Category 2
- (vii) Prohibition of sales to EEA Retail Investors: [Applicable/Not Applicable]
- (viii) Prohibition of sales to United Kingdom Retail Investors: [Applicable/Not Applicable]

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche of Exempt Notes, is set out below:

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”) OR REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE “UK PROSPECTUS REGULATION”) FOR THIS ISSUE OF NOTES.

### **[Prohibition of sales to EEA retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“**MiFID II**”); (ii) a customer within the meaning of Directive 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) no. 1286/2014 (as amended) (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation. *[Include unless the Pricing Supplement specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”]*

### **[Prohibition of sales to United Kingdom retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2018 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. *[Include unless the Final Terms specifies “Prohibition of Sales to UK Investors” as “Not Applicable”]*

Any person making or intending to make an offer of Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or pursuant to section 85 of the FSMA, as the case may be, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case in relation to such offer.

### **[MIFID II product governance / target market**

*[Appropriate target market legend to be included]*

[UK MiFIR product governance / target market

[Appropriate target market legend to be included]]

**Pricing Supplement dated [●] 20[●]**

**DLR Kredit A/S**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the  
DKK 10,000,000,000 Debt Issuance Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] 20[●] [and the supplement[s] to the Base Prospectus dated [●] 20[●][ and [●] 20[●]]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)/the Prospectus Regulation]. This document must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at, and copies may be obtained from, the Danish Financial Supervisory Authority’s website at [www.finanstilsynet.dk](http://www.finanstilsynet.dk) (the “**Danish FSA**”).

*[The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [original date][together with any supplements which amend the Conditions], which are incorporated in the Base Prospectus dated [current date] [and the supplement(s) to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus (the “**Current Base Prospectus**”). This document must be read in conjunction with the Current Base Prospectus, including the Conditions which are incorporated by reference in the Current Base Prospectus, in order to obtain all the relevant information. The Current Base Prospectus is available for viewing at, and copies may be obtained from, the Danish Financial Supervisory Authority’s website at [www.finanstilsynet.dk](http://www.finanstilsynet.dk).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

- |   |         |  |   |
|---|---------|--|---|
| 1 | [(i)]   | Series Number:                           | [●]   |
|   | [(ii)]  | Tranche Number:                          | [●]   |
|   | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated and form a single Series with the <i>[insert amount, interest rate, maturity date and issue date of the Series]</i> |
| 2 |         | Specified Currency:                      | [●]   |
| 3 |         | Aggregate Nominal Amount:                | [●]   |
|   | [(i)]   | Series:                                  | [●]   |
|   | [(ii)]  | Tranche:                                 | [●]]  |
| 4 |         | Issue Price:                             | [●] per cent of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]  |

|    |      |                             |   |
|----|------|-----------------------------|---|
| 5  | (i)  | Specified Denomination(s):  | <p>[●]</p> <p>[All trades in Notes as well as the initial subscription shall be in a minimum amount of [currency][amount]. A Noteholder who, as a result of trading such amounts, holds an amount which is less than [currency][amount] in its account with the relevant central securities depository system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of [currency][amount] such that its holding amounts to [currency][amount] or above.]</p> <p><i>(N.B Either (i) all trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of €100,000 or (ii) the minimum specified denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency.)</i></p> |
|    | (ii) | Calculation Amount:         | [●]   |
| 6  | (i)  | Issue Date:                 | [●]   |
|    | (ii) | Interest Commencement Date: | [Specify/Issue Date/Not Applicable]   |
| 7  |      | Maturity Date:              | <p>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</p> <p>[Not applicable. The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in the Conditions. (N.B. Only applicable to Additional Tier 1 Capital Notes)]</p>   |
| 8  |      | Interest Basis:             | <p>[[●] per cent Fixed Rate]</p> <p>[[specify reference rate] +/- [●] per cent Floating Rate]</p> <p>[Reset Notes]</p> <p>[●]</p> <p>(further particulars specified below)</p>  |
| 9  |      | Redemption Basis:           | <p>[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their Final Redemption Amount]</p> <p>[Not Applicable. The Notes are perpetual securities and have no fixed maturity (N.B. only applicable to Additional Tier 1 Capital Notes)]</p>  |
| 10 |      | Change of Interest Basis:   | [Not Applicable/cross refer to paragraph [14] and/or [15] if details are included there]  |
| 11 |      | Call Option:                | <p>[Call Option/Not Applicable]</p> <p>[(see paragraph [17] below)]</p>   |

- |    |        |   |   |
|----|--------|---|---|
| 12 | [(i)]  | Status of the Notes   | [Senior Non-Preferred Notes/Subordinated Notes/Perpetual Non-cumulative Additional Tier 1 Capital Notes]                                |
| 13 | [(ii)] | [Date [Board of Directors] approval for issuance of Notes obtained: | [●]<br><i>(N.B. Only relevant where Board of Directors (or similar) authorisation is required for the particular tranche of Notes)]</i> |

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

- |    |                                   |   |  |
|----|-----------------------------------|---|--|
| 14 | <b>Fixed Rate Note Provisions</b> |   | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|    | (i)                               | Rate[(s)] of Interest:  | [●] per cent per annum payable in arrear on each Interest Payment Date   |
|    | (ii)                              | Interest Payment Date(s):                                       | [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date   |
|    | (iii)                             | Fixed Coupon Amount:  | [[●] per Calculation Amount/Not Applicable]  |
|    | (iv)                              | Broken Amount:  | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]  |
|    | (v)                               | Day Count Fraction:   | [Actual/Actual – ISDA]<br>[Actual/Actual – ICMA]<br>[Actual/365 (Fixed)]<br><br>[Actual/360]<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>[30E/360 (ISDA)] |
|    | (vi)                              | Determination Date:   | [[●] in each year/Not Applicable]  |
| 15 | <b>Reset Note Provisions</b>      |   | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|    | (i)                               | Initial Rate of Interest:                                       | [●] per cent per annum payable [annually/semi-annually/quarterly/monthly] in arrear  |
|    | (ii)                              | First Reset Margin:   | [+/-] [●] per cent per annum   |
|    | (iii)                             | Subsequent Reset Margin:  | [+/-] [●] per cent per annum/Not Applicable]   |
|    | (iv)                              | Interest Payment Date(s):                                       | [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date   |
|    | (v)                               | Fixed Coupon Amount up to (but excluding) the First Reset Date: | [[●] per Calculation Amount/Not Applicable]  |
|    | (vi)                              | Broken Amount up to (but excluding) the First Reset Date:       | [Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]   |

|         |   |  |
|---------|---|--|
| (vii)   | First Reset Date:   | [•]  |
| (viii)  | Second Reset Date:  | [[•]/Not Applicable]   |
| (ix)    | Subsequent Reset Date(s):   | [[•] [and [•]]/Not Applicable]   |
| (x)     | Reset Determination<br>Date(s):                                   | [•]<br>(specify in relation to each Reset Date)  |
| (xi)    | Relevant Time:  | [•]  |
| (xii)   | Relevant Screen Page:   | [•]  |
| (xiii)  | Reset Reference Rate:   | [Mid-Swap Rate]/[Reference Bond]/[CMT Rate]  |
| (xiv)   | Reset Reference Rate<br>Conversion:                               | [Applicable/Not Applicable]  |
| (xv)    | Original Reset Reference<br>Rate Payment Basis:                   | [Annual/Semi-annual/Quarterly/Monthly/Not<br>Applicable]   |
| (xvi)   | Mid-Swap Rate   | [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not<br>Applicable]<br>(If not applicable, delete the remaining sub-paragraphs of<br>this paragraph) |
| –       | Reference Rate<br>Replacement:                                    | [Applicable/Not Applicable]  |
| –       | Mid-Swap Floating Leg<br>Maturity:                                | [•]  |
| –       | Initial Mid-Swap Rate Final<br>Fallback:                          | [Applicable/Not Applicable]<br>(If not applicable, delete “Initial Mid-Swap Rate”<br>immediately below)                                      |
|         | Initial Mid-Swap Rate:  | [•] per cent.  |
| –       | Reset Period Maturity Initial<br>Mid-Swap Rate Final<br>Fallback: | [Applicable/Not Applicable]<br>(If not applicable, delete “Reset Period Maturity Initial<br>Mid-Swap Rate” immediately below)                |
|         | Reset Period Maturity Initial<br>Mid-Swap Rate:                   | [•] per cent.  |
| –       | Last Observable Mid-Swap<br>Rate Final Fallback:                  | [Applicable/Not Applicable]  |
| (xvii)  | First Reset Period Fallback<br>Yield:                             | [•]/[Not Applicable]<br>(N.B. only applicable where the Reset Reference Rate is<br>Reference Bond or CMT Rate)                               |
| (xviii) | Reset Reference Banks:  | [•]  |
| (xix)   | Day Count Fraction:   | [30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]   |
| (xx)    | Determination Dates:  | [[•] in each year/Not Applicable]  |
| (xii)   | Calculation Agent:  | [Specify if not the Fiscal Agent]/[The Fiscal Agent]   |
| 16      | <b>Floating Rate Note Provisions</b>                              | [Applicable/Not Applicable]  |

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●]  
*(Not applicable unless different from Interest Payment Date)*
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]  
[Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination:
  - Reference Rate: [[●] month] [EURIBOR/CIBOR/NIBOR/ STIBOR]  
*(N.B. The Reference Rate shall be any one of EURIBOR, NIBOR, STIBOR or CIBOR)*
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Reference Banks: [●]
- (x) Reference Rate Replacement [Applicable/Not Applicable]
- (xi) ISDA Definition: [●]/[2021 ISDA Definitions]
- (xii) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (xiii) Margin(s): [+/-][●] per cent per annum

- (xiv) Minimum Rate of Interest: [●] per cent per annum
- (xv) Maximum Rate of Interest: [●] per cent per annum
- (xvi) Day Count Fraction: [Actual/Actual – ISDA]  
[Actual/Actual – ICMA]  
[Actual/365 (Fixed)]  
  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30E/360 (ISDA)]
- (xvii) Determination Dates: [[●] in each year/Not Applicable]

#### PROVISIONS RELATING TO REDEMPTION

- 17 **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [●]/[Early Redemption Amount]
- (iii) If redeemable in part: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraph)*
- a) Maximum Redemption Amount: [●]
- b) Minimum Redemption Amount: [●]
- (iv) Notice period: Minimum period: [15]/[●] days  
Maximum period: [30]/[●] days
- 18 **Clean-up Redemption Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraph)*
- Clean-up Percentage [As per the Conditions/[●] per cent.]
- 19 **Final Redemption Amount** [●]/[The Outstanding Principal Amount]
- 20 **Early Redemption Amount** [●]/[The Final Redemption Amount]
- 21 **Redemption for Eligibility Event** [Applicable/Not Applicable]  
*(Only applicable to Senior Non-Preferred Notes)*
- 22 **Substitution and variation for Subordinated Notes** [Applicable/Not Applicable]  
*(Only applicable to Subordinated Notes)*

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 Form of Notes: Uncertificated and dematerialised book entry form through [[ES-CPH]/[●]].

- 24 Financial centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]  
*(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraph 16(vi) relates)*
- 25 Trigger Event Threshold [[●] per cent/Not applicable]  
*(N.B. Only relevant for Additional Tier 1 Capital Notes)*
- 26 Principal Minimum Amount [[●]/Not Applicable]  
*(N.B. Only relevant for Additional Tier 1 Capital Notes)*

**[THIRD PARTY INFORMATION]**

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

Signed on behalf of DLR Kredit A/S:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Nasdaq Copenhagen A/S’ regulated market with effect from [●].]/ [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Nasdaq Copenhagen A/S’ regulated market with effect from, or from around, [●].][*Not Applicable.*]  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Notes to be issued have been rated:]  
[The Notes to be issued are expected to be rated:]  
[S&P Global Ratings Europe Limited: [●]]  
*Insert one (or more) of the following options, as applicable:*  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the [EU/United Kingdom] and registered under Regulation (EC) No 1060/2009 (as amended).  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the [EU/United Kingdom] and has applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the registration decision has not yet been provided.]  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] not established in the [EU/United Kingdom] and [is/are] not certified under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the [EU/United Kingdom] and registered under the CRA Regulation.]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating providers]*  
[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No

1060/2009 (as amended) (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

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

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

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

4 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i) Reasons for the offer: [See “Use of Proceeds” in the Base Prospectus/*Give details*]

*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details)*

(ii) Estimated net proceeds: [●]

5 **[YIELD**

*(Include for Fixed Rate Notes and Reset Notes only)*

Indication of yield: [●]

6 **OPERATIONAL INFORMATION**

ISIN Code: [●]

[CFI:] [[[●] / Not Applicable]

[FISN:] [[●] / Not Applicable]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*

Common Code: [●]

Securities depository [VP Securities A/S (branded as Euronext Securities Copenhagen), Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark (“**ES-CPH**”)/[●]

[The Issuer shall be entitled to obtain certain information from the registers maintained by ES-CPH for the purpose of performing its obligations under the issue of the Notes.]

7 **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/[●]]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/[●]]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/[●]]
- (vi) U.S. Selling Restriction: Reg. S Compliance Category 2
- (vii) Prohibition of sales to EEA Retail Investors: [Applicable/Not Applicable]
- (viii) Prohibition of sales to United Kingdom Retail Investors: [Applicable/Not Applicable]

## GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark in connection with the establishment of the Programme. The current update of the Programme was authorised by a special authority of the board of directors of the Issuer dated 28 April 2022. The relevant Final Terms or Pricing Supplement, as applicable, will, if required for the issuance of the particular tranche of Notes, specify the date for approval for the relevant issuance of the particular tranche of Notes.
- (2) The relevant Final Terms or Pricing Supplement, as applicable, will specify whether the Issuer has made application for the relevant Tranche of Notes to be admitted to trading on Nasdaq Copenhagen A/S' regulated market. The Final Terms or Pricing Supplement, as applicable, will specify the estimate of total expenses related to the trading on the regulated market for the relevant Tranche of Notes.
- (3) The Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer.
- (4) There has been no material adverse change in the prospects of the Issuer since the date of the Issuer's last published audited financial statements, and there has been no significant change in the financial performance of the Issuer since the end of the last financial period for which financial information has been published. There has been no significant change in the financial position of the Issuer which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published. No events have occurred which are particular to the Issuer and which are relevant to a material extent to an evaluation of the Issuer's solvency since the end of the last financial period for which either audited financial information or interim financial information have been published.
- (5) Profit expectations or forecasts for the Issuer have not been included in this Base Prospectus due to the fact that such expectations or forecasts are not considered material to the listing of the Notes.
- (6) No material contracts have been entered into other than in the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes.
- (7) No information stated in the Base Prospectus originates from third parties, and the Base Prospectus does not include expert statements or reports.
- (8) Each Tranche of Notes will be issued in uncertificated and dematerialised book entry form cleared through ES-CPH. The Common Code, the International Securities Identification Number ("ISIN"), Financial Instrument Short Name ("FISN"), Classification of Financial Instruments Code ("CFI") (as applicable) and (where applicable) the identification number for any other relevant central securities depository system for each Tranche and Series of Notes will be set out in the relevant Final Terms or Pricing Supplement, as applicable. If the Notes are to clear through an additional or alternative central securities depository system, the appropriate information will be specified in the relevant Final Terms or Pricing Supplement, as applicable, or in a supplement to the Base Prospectus.

The address of ES-CPH is Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark. The address of any alternative central securities depository system will be specified in the relevant Final Terms or supplement as applicable.

- (9) The method of, and deadline for, payment and delivery of the Notes may be agreed between the Issuer and the investors in the Notes. Legal title to the Notes will exclusively be evidenced by book entries in

the register of ES-CPH. The Notes will not be exchangeable for physical notes. Registration and settlement of transactions in respect of the Notes will take place in accordance with the rules and procedures for the time being of ES-CPH.

- (10) A bridge currently exists between ES-CPH and each of Clearstream Banking S.A. (“**Clearstream**”) and Euroclear Bank, SA / NV (“**Euroclear**”, and together with Clearstream and ES-CPH and referred to as the “**Securities Depositories**” and each referred to as a “**Securities Depository**”). Holders of accounts with Clearstream and/or Euroclear will be able to purchase Notes without holding an account with ES-CPH. Holders of accounts with any Securities Depository will be able to transfer Notes to account holders with any other Securities Depository in accordance with the rules and procedures for the time being of the relevant Securities Depository.
- (11) In relation to any Tranche of Fixed Rate Notes or Reset Notes, an indication of yield in respect of such Notes will be specified in the relevant Final Terms or Pricing Supplement, as applicable. The yield will be calculated at the issue date of the relevant Tranche on the basis of the issue price and, in the case of Reset Notes, the initial fixed rate of interest. It will not be an indication of future yield.
- (12) The issue price and the amount of the Notes will be determined, before filing of the relevant Final Terms or Pricing Supplement, as applicable, of each Tranche, based on the prevailing market conditions.
- (13) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents can be viewed online at the Issuer’s website: [www.dlr.dk](http://www.dlr.dk):
  - (i) the Articles of Association of the Issuer (<https://dlr.dk/en/investor/about-dlr/>);
  - (ii) the Annual Reports of the Issuer and the Interim Report of the Issuer (<https://dlr.dk/en/investor/financial-statements/>);
  - (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (<https://dlr.dk/en/investor/financial-statements/>);
  - (iv) each relevant Final Terms or Pricing Supplement, as applicable, (<https://dlr.dk/en/investor/bond-issuance/senior-debt/>) or Pricing Supplement, as applicable, (save that a Pricing Supplement relating to an Exempt Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and
  - (v) a copy of this Base Prospectus together with any supplements to this Base Prospectus (<https://dlr.dk/en/investor/bond-issuance/senior-debt/>).

For as long as Notes may be issued pursuant to this Base Prospectus, a physical copy of the Articles of Incorporation of the Issuer will be available, during usual business hours on any weekday (Saturday and public holidays excepted), for inspection at the office of the Issuer in Denmark.

Information contained in the above documents, other than information listed in the table on pages 53-54 in “*Documents Incorporated by Reference*”, is for information purposes only and does not form part of this Base Prospectus. This Base Prospectus is published on the website of Nasdaq Copenhagen A/S (<http://www.nasdaqomxnordic.com>).

- (14) Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, DK-2300 Copenhagen S, represented by Danish State-Authorised Public accountants Henrik Wellejus (Identification No. (MNE) mne24807) and Brian Schmit Jensen (Identification No. (MNE) mne40050) have audited the Issuer’s financial statements for each of the financial years ended 31 December 2019 and 31 December 2020,

without qualification, in accordance with Directive 2014/56/EU and Regulation (EU) 537/2014 and in accordance with the Financial Reporting Standards as approved by the European Union pursuant to Regulation (EC) No 1606/2002 as well as Danish information requirements for issuers of listed bonds. Ernst & Young Godkendt Revisionspartnerselskab, Dirch Passers Allé 36, DK-2000 Frederiksberg, represented by Danish State Authorised Public accountants Lars Rhod Søndergaard Identification No. (MNE) mne28632) and Thomas Hjortkjær Petersen (Identification No. (MNE) mne33748) have audited the Issuer's Financial statements for the financial years ending 31 December 2021 and 31 December 2022 in accordance with Directive 2014/56/EU and Regulation (EU) 537/2014 and in accordance with the Financial Reporting Standards as approved by the European Union pursuant to Regulation (EC) No 1606/2002 as well as Danish information requirements for issuers of listed bonds. The Issuer's current and former external auditors are members of the Danish Auditors Association (FSR).

- (15) This Base Prospectus does not refer to audited information other than that contained in the Annual Reports of the Issuer. As the Issuer publishes an audited annual report every February, the most recently audited financial information will never be more than fourteen months old.
- (16) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- (17) The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
- (18) In this Base Prospectus, references to websites are inactive textual references and are included for information purposes only. The contents of any such website shall not form part of, or be deemed to be incorporated into, this Base Prospectus and has not been scrutinised or approved by the Danish FSA.

**REGISTERED OFFICE OF THE ISSUER**

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DK-1780 Copenhagen V  
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Tel: +45 70 10 00 90

**ISSUING AGENT, FISCAL AGENT AND PAYING AGENT**

**DLR Kredit A/S**  
Nyropsgade 21  
DK-1780 Copenhagen V  
Denmark

**AUDITORS**

**Ernst & Young Godkendt Revisionspartnerselskab**  
Dirch Passers Allé 36  
DK-2000 Frederiksberg  
Denmark

**LEGAL ADVISER TO THE ISSUER**

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