



**Base prospectus for
mortgage bonds and
mortgage-covered bonds
issued by
Realkredit Danmark A/S**

24 June 2015

Translation from Danish – the Danish version prevails.

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1. Introduction

This base prospectus has been prepared in accordance with Commission regulation no. 809/2004 as amended. The regulation contains schedules specifying the information the issuer must include in a prospectus.

For the preparation of this base prospectus, the following schedules of the regulation have been applied:

ANNEX IV: Minimum information to be included in a registration document for debt and derivative securities

ANNEXES V and XX: Minimum information to be included in the securities note

ANNEX XXII: Disclosure requirements for summaries

This base prospectus is subject to Danish law and jurisdiction.

Realkredit Danmark A/S intends to issue mortgage bonds (“RO”) and mortgage-covered bonds (“SDRO”) on the basis of this base prospectus (“Base Prospectus”) in pursuance of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*.

The distribution of this Base Prospectus or any sale made in this connection shall not create any indication that there has not been any changes in the affairs of Realkredit Danmark A/S since the date of this Base Prospectus or the date upon which this Base Prospectus was last amended (or supplemented) or that there has been no adverse change in the financial position of Realkredit Danmark A/S since the date of this Base Prospectus or the date upon which this Base Prospectus was last amended (or supplemented) or that any other information supplied in connection with this Base Prospectus is correct at any time subsequent to the date which the information concerns or on which the information is given.

The distribution of this Base Prospectus and the offering or sale of the Bonds may be restricted in certain jurisdictions. Realkredit Danmark A/S presumes that persons who come into possession of this Base Prospectus and/or the Final Terms of the specifically issued Bonds inform themselves about and observe any such restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933 (“U.S. Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Bonds may be subject to US tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “US persons” as defined in Regulation S of the U.S. Securities Act.

The Bonds will be offered and sold outside the United States to “non-US persons” pursuant to Regulation S of the U.S. Securities Act. However, the Bonds may be sold within the United States to Qualified Institutional Buyers (“QIBs”) pursuant to Rule 144a. Prospective investors are hereby notified that sellers of the Bonds are relying on the exemptions from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on offer and sale of the Bonds, reference is made to the securities note to this Base Prospectus.

2. Summary

The summary is made up of disclosure requirements known as “elements”. The elements are numbered in sections A-E (A.1 - E.7).

This summary contains all the elements required to be included in a summary of the issue of this type of securities and the issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though an element may be required to be inserted in a summary of the issue of this type of securities and the issuer, it is possible that no relevant information can be given regarding such element. In cases where an element is not relevant to a prospectus, the summary states that the element is “not applicable”.

Section A – Introduction and warnings		
A.1	Warning	<p>Realkredit Danmark A/S draws the attention of prospective investors to the fact that:</p> <ul style="list-style-type: none">- This summary should be read as an introduction to the prospectus;- any decision to invest in the securities should be based on consideration of the Base Prospectus as a whole;- where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and- civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Financial intermediaries	Not applicable; Realkredit Danmark A/S does not use financial intermediaries in connection with the resale or final investment of the Bonds issued under this Base Prospectus.

Section B – Issuer and any guarantor		
B.1	Legal and commercial names	<p>The name of the issuer is Realkredit Danmark A/S.</p> <p>The company has the following secondary names: Den Danske Kreditforening A/S, Kredit Danmark A/S, Sanaartornermi Taarsigassasisarfik (Grønlands Kreditforening A/S), Mortgage Credit Association Denmark, Mortgage Credit Denmark, Dänisches Bodenkreditinstitut, Grundejernes Hypotekforening, Husmandshypothekforeningen for Danmark, Jydske Grundejer-Kreditforening, Ny jydske Kjøbstad-Creditforening, Ny Jysk Grundejer Kreditforening, Provinshypotekforeningen for Dan-</p>

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		mark, Østifternes Kreditforening, Østifternes Land-Hypothekforening, Kreditforeningen Danmark, BG Kredit A/S, Danske Kredit Realkreditaktieselskab, Mæglerservice Danmark A/S, RealDanmark Holding A/S, E-Boligdanmark A/S, KD Ejendomsservice A/S, Ejendomsservice Danmark A/S, RD A/S and Boligkredit Danmark A/S.																																			
B.2	Registered office, country of incorporation and legislation	Realkredit Danmark A/S's registered office is situated at Lersø Parkallé 100, 2100 Copenhagen Ø, Denmark. Realkredit Danmark A/S is a public limited company (aktieselskab), which is governed by Danish law and registered in Denmark.																																			
B.4b	Recent trends	Not applicable; because Realkredit Danmark A/S, at the date of this Base Prospectus, is not aware of any trends, uncertainty, requirements, obligations or events that may reasonably be expected to have a material impact on Realkredit Danmark A/S's prospects for the current financial year.																																			
B.5	Group	Realkredit Danmark A/S is a public limited company and a wholly owned subsidiary of Danske Bank A/S.																																			
B.9	Profit forecast	Not applicable; because earnings expectations or forecasts for Realkredit Danmark A/S are generally not considered material to the pricing of the Bonds and therefore are not included in the Base Prospectus.																																			
B.10	Qualifications in the audit report	Not applicable; the audit report does not contain any qualifications on historical financial information relating to Realkredit Danmark A/S.																																			
B.12	Significant changes in Realkredit Danmark A/S's financial or trading position	<p>Selected important historical financial information for Realkredit Danmark A/S extracted from the most recent annual report (DKKm):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;"><i>Q1 2015</i></th> <th style="text-align: center;"><i>Q1 2014</i></th> <th style="text-align: center;"><i>2014</i></th> <th style="text-align: center;"><i>2013</i></th> </tr> </thead> <tbody> <tr> <td>Net profit</td> <td style="text-align: right;">1,053</td> <td style="text-align: right;">810</td> <td style="text-align: right;">3,056</td> <td style="text-align: right;">2,612</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">859,383</td> <td style="text-align: right;">836,081</td> <td style="text-align: right;">834,555</td> <td style="text-align: right;">848,134</td> </tr> <tr> <td>Return on equity</td> <td style="text-align: right;">9.0%</td> <td style="text-align: right;">7.0%</td> <td style="text-align: right;">6.5%</td> <td style="text-align: right;">5.6%</td> </tr> <tr> <td>Cost/income ratio</td> <td style="text-align: right;">11.2%</td> <td style="text-align: right;">13.5%</td> <td style="text-align: right;">13.5%</td> <td style="text-align: right;">14.7%</td> </tr> <tr> <td>Total capital ratio</td> <td style="text-align: right;">35.1%</td> <td style="text-align: right;">34.2%</td> <td style="text-align: right;">34.5%</td> <td style="text-align: right;">34.0%</td> </tr> <tr> <td>Tier 1 capital</td> <td style="text-align: right;">34.6%</td> <td style="text-align: right;">33.7%</td> <td style="text-align: right;">34.0%</td> <td style="text-align: right;">33.5%</td> </tr> </tbody> </table> <p>Note: Return on equity = net profit for the year as % of average shareholders' equity, cost/income ratio = costs as % of income and tier 1 capital = tier 1 capital ratio.</p> <p>At the date of this Base Prospectus, there has been no adverse material change in the prospects of Realkredit Danmark A/S since the date of its last published financial statements.</p> <p>There have been no significant changes in Realkredit Danmark A/S's financial or trading position of relevance to the pricing of the Bonds subsequent to the period covered by the historical financial information.</p>	Year	<i>Q1 2015</i>	<i>Q1 2014</i>	<i>2014</i>	<i>2013</i>	Net profit	1,053	810	3,056	2,612	Total assets	859,383	836,081	834,555	848,134	Return on equity	9.0%	7.0%	6.5%	5.6%	Cost/income ratio	11.2%	13.5%	13.5%	14.7%	Total capital ratio	35.1%	34.2%	34.5%	34.0%	Tier 1 capital	34.6%	33.7%	34.0%	33.5%
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B.13	Any events which are relevant to the issuer's solvency	At the date of this Base Prospectus, no events had occurred which would be relevant to the evaluation of Realkredit Danmark A/S's solvency since the annual report last published by Realkredit Danmark A/S.																																			
B.14	Dependence on	Realkredit Danmark A/S primarily sells its products and services																																			

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	other entities of the group.	through the distribution channels of Danske Bank Group. Realkredit Danmark A/S has its own sales office for corporate customers. Realkredit Danmark A/S applies IT systems that are developed, maintained and managed by Danske Bank A/S. To a large extent, Realkredit Danmark A/S and Danske Bank A/S share functions, including business development, finance, credit and back office functions.																		
B.15	Principal activities	The object of Realkredit Danmark A/S is to operate as a mortgage credit institution, including any kind of business permitted pursuant to applicable legislation on mortgage credit institutions.																		
B.16	Ownership	Realkredit Danmark A/S is a wholly-owned subsidiary of Danske Bank A/S.																		
B.17	Rating	<p>At the date of this Base Prospectus, Realkredit Danmark A/S and Bonds issued under this Base Prospectus have been rated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Rating</th> <th style="text-align: left; padding: 2px;">S&P</th> <th style="text-align: left; padding: 2px;">Fitch</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Capital centre S</td> <td style="padding: 2px;">AAA</td> <td style="padding: 2px;">AAA</td> </tr> <tr> <td style="padding: 2px;">Capital centre T</td> <td style="padding: 2px;">AAA</td> <td style="padding: 2px;">AA+</td> </tr> <tr> <td style="padding: 2px;">General capital centre</td> <td style="padding: 2px;">AAA</td> <td style="padding: 2px;">Not rated</td> </tr> <tr> <td style="padding: 2px;">Issuer rating long</td> <td style="padding: 2px;">Not rated</td> <td style="padding: 2px;">A</td> </tr> <tr> <td style="padding: 2px;">Issuer rating short</td> <td style="padding: 2px;">Not rated</td> <td style="padding: 2px;">F1</td> </tr> </tbody> </table> <p>Fitch has assigned an issuer rating with a <i>stable outlook</i>. Realkredit Danmark A/S draws attention to the fact that the rating is subject to change, and that Realkredit Danmark A/S may resolve to terminate the collaboration on ratings with one or more credit rating agencies or select other credit rating agencies.</p>	Rating	S&P	Fitch	Capital centre S	AAA	AAA	Capital centre T	AAA	AA+	General capital centre	AAA	Not rated	Issuer rating long	Not rated	A	Issuer rating short	Not rated	F1
Rating	S&P	Fitch																		
Capital centre S	AAA	AAA																		
Capital centre T	AAA	AA+																		
General capital centre	AAA	Not rated																		
Issuer rating long	Not rated	A																		
Issuer rating short	Not rated	F1																		

Section C – Securities		
C.1	Type of and class of the securities	<p>The Bonds are issued pursuant to the <i>Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act</i> and relevant executive orders.</p> <p>The following may be issued under this Base Prospectus:</p> <ul style="list-style-type: none"> • ROs (“realkreditobligationer” – mortgage bonds • SDROs (“særligt dækkede realkreditobligationer” – mortgage-covered bonds) <p>The Bonds are issued in one or more ISINs. The ISIN and the bond series are disclosed in the Final Terms. A bond series may include Bonds issued in several different ISINs.</p>
C. 2	Currency	The Final Terms specify the currency used for issuing the Bonds. See Appendix 2.
C. 5	Restrictions on transferability	The Bonds are freely transferable.

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C.8	Rights – Bonds	<p>The nominal interest rate on the Bonds is disclosed in the Final Terms.</p> <p>In the event of bankruptcy of Realkredit Danmark A/S, Bondholders will rank before unsecured creditors (subject to certain costs of administration of the estate etc.) in terms of assets in the capital centre where the Bonds are issued, and also to Realkredit Danmark A/S's other assets.</p> <p>The terms of the Bonds are governed by Danish law.</p>
C.9	Terms and conditions	<p>The nominal interest rate on the bonds and detailed provisions on loan settlement, including repayment, are set out in the Final Terms.</p> <p>The yield cannot be provided in the Final Terms because the Bonds are issued on tap, and the yield depends on the price and transaction date.</p> <p>Representation of the Bondholders is not possible.</p>
C.10	Derivative component	Not applicable; the interest payment does not have a derivative component.
C.11	Admission to trading and dealing arrangements - bonds	Admission to trading and official listing will appear from the Final Terms.

Section D – Risks		
D.2	The issuer – key risks	<p>Realkredit Danmark A/S's activities involve a number of different risks. If these risks materialise, it could have a material adverse effect on Realkredit Danmark A/S's financial position, business and results of operations.</p> <p>Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and make their own assessment, including consulting their own advisers, before making an investment decision. Should one or more of the risks mentioned below materialise, investors may lose part or all of their investment in the Bonds:</p> <ul style="list-style-type: none"> • Credit risk • Market risk • Liquidity risk • Operational risk • Risks relating to the implementation of new rules • Risks relating to statutory capital • Risks relating to the use of risk models • Competition in mortgage lending
D.3	Key risks that are specific to the securities	Realkredit Danmark A/S believes that the factors summarised below represent the key risks associated with an investment in the Bonds, but Realkredit Danmark A/S cannot guarantee that the description of the risks associated with the Bonds is exhaustive.

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		<p>Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and make their own assessment, including consulting their own advisers, before making an investment decision. Should one or more of the risks mentioned below materialise, investors may lose part or all of their investment in the Bonds:</p> <ul style="list-style-type: none"> • Risks associated with the market in general • Risks associated with the Bonds in general • Changes to the legislative framework for ROs/SDROs • Risks associated with structuring an offer of Bonds
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Section E – Offer		
E.2b	Proceeds of the sale of Bonds	Funds derived from the issuance and sale of the Bonds are applied to fund lending secured by mortgages on real property etc. provided by Realkredit Danmark A/S. Under Danish mortgage credit legislation, excess funds from an issue and sale of the Bonds may be placed in low-risk and marketable securities.
E.3	Terms and conditions of the offer	<p>The bond series are open for new issuance during a predetermined opening period. Realkredit Danmark A/S may issue Bonds on tap during the opening period.</p> <p>Realkredit Danmark A/S may decide to terminate the offer during parts of the opening period.</p> <p>There is no method of reducing subscriptions or repaying excess amounts.</p> <p>The minimum amount for investment is equivalent to the size of the individual ISIN. The size of a single Bond is disclosed in the Final Terms. See Appendix 2.</p> <p>The maximum amount for investment is equivalent to the volume in circulation of the individual ISIN.</p> <p>There is no right of withdrawal when buying the Bonds.</p> <p>Delivery and clearing of the Bonds will take place via VP Securities A/S, VP Lux S.à.r.l. or Verdipapirsentralen ASA or another securities depository in which the Bonds are registered.</p> <p>Generally, the Bonds are traded with two-day settlement, but exemptions may be made for example in connection with auctions.</p> <p>There are no subscription rights attached to the Bonds.</p> <p>No investors have any privileged right to purchase the Bonds issued on tap on a daily basis or in block issues.</p> <p>Only members of NASDAQ Copenhagen A/S may participate in auc-</p>

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		<p>tions held via the IT systems of NASDAQ Copenhagen A/S for the refinancing of mortgage loans. Other investors may participate by bidding through a member of NASDAQ Copenhagen A/S.</p> <p>The offer price of the Bonds is determined on market terms based on bid/ask prices. Consequently, the price will change over the life of the Bonds.</p> <p>Additional terms and conditions for the individual ISIN code are set out in the Final Terms.</p>
E.4	Conflicts of interest	Realkredit Danmark A/S is not aware of any conflicts of interest that may be relevant to the issue of Bonds under this Base Prospectus.
E.7	Expenses	Other than the market price of the Bonds, buyers of the Bonds are not expected to be charged costs other than ordinary transaction costs (brokerage fees, haircuts etc.).

3. Risk factors

Factors which Realkredit Danmark A/S believes may be of importance in an assessment of the risks associated with the Bonds are described below.

Realkredit Danmark A/S believes that the factors described below represent the principal risks inherent in investing in the Bonds, but Realkredit Danmark A/S may for other reasons be unable to pay interest, principal or other amounts on or in connection with the Bonds, and Realkredit Danmark A/S does not represent that the description of the risks relating to the Bonds is exhaustive.

All of these factors are contingencies which may or may not occur and Realkredit Danmark A/S is not in a position to express a view on the likelihood of any such contingency occurring.

Realkredit Danmark A/S believes that a number of the factors mentioned may affect its ability to fulfil its obligations in relation to the Bonds.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including documents incorporated by reference) and make their own opinion, including consulting own advisers, prior to making any investment decision.

Should one or more of the risks described below materialise, investors may lose part or all of their investment in the Bonds.

3.1 Risks related to Realkredit Danmark A/S

General information

Realkredit Danmark A/S's activities involve a number of different risks, the most important of which are described below. If these risks materialise, it could have a material adverse effect on Realkredit Danmark A/S's financial position, business and results of operations.

Like any other financial enterprise, Realkredit Danmark A/S is exposed to general macroeconomic developments and developments in the financial markets. Realkredit Danmark A/S's financial position and results of operations may be adversely affected by a general decline in the economy or by adverse developments in financial markets in the territories in which Realkredit Danmark A/S operates. This may affect Realkredit Danmark A/S's ability to meet its obligations with respect to Bonds issued on the basis of the Base Prospectus.

Credit risk

Credit risk is the risk of loss caused by the failure of any borrower, Bond Issuer or counterparty to honour its payment obligations to Realkredit Danmark A/S. Realkredit Danmark A/S's credit risk relates primarily to its lending operations but also to trading and investment activities.

Realkredit Danmark A/S's credit risk relates in particular to its loan portfolio, unutilised credit lines, guarantees, investments and trading in securities, financial derivatives and foreign exchange.

Since its loan portfolio is primarily secured by mortgages on real property, Realkredit Danmark A/S's credit risk relies particularly on developments in the Danish property market.

If a borrower is unable to repay his loan, Realkredit Danmark A/S's collateral will depend on the value of the mortgaged property. Since developments in the Danish property market are unpredictable, Realkredit Danmark A/S may be compelled to enforce mortgages on properties at a time when the

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market values of such properties are lower than the residual debt of the underlying loans, which will inflict a loss on Realkredit Danmark A/S.

Accordingly, a substantial price fall in the Danish property market may significantly reduce the value of the assets in Realkredit Danmark A/S, which in turn may adversely affect Realkredit Danmark A/S's financial position and results of operations and reduce Realkredit Danmark A/S's ability to meet its obligations with respect to Bonds issued under this Base Prospectus.

Changes in market interest rates or administration margins could entail that certain borrowers would no longer be able to service their loans, which could inflict a loss on Realkredit Danmark A/S.

Other factors that affect borrowers' possibilities of servicing their loans, including changes in macro-economic conditions (domestic and international) and amendments to applicable tax legislation as well as inflation could inflict a loss on Realkredit Danmark A/S.

Realkredit Danmark A/S has counterparty risk in connection with derivatives in the form of outstanding positive market value.

Trading in securities, financial derivatives and foreign exchange involves settlement and delivery risk.

Any adverse development in the credit quality of Realkredit Danmark A/S's borrowers or counterparties could affect the value of Realkredit Danmark A/S's assets and require additional bad debt provisions and other provisions.

Market risk

Market risk is the risk of loss caused by changes in the market value of Realkredit Danmark A/S's assets and liabilities due to fluctuations in interest rates, exchange rates and equity prices. Such fluctuations may result in a loss and could adversely affect income from Realkredit Danmark A/S's primary activities.

Liquidity risk

Realkredit Danmark A/S defines liquidity risk as the risk of markedly higher funding costs and/or lack of access to liquidity, as a result of which Realkredit Danmark A/S may not be able to continue its operations with their current scope and/or meet its payment obligations on a timely basis.

Currently, Realkredit Danmark A/S funds its lending primarily by way of match-funded issuance of bonds subject to the specific balance principle in accordance with the provisions of the *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management*. As a result, the lending rate will correspond to the yield to maturity of the Bonds sold.

Fixed-rate loans have fixed funding throughout the term of the loan. Other loans do not have fixed funding throughout the loan term but are funded using Bonds with maturities of between 1-11 years. On refinancing, lending rates are adjusted to the yield to maturity of the Bonds sold for refinancing purposes.

Realkredit Danmark A/S's liquidity risk is primarily linked to a situation in which the issuer is unable to sell the required volume of Bonds in connection with refinancing. The rules on refinancing and extension of maturity of the Bonds are described in greater detail in section 4.10 of this Base Prospectus. When Bonds have been sold, the primary risk will be if the borrower fails to make timely payments of interest rates or instalments. The risk arises because the yield to maturity of the Bonds is paid by the borrower. However, this does not apply to Tier 2 capital in the form of interest-bearing liabilities, such as Bonds issued pursuant to section 15 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, unsecured senior debt or other credit lines. Lack of access to such funding entails a direct liquidity risk.

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Operational risk

Operational risk arises from human error, system error, breakdown of IT systems, inadequate or defective internal procedures or external events. Operational risk also includes risk pertaining to reputation and strategy as well as legal risk.

Operational risk is chiefly managed by way of business procedures and controls. These include IT contingency plans. Internal Audit monitors the contents of and compliance with business procedures on a spot-check basis.

If any of these procedures and controls fail, Realkredit Danmark A/S may incur additional costs and liabilities.

Risks relating to the implementation of new rules

In December 2010, the Basel Committee on Banking Supervision adopted proposals imposing stricter capital and liquidity requirements on banks (“Basel III”).

On 20 July 2011, the European Commission presented a proposal to revise the Capital Requirements Directive (CRR/CRD IV) and also introduced the Capital Requirements Regulation (“CRR”); these two legislative instruments combined implement Basel III in the EU. The final rules came into effect on 1 January 2014. CRD IV has been implemented in Danish law by an amendment to the *Financial Business Act* in accordance with Act no. 268 of 25 March 2014.

The implementation of CRD IV and CRR entails the phase-in of stricter requirements for Realkredit Danmark A/S’s liquidity and capital resources. Failure to meet such requirements on the part of Realkredit Danmark A/S may result in sanctions from the Danish FSA and ultimately lead to the revocation of Realkredit Danmark A/S’s license to carry on business as a mortgage credit institution, which may affect Realkredit Danmark A/S’s ability to meet its obligations with respect to the Bonds.

Realkredit Danmark A/S is governed by comprehensive legislation and supervision, and any amendments thereto may adversely impact Realkredit Danmark A/S’s ability to maintain its current business scope and, by extension, Realkredit Danmark A/S’s financial position and results of operation. Even though Realkredit Danmark A/S works closely with the Danish FSA and regularly monitors developments in the regulation of financial enterprises, future amendments are unpredictable and outside Realkredit Danmark A/S’s control.

Risks relating to statutory capital

Under the *Financial Business Act*, Realkredit Danmark A/S is under an obligation to maintain a minimum level of statutory capital. If Realkredit Danmark A/S is unable to meet the capital requirements, it may result in sanctions from the Danish FSA and ultimately lead to the revocation of Realkredit Danmark A/S’s license to carry on business as a mortgage credit institution, which may affect Realkredit Danmark A/S’s ability to meet its obligations with respect to the Bonds.

Risks relating to the use of risk models

Realkredit Danmark A/S uses internal rating-based risk models to calculate risk-weighted assets and its credit risk. The models have been approved by the Danish FSA and are in compliance with existing national and international guidelines for such models. There can be no assurance that the models are adequate with a view to uncovering the actual credit risk. These models may be revised as a result of a number of factors, including amendments to national and international legislation and due to changes to supervisory procedures. Changes to the models may result in a higher solvency requirement for Realkredit Danmark A/S, reducing the existing solvency overcollateralisation.

Competition in mortgage lending

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The Danish mortgage sector is highly competitive. The competitive setting may adversely affect Realkredit Danmark A/S's position in the mortgage bond market, which could adversely affect Realkredit Danmark A/S's financial position and, by extension, its ability to service the Bonds.

Transfer of funds between capital centres

Realkredit Danmark A/S may transfer funds (overcollateralisation) between capital centres in order to meet the solvency requirement of a capital centre, requirements for supplementary collateral or additional overcapitalisation requirements, including in consideration of the rating of the Bonds, provided that the solvency requirements of the relevant capital centres are consistently met. In case of a decline in the value of the assets in the relevant capital centre, e.g. due to falling property valuations, Realkredit Danmark A/S will have less capital with which to cover Bonds in the capital centre in question.

In the event of bankruptcy of Realkredit Danmark A/S, Bondholders will only have a claim against Realkredit Danmark A/S for any loss they have suffered on the transfer of funds from one capital centre to another.

Ratings may not reflect all risks

Realkredit Danmark A/S currently has an issuer rating from Fitch. Mortgage-covered bonds issued by Realkredit Danmark A/S's capital centres S and T are currently rated by Fitch and Standard & Poor's respectively. Mortgage bonds issued by Realkredit Danmark's General capital centre are currently rated by Standard & Poor's. Such ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this paragraph and other factors that may affect the value of the Bonds or the financial standing of Realkredit Danmark A/S.

A rating is not a recommendation to buy, sell or hold securities, and any credit rating agency may at any time revise, suspend or withdraw a rating assigned by it if, in the judgement of the credit rating agency, the credit quality of the Bonds or Realkredit Danmark A/S, as the case may be, has been impaired.

The credit rating agencies may also at any time change the methodology applied for assigning a rating to Realkredit Danmark A/S and the Bonds, and this may result in revisions to previously assigned ratings.

Furthermore, there can be no assurance that a rating of Bonds and/or Realkredit Danmark A/S will be retained after the date of this Base Prospectus.

If a rating assigned to the Bonds and/or Realkredit Danmark A/S is downgraded, suspended, withdrawn, and/or Realkredit Danmark A/S terminates its business relationship with one or more rating agencies, the market value of the Bonds may decline.

Finally, Realkredit Danmark A/S's ratings may decline if the rating of the Kingdom of Denmark is downgraded without any direct correlation with Realkredit Danmark A/S's activities.

Realkredit Danmark A/S may at any time terminate its business relationship with the relevant credit rating agencies or select other credit rating agencies.

Risks relating to forced sale

While the Bonds are covered by Danish law and the vast majority of Realkredit Danmark A/S's assets are located in Denmark, where the methods used in and the time horizon for a forced sale are well known, other assets will be located in other jurisdictions where different legislation such as mandatory consumer protection rules may entail that a forced sale of assets takes longer time than anticipated and may involve costs that would reduce the funds received from a forced sale. In this way, the value of the mortgaged properties may prove to be lower than assumed. This would mean less funds to cover the claims of the Bondholders.

Other risks

If Realkredit Danmark A/S is unable to recruit competent employees, it may have difficulty in continuing its operations.

3.2 Risks associated with the Bonds

Risks associated with the market in general

The secondary market in general

There can be no assurance that a liquid market for the Bonds will develop, or, if one does develop, that it will be maintained. If a liquid market for the Bonds does not develop, investors may find it difficult to sell their Bonds or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

If there is a lack of buyers of Bonds in connection with a refinancing, or if the yield to maturity in connection with refinancing is higher than the extension rate determined by Realkredit Danmark A/S pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act*, Realkredit Danmark A/S may extend the term to maturity of the Bonds instead of carrying out the intended refinancing. The rules on refinancing and extension of maturity of the Bonds are described in greater detail in section 4.10 on “Rules on extension of Bonds” in this Base Prospectus.

Currency risk and foreign exchange controls

Realkredit Danmark A/S makes interest and principal payments on the Bonds in the currency set out in the Final Terms. This presents certain risks relating to currency translation if an investor’s financial activities are denominated principally in another currency or currency unit. Such risks include the risk that exchange rates may significantly change and the risk that the competent authorities may impose or modify foreign exchange controls.

Foreign exchange controls may have an adverse impact on an applicable exchange rate. As a result, investors may receive smaller interest or principal payments than expected or no interest or principal payments at all.

Interest rate risk

An investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Fixed-rate Bonds involve a particularly high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate Bonds. On the other hand, holders of fixed-rate Bonds with redemption options should not expect, in case of falling market rates, that the price would substantially exceed the redemption price.

Risks associated with the Bonds in general

The Bonds may not be a suitable investment for all investors

Each potential investor of the Bonds must determine the suitability of any such investment, with particular reference to his own specific situation. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the effect of the investment on his overall investment portfolio;

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- (iii) have sufficient financial resources and liquidity to bear all of the risks associated with an investment in the Bonds, including where the amount of principal and interest are payable in one or more currencies, or if the currency, in which principal and interest are payable is different from the investor's currency;
- (iv) understand thoroughly the terms and conditions of the Bonds and be familiar with the functioning of relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the assistance 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.

Further, some investment activities of certain investors are subject to legislation and regulation by various authorities. Prospective investors should consult their legal advisers to determine whether and to what extent (i) the Bonds are legal investments for the investors, (ii) the Bonds can be used as collateral for various types of borrowing, and (iii) whether other restrictions apply to the purchase or use as collateral of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate classification of the Bonds under any applicable risk-based capital requirements.

Interest on overdue payments with respect to Bonds

Investors in Bonds will only receive amounts if and when they fall due under the terms of the Bonds.

If any payment of interest and/or principal due in respect of the Bonds is not made on the relevant due date and such delay is not a result of the circumstances set out in section 1.12 on "Rules on extension of Bonds", no interest will accrue in respect of such payments during such delay according to the terms of the Bonds. This does not affect any rights that holders of Bonds may have with respect to interest on any such payments under the general rules of Danish law.

Modifications and waiver

The terms of the Bonds do not contain provisions for calling meetings of Bondholders to consider matters generally affecting their interests. Any modifications to the terms of the Bonds may, depending on the circumstances, require the unanimous consent of the Bondholders as well as the approval of Realkredit Danmark A/S.

Eurosystem eligibility

The Bonds are intended to be held in a manner which will allow Eurosystem eligibility, and therefore they will be deposited with an eligible securities centre as a common safe-keeper following issuance. This does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy operations and intraday credit, either upon issuance or during their maturity. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

European Monetary Union

It is possible that prior to the maturity of the Bonds the euro may become the official currency of Denmark. In that event (i) all amounts payable in respect of the Bonds denominated in DKK may become payable in EUR; (ii) legislation may allow or require such Bonds to be re-denominated into EUR and additional measures to be taken in respect of such Bonds; and (iii) that the deposit rates used to determine the rates of interest on the Bonds may no longer be published in DKK, or changes may be made in the way those rates are calculated, quoted, published or displayed. The introduction of the euro in any jurisdiction could also cause a volatile interest rate environment, which could adversely affect an investment in the Bonds.

Investors to bear the risk of withholding tax

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All payments of principal and interest by or on behalf of Realkredit Danmark A/S in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required, Realkredit Danmark A/S will not be obliged to compensate the investors for such amounts and will make such deduction or withholding from the payment of principal or interest, and investors will therefore receive a reduced amount.

Risks associated with bankruptcy rules

According to Danish bankruptcy rules, a claim may be raised against Realkredit Danmark A/S for repayment of funds received by Realkredit Danmark A/S within a period of up to three months from the bankruptcy of a borrower or other debtor. For consolidated entities, a claim may be raised against Realkredit Danmark A/S for repayment of funds received by Realkredit Danmark A/S within a period of up to two years from the date of bankruptcy of a borrower or other debtor. Where it is found that a repayment must be made, such repayment will reduce the assets available for satisfying the Bondholders' claims.

Further, investors should assess the ranking of creditors related to an estate in bankruptcy under which the Bondholders together with certain derivative counterparties have a primary preferential right (subject to certain costs of administration of the estate etc.) to all assets of the relevant capital centre. Any residual claims from the Bondholders rank before unsecured claims against other assets of any estate in bankruptcy of Realkredit Danmark A/S.

Legislative amendments

The terms of the Bonds are subject to and based on Danish law in effect as at the issue date. There can be no assurance as to the impact of any possible judicial decision or change to Danish law or administrative practice after the issue date of the Bonds.

Risks associated with the structure of the offer of Bonds

Prepayment

Borrowers may prepay their mortgage loans either by (i) buying the Bonds at market price and applying them for redemption; or (ii) in certain cases by prepaying the mortgage loan at a predetermined redemption price; in the latter case the market price is unlikely to rise significantly above such redemption price. Borrowers will often utilise this prepayment option if they can obtain more attractive financing in this way. This means that investors are exposed to a prepayment risk and may have to reinvest at a lower interest rate.

Block issues

Realkredit Danmark A/S may issue bonds as block issues, involving the issuance of Bonds equal to the volume of mortgage loans expected to be disbursed in the following three months. At the end of the three months, the volume of Bonds for which no mortgage loans have been disbursed must be cancelled, and the outstanding amounts of the relevant ISINs will be reduced correspondingly. This may have an effect on the price of the Bonds which is unfavourable to investors.

Non-compliance with the balance principle

Under Danish mortgage law, Realkredit Danmark A/S must manage its capital centres in a manner which ensures an appropriate balance between the payment obligations on the outstanding liabilities and the assets of the capital centres in terms of currency, interest rate, option and maturity structure. This is known as the balance principle.

In order to comply with these requirements, Realkredit Danmark A/S may for instance enter into derivatives contracts in accordance with the rules of the *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management* to the extent that Realkredit Danmark A/S has access to de-

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rivatives counterparties with sufficiently high credit ratings. Any financial difficulties of a derivatives counterparty may affect its ability to honour its contractual obligations to Realkredit Danmark A/S.

Non-compliance with the balance principle may cause Realkredit Danmark A/S to lose its authorisation to issue Bonds, which may have an effect on the price of the Bonds which is unfavourable to investors.

Loss of mortgage-covered bond status

If Realkredit Danmark A/S fails to provide supplementary collateral for SDROs as required by Danish legislation, the Bonds will lose their status as SDROs, which may affect the value of the Bonds and the risk weighting of the Bonds in the capital calculations of financial enterprises.

Statutory refinancing

Under the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, Realkredit Danmark A/S is obliged to extend the maturity of SDROs and ROs in special circumstances. Realkredit Danmark A/S is obliged to determine whether, and if so when, the conditions for statutory refinancing have been met.

4. Legislation

As an MCI, Realkredit Danmark A/S is governed by the *Financial Business Act* and related executive orders with regard to rules on authorisations, exclusivity, business area, good practice, ownership structure, management, structuring of business activities, disclosure of confidential information, capital, placement of funds, liquidity, group rules, consolidation, annual report, audit, appropriation of profit for the year, mergers and conversions, discontinuation of financial business, crisis management, supervision, duties and joint funding.

MCIs are also governed by the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act* and related executive orders.

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act lays down rules governing mortgage banks' lending against registered mortgages on real estate, unsecured loans to public authorities, loans guaranteed by public authorities or loans granted against other unsubordinated claims against and guarantees issued by credit institutions with respect to security for loans, terms, repayment profiles, LTV limits, disbursements against guarantees, valuation of real estate, lending limits, supplementary collateral and lending outside Denmark

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act also provides rules on the issuance of ROs, SDROs and bonds issued in accordance with section 15 of the Act to comply with the requirement for supplementary collateral for SDRO, including rules on exclusivity, bond issuance, balance principle and liability. The Act also provides rules on supervision.

MCIs may not carry on any business other than mortgage banking subject to the following exceptions:

- MCIs may be authorised by the Danish FSA to carry on business as securities dealers;
- MCIs may carry on other activities ancillary to mortgage lending;
- The Danish FSA may decide that the ancillary business activities must be conducted by another company; and
- MCIs may carry out other financial business through subsidiaries.

As at 1 January 2014, Realkredit Danmark A/S's business is also regulated by the CRR.

The CRR lays down the following rules for Realkredit Danmark A/S:

- Total capital
- Large exposures
- Liquidity
- Reporting to the supervisory authorities of information about total capital, large exposures, liquidity and gearing
- Disclosures regarding total capital, large exposures, liquidity and gearing

If the legislation that regulates Realkredit Danmark A/S's business is amended, Realkredit Danmark A/S reserves the right to change the Base Prospectus by way of a supplement in order that Realkredit Danmark A/S's future Bond issuance under this Base Prospectus complies with national and international legislation in force from time to time and the business framework set out below.

Realkredit Danmark A/S is supervised by the Danish FSA, which forms part of the Danish Ministry of Business and Growth. The Danish FSA conducts regular supervision of Realkredit Danmark A/S's

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activities, including by way of inspections, and on the basis of regular reporting from Realkredit Danmark A/S.

Set out below is an overview of the contents of the legislation governing an MCI's issuance of Bonds and its activities as an MCI.

The overview does not take into account any legislative amendments entering into force after the date of this Base Prospectus.

4.1 Rules on lending

MCIs may provide loans against registered mortgages on real estate, unsecured loans to public authorities, loans guaranteed by public authorities or loans granted against other unsubordinated claims against and guarantees issued by credit institutions on the basis of the issuance of ROs, SDOs and SDROs.

When granting loans against mortgages on real estate financed through the issuance of ROs, SDOs and SDROs, MCIs must make their valuations and determine lending limits on the basis of the provisions of the *Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act*, the *Executive Order on valuation of mortgage and loans in real property provided as collateral against issuance of mortgage-covered bonds and covered bonds* and the *Executive Order on the valuation and lending limits of mortgage credit institutions*.

The rules on valuation and lending limits are intended to ensure that loans are calculated and granted within the limits defined by law.

The valuation is made on the basis of the market value of the property. However, MCIs may mortgage certain property segments at the reacquisition price, net of the condition of the property, if the loan is funded by ROs.

For RO mortgages, the loan-to-value ratio is 70 per cent for agricultural and forestry property and 80 per cent for properties for social, cultural and educational purposes, and in accordance with sections 37 (1) and 38 of the *Land Registration Act*, fixtures and fittings of the property may be included in the valuation of the property for RO mortgages.

Lending against mortgages on real property is measured against the value of the mortgaged property. The value of the loans and other assets covering the SDOs and SDROs issued must always correspond at least to the value of the Bonds issued, and the mortgage collateral of each individual loan must at all times comply with the lending limit (loan-to-value ratio) of the property category in question.

The requirement regarding consistent compliance with loan-to-value ratios does not apply to loans funded using ROs.

Maximum loan-to-value ratios for ROs, SDOs and SDROs by property category			
	RO	SDO/SDRO	SDO/SDRO – if additional collateral of not less than 10 per cent is provided for the part of the loan exceeding 60 per cent of the value of the

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			property:
Owner-occupied permanent housing	80%	80%	
Private co-operative housing	80%	80%	
Residential rental property	80%	80%	
Subsidised housing	80%	80%	
Youth housing	80%	80%	
Housing for the elderly etc.	80%	80%	
Holiday homes	60%	60%	70%
Agricultural or forestry property	70%	60%	
Market gardens etc.	60%	60%	70%
Office or retail property	60%	60%	70%
Industrial or skilled trades property	60%	60%	70%
Collective energy plants	60%	60%	70%
Properties for social, cultural and educational purposes	80%	60%	70%
Undeveloped sites	40%	40%	

4.2 Rules on repayment profile and mortgage loan maturities

The maximum term of loans against mortgages on real property offered by MCIs is 30 years. However, the maximum term is 40 years for loans provided for subsidised housing, youth housing or private co-operative housing, provided the loan is granted on the basis of a commitment of public subsidy or support under the *Non-profit Housing and Subsidised Private Co-operative Housing etc. Act*. The term and the repayment profile of the loan must be determined with due consideration for the anticipated value depreciation of the mortgaged property and the eligible loan-to-value limits.

Loans to owner-occupied housing and holiday homes may not be granted, regardless of the collateral provided if the loan is amortised slower than for a 30-year annuity loan, which is a loan that is amortised over the term of the loan by a fixed mortgage payment. Within the term of the loan, the minimum amortisation requirement may be derogated from for a period of up to 10 years, during which the borrower does not pay instalments on the loan but only interest. Interest-only loans should be granted with due consideration for the anticipated value depreciation of the mortgaged property.

The maximum term to maturity of 30 years does not apply to the property categories set out below, if the loan provided is funded using SDOs or SDROs and its loan-to-value ratio does not exceed 75 per cent (70 per cent for loans offered before 1 July 2009):

- Owner-occupied permanent housing
- Private co-operative housing
- Residential rental property
- Subsidised housing
- Youth housing
- Housing for the elderly etc.
- Properties for social, cultural and educational purposes

Also, the minimum requirement for the amortisation profile may be derogated from for a period of more than 10 years for loans granted for owner-occupied housing and holiday homes if the loan provided is funded using SDOs or SDROs and its loan-to-value ratio does not exceed 75 per cent (70 per cent for loans offered before 1 July 2009).

4.3 Assets eligible as collateral for the issuance of Bonds

The following types of assets may be used as collateral for the issuance of ROs, SDOs and SDROs:

- Loans secured through a registered mortgage on real property, also against temporary security
- Loans secured through a registered mortgage on real property, also against temporary security, granted by other credit institutions in compliance with the legal provisions regarding joint funding
- Bonds and instruments of debt issued by or guaranteed by public authorities and central banks

The following types of assets may also be used as collateral for the issuance of SDOs and SDROs:

- Public loans
- Bonds, instruments of debt and other claims and guarantees issued by credit institutions, at a maximum value corresponding to a nominal 15 per cent of the Bonds issued by Realkredit Danmark A/S.

The borrower is liable to the extent of the mortgaged property and personally.

4.4 Capital centre

ROs, SDOs and SDROs are issued in series. A capital centre consists of a series or a group of series with a joint series reserve fund and joint liability. The value of the assets covering the SDROs issued must correspond at least to the value of the SDROs issued, and the mortgage collateral of each individual loan must at all times comply with the lending limit (loan-to-value ratio) of the assets in question. The requirement regarding consistent compliance with loan-to-value ratios does not apply to loans funded using ROs.

4.5 Balance principle

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act requires that MCIs observe a balance principle and a set of risk management rules in connection with the issuance of ROs, SDOs and SDROs.

The relevant provisions are laid down in the *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management* issued pursuant to *the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*.

The *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management* lays down limits to the differences allowed between payments from borrowers (and cash flows from other eligible assets or financial instruments) on the one hand and on the other hand payments to the holders of the Bonds (and other securities conferring a special right on the holder and financial instruments).

The limits are adjusted by fixing loss limits to the interest rate, currency, option and liquidity risk resulting from cash flow differences.

The *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management* also contains a number of other provisions limiting financial risk.

Similar provisions apply to the proprietary portfolio of an MCI.

The balance principle and risk management are based on the following two main components:

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- The statutory requirement for placing the proceeds in eligible assets in connection with the issuance by mortgage banks of ROs, SDOs and SDROs and other securities issued by mortgage banks which confer a preferential right on the holders
- Interest rate, currency and option risk exposures are allowed only to a limited extent

However, owing to various technical aspects of the lending activities of an MCI, a number of placements of funds are not subject to the statutory limit on unsecured claims against other credit institutions in connection with the issuance of ROs, SDOs and SDROs.

- Placement of funds in connection with the disbursement of new loans, refinancing, remortgaging or the redemption of existing loans, which will lead to an amount of outstanding Bonds for which the credit institution has not yet obtained a mortgage on real estate (disbursements and refinancing) or awaits redemption of outstanding Bonds (remortgaging and redemption);
- Guarantees representing temporary collateral in connection with lending against mortgage in real property until a registered mortgage is available.
- Own Bonds issued in the same capital centre.

The balance principle applies to each individual capital centre and to the MCI as a whole. For each capital centre, MCIs may implement the balance principle either through the general balance principle or through the specific balance principle. Both principles are described in greater detail below.

4.5.1 The general balance principle

Under the general balance principle, the present value of future payments into the capital centre must always be higher than the present value of the future disbursements from the capital centre. Further, interest payments to the capital centre must be higher than interest payments from the capital centre over a current period of 12 months. Excess cover and liquidity investments may be included as interest payments to the capital centre, provided they have been made in safe and liquid securities.

MCIs may only assume limited interest rate risk arising from differences between future cash outflows on issued Bonds and financial hedging instruments on the one hand and future cash inflows from lending and financial hedging instruments on the other hand.

The interest-rate risk is calculated as the largest loss in terms of present value based on clearly defined assumptions about changes in the interest rate structure. The interest-rate risk must not exceed 1 per cent of the capital adequacy requirement plus 2 per cent of the additional excess cover or 5 per cent of the capital adequacy requirement plus 10 per cent of the additional excess cover, depending on the assumptions for the development of the yield curve structure.

Notwithstanding the fact that MCIs are not entitled to offset interest rate risks resulting from different currencies, MCIs are entitled to offset an interest-rate risk resulting from differences in payments in EUR against an interest rate risk resulting from differences in payments in DKK by up to 50 per cent of the interest rate risk in the currency with the numerically smaller interest rate risk. In connection with the establishment or closure of a capital centre, the interest-rate risk must not exceed DKK 20 million, irrespective of the limits stipulated above.

The interest-rate risk on the MCI's securities portfolio must not exceed 8 per cent of the MCI's capital base. See section 28 of the *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management*.

MCIs may only assume limited currency risk arising from differences between future cash outflows on issued Bonds and financial hedging instruments on the one hand and future cash inflows from lending and financial hedging instruments on the other hand.

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Currency risk is measured as the loss incurred from an increase or a decrease of 10 per cent in the exchange rate for currencies within the EU, EEA or Switzerland against DKK and as the loss incurred from an increase or decrease of 50 per cent in the exchange rate for other currencies against DKK. For MCIs, the calculated currency risk must not exceed 10 per cent of the solvency requirement plus 10 per cent of additional excess cover for EUR or, for other currencies, 1 per cent of the solvency requirement plus 1 per cent of additional excess cover. The currency risk in the securities portfolio of the MCI must not exceed 10 per cent of the MCI's capital base.

Risk exposure pertaining to hedging conditional (asymmetric) claims on debtors as well as term mismatches between conditional (asymmetric) claims on debtors and hedging options in a capital centre must be held to a limited extent. The option risk is measured on the basis of the vega risk parameter based on the larger loss of the present value of cash flow differences resulting from two different assumptions for the development of the volatility structure.

The option risk must not exceed 0.5 per cent of the capital adequacy requirement for MCIs plus 1 per cent of the additional excess cover. Notwithstanding that MCIs are not entitled to offset option risks resulting from different currencies, MCIs are entitled to offset an option risk resulting from differences in payments in EUR against an option risk resulting from differences in payments in DKK by up to 50 per cent of the option risk in the currency with the numerically smaller option risk.

4.5.2 The specific balance principle

The differences between future cash outflows on Bonds issued and financial hedging instruments and future cash inflows on loans, financial hedging instruments and placements must be calculated on a day by day basis discounted for all future cash inflows and outflows.

Any future cash deficit for an MCI resulting from the cash outflow exceeding the cash inflow must not exceed the following limits in respect of the MCI's capital base:

- 25 per cent in year 1 to year 3;
- 50 per cent in year 4 to year 10;
- 100 per cent effective from year 11.

Each period runs from the date of calculation.

The MCI must not assume an interest-rate risk arising from the listed cash flow differences of more than 1 per cent of its capital base. Payment differences do not include excess cash flows resulting from debtors making full or partial payments earlier than the MCI disburses payments to the owners of the underlying Bonds, unless the customer is entitled to compensation for such early payment.

In connection with the establishment of a capital centre, the interest-rate risk must not exceed DKK 20 million, irrespective of the limits stipulated above. The interest-rate risk in the securities portfolio of the MCI must not exceed 8 per cent of the MCI's capital base.

The currency risk on the MCI's assets, liabilities and off-balance sheet items must not exceed 0.1 per cent of the MCI's capital base. The currency risk is calculated on the basis of exchange rate indicator 2.

Index-linked loans must be funded by index-linked bonds, and callable loans must be funded by callable bonds.

4.6 Rules on investment of proprietary portfolio

In accordance with section 153 of the *Financial Business Act*, an MCI must have funds invested in the asset categories listed below corresponding to not less than 60 per cent of its capital base plus funds in series with a reimbursement obligation not included in the capital base:

- deposits with central banks of zone A countries;
- bonds and debentures issued or guaranteed by governments or regional authorities of zone A countries; and
- ROs, SDOs and SDROs and other Bonds issued by a credit institution in an EU country or a country with which the Community has made an agreement governing the financial sector, and offering similar security.

Under the *Financial Business Act*, Realkredit Danmark A/S's capital base will be reduced by an amount corresponding to Realkredit Danmark A/S's ownership interest in credit institutions, securities companies and investment associations exceeding 10 per cent of its ownership interest in such companies. In addition, the capital base is reduced by an amount corresponding to 15 per cent of the ownership interest in another company or companies within the same group.

An MCI is not permitted to own real property or to have ownership interests in property companies for an amount exceeding 20 per cent of its capital base. This provision does not apply to properties acquired by an MCI for the purpose of running a mortgage credit, banking or insurance business.

4.7 Rules on capital adequacy

The regulatory framework for the Group's capital management is rooted in the CRD. The CRD consists of three pillars:

- Pillar I contains a set of rules for calculating the capital requirement (8 per cent of the risk exposure amount for credit risk, market risk and operational risk).
- Pillar II describes the ICAAP (Internal Capital Adequacy Assessment Process) framework and the supervisory review. The ICAAP determines the solvency need.
- Pillar III deals with market discipline and sets forth disclosure requirements for risk and capital management and the solvency need.

Rules on solvency need

MCIs must comply with special requirements in Danish legislation to publish its solvency need each quarter. The solvency need is the capital considered sufficient to cover the Group's risks. The solvency need is calculated on the basis of the requirement under Pillar I plus a supplement for requirements under Pillar II. Pillar II reflects any uncertainty relating to the risk models, and the capital level is subject to ongoing qualitative adequacy assessments.

Rules on gearing risk

CRR/CRD IV requires credit institutions to calculate, report on and monitor their leverage ratio, which is defined as tier 1 capital as a percentage of total risk exposure.

Capital adequacy in the capital centres

MCIs must have a capital base representing at least 8 per cent of the risk-weighted assets (but always at least EUR 5 million). This requirement applies to the MCI overall and to its individual capital centres.

In the event that a capital centre is unable to meet the capital adequacy requirement, funds must be transferred from the general capital centre, unless such transfer would prevent the general capital centre itself from meeting the 8 per cent capital adequacy requirement. Excess capital may be transferred from individual capital centres to the general capital centre.

4.8 Liquidity rules

The *CRR/CRD IV* rules also include liquidity rules in the form of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

In October 2014, the European Commission published the final liquidity rules for credit institutions, implementing the LCR. Among other things, this meant that particularly liquid ROs, SDOs and SDROs with an issue size of at least EUR 500 million may constitute up to 70 per cent of the liquidity buffer of a credit institution, while liquid ROs, SDOs and SDROs with an issue size of at least EUR 250 million may constitute up to 40 per cent. The remaining 30 per cent must be in the form of government bonds, certificates of deposits or cash. The LCR will be implemented from 1 October 2015, while the NSFR is expected to become a requirement from 2018 at the earliest.

4.9 Rules on supplementary collateral

If the value of the assets covering the SDROs no longer correspond at least to the value of the SDROs issued or do not comply with the relevant loan-to-value ratios, the MCI must promptly provide supplementary collateral to satisfy the requirement and notify the Danish FSA thereof. Supplementary collateral must be provided in the form of low-risk and marketable securities.

The following types of assets may be used as supplementary collateral for SDOs and SDROs:

- loans secured through a registered mortgage on real property, also against temporary security;
- bonds and instruments of debt issued by or guaranteed by public authorities and central banks;
- bonds, instruments of debt and other claims and guarantees issued by credit institutions, at a maximum value corresponding to a nominal 15 per cent of the issuer's SDROs. This limit also covers exposures in financial hedging instruments where the counterparty is a credit institution. Own Bonds from the same capital centre are not included in the 15 per cent limit.

Pursuant to section 4 of the *Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management*, the 15 per cent limit does not comprise specific investments.

In the event that the MCI fails to provide supplementary collateral, all SDROs issued in said capital centre will lose the SDRO designation. Bonds having lost the SDRO designation may be designated ROs, provided they comply with the statutory requirements for ROs when the loan offer is made. If subsequently the Bonds again satisfy the requirements for SDROs, the Danish FSA may allow such Bonds to be re-designated SDROs. The requirement regarding supplementary collateral does not apply to loans funded using ROs.

4.10 Rules on extension of Bonds

In accordance with the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act* and the *Executive Order on the refinancing of adjustable-rate mortgage loans* issued in pursuance thereof, rules on statutory refinancing of Bonds used for the funding of mortgage loans apply in special situations where the maturity of these Bonds is shorter than the term of the mortgage loan funded by the Bonds.

Pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, MCIs must establish guidelines for how to act in the very special situation that a refinancing either cannot be carried out on market terms due to lack of buyers of Bonds or where the yield to maturity in connection with refinancing is higher than the extension rate determined by Realkredit Danmark A/S for extendable bonds pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act*.

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For floating-rate Bonds covered by section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, the interest rate at the refinancing of a mortgage loan cannot be fixed at a rate more than 5 percentage points above the most recently fixed interest rate. The interest rate must remain unchanged for 12 months or up to the next refinancing unless a lower interest rate is fixed within the said 12 months or before the next refinancing.

Pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, Realkredit Danmark A/S may decide that Bonds in a specific ISIN be fully or partly extended by 12 months from the ordinary maturity date of the Bonds.

Realkredit Danmark A/S may resolve to extend the maturity of the bonds if, in connection with a refinancing, Realkredit Danmark A/S does not realistically expect that the auction may be held without the yield to maturity being 5 percentage points higher than the yield to maturity on a similar bond with the same term to maturity issued 11 to 14 months earlier. However, the requirement concerning realistic expectation does not apply if Realkredit Danmark A/S conducts a sale of a smaller volume of bonds with a view to clarifying whether the yield to maturity will be 5 percentage points higher than the yield to maturity on a similar bond with the same term to maturity issued 11 to 14 months earlier.

If buyers cannot be found for the volume of new Bonds required to be refinanced, the maturity of the Bonds in question may be extended by 12 months at a time until enough buyers can be found for the required volume of Bonds to be refinanced.

For refinancing of loans whose underlying Bonds have maturities of more than 12 months, Realkredit Danmark A/S may prior to a possible extension seek to refinance the loans using Bonds with shorter maturities.

The extension rate on extendable Bonds will be determined by Realkredit Danmark A/S in accordance with section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act* and announced on Realkredit Danmark A/S's website, www.rd/investor.dk, and in a company announcement, and will take effect at the time of the first extension of maturity. The coupon set for the first extension of maturity also applies to any further extensions of maturity.

4.11 Rules on right to raise loans

MCIs licensed to issue SDOs or SDROs may in pursuance of section 15 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act* raise loans to meet the requirement on the provision of supplementary collateral or to increase overcollateralisation in a capital centre.

Loans raised for this purpose will be raised in reliance on an independent prospectus and will not be comprised by this Base Prospectus. The loan agreement must specify to which capital centre the loan funds relate. Loan funds raised must be placed in low-risk and marketable securities.

As from the time when the loan is raised, the assets must be placed in a separate account, a separate custody account or otherwise be designated as deriving from the relevant loan. Assets used as supplementary collateral must be recognised in the relevant capital centre.

4.12 Rules on recovery and resolution of credit institutions

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD) establishes a framework for the recovery and resolution of credit institutions and investment firms. The objective of the BRRD is to ensure the continuity of critical functions in failing institutions and to avoid a significant adverse effect on the financial system as well as to obviate the need for the public to participate in the resolution of a failing institution.

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Institutions that are going concerns are regulated in accordance with the *Financial Business Act*, with the Danish FSA as the competent authority. If bankruptcy proceedings are commenced for an institution, the rules of the *Resolution Act* will apply and Finansiel Stabilitet becomes the competent authority.

The following main points apply:

- All MCIs must prepare and regularly update recovery plans that set out measures to be taken by institutions for the restoration of their financial position following a significant deterioration (“recovery plan”). The plan must be updated at least once a year.
- Finansiel Stabilitet and the Danish FSA must prepare a plan for all Danish institutions detailing resolution proceedings should they fail (“resolution plan”). Each institution is required to provide information relevant for this purpose.
- Each institution must in the period 2015-2024 contribute funds to a resolution fund that will contribute to resolving failing institutions.
- All MCIs must have a debt buffer, the size of which is based on the institution’s total unweighted lending. Debt buffers can be topped up with excess capital.
- Where an institution experiences significantly deteriorated conditions, the Danish FSA may require the institution to implement relevant measures (“early intervention”).
- If resolution proceedings are initiated for an institution, the Danish FSA is required to write down or convert relevant capital instruments of the institution into Common Equity Tier 1 instruments when the conditions for resolution have been met. The Danish FSA may then apply the following resolution tools:
 - a sale of all or a certain part of the shares or the institution’s assets or liabilities to a third party
 - transfer to a temporarily state-owned company
 - transfer to a portfolio management company and/or
 - write-down/conversion (“bail-in”) of liabilities, MCIs being explicitly exempt from this tool, however.
- Changing the ranking of creditors to the effect that deposits of personal customers/natural persons and SMEs, which are not covered under the *Guarantee Fund Act* and recourse claims of the Guarantee Fund, are given a higher ranking than ordinary unsecured claims.

4.13 Arrears

If payments on a mortgage loan are not made in due time, the MCI has the option of arranging a compulsory sale in order to raise funds for repayment. During any period in which the debtor fails to service his mortgage, the MCI pays the Bondholder for as long as funds are available in the capital centre.

4.14 Bankruptcy

If an MCI becomes insolvent, the Danish FSA may file a petition in bankruptcy. After a bankruptcy order has been issued, funds cannot be transferred between capital centres and the institution in general. The amount for which holders of ROs and SDROs and other securities have secured creditor status equals the assets available in a capital centre from time to time net of allocation of income and expenses.

If an institution is declared bankrupt, capital centre funds, less costs incurred in connection with bankruptcy proceedings, etc., including liquidator’s fees, salaries, etc., will be used to satisfy claims notified by holders of ROs and SDROs and other securities. Covered next is debt raised by the MCI for the purpose of providing supplementary collateral, cf. section 27 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, for the relevant capital centre and claims for interest on such debt

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accrued from the date of the bankruptcy order. Pursuant to section 32 of the *Bankruptcy Act*, any excess funds will be included in the assets available for distribution.

Financial instruments qualify as assets or liabilities of a capital centre only if they are used for hedging risks between the assets relating to the capital centre on the one hand and the Bonds issued on the other, and if the agreement on the financial instrument specifies that a suspension of payments, bankruptcy or inability to comply with the request for supplementary capital of the MCI does not constitute breach. If an MCI is declared bankrupt, counterparties to the financial instruments concluded to hedge risks in a capital centre rank equally with the Bondholders.

The company in bankruptcy cannot effect payment in satisfaction of claims raised by holders of Bonds or other securities earlier than the date on which the MCI was entitled to be discharged by effecting such payment. The liquidator must continue or resume as far as possible the fulfilment of an MCI's obligations, in the form of payment of interest and repayment of capital to Bondholders and other securities in the individual capital centres. Insofar as there are insufficient funds, interest is paid to holders of ROs, SDOs and SDROs and other securities before any drawings are effected.

The liquidator may issue refinancing bonds in replacement of expired Bonds in a bond series. If the bankruptcy trustee or liquidator is not allowed to issue refinancing bonds or if buyers cannot be found for the volume of Bonds required to be refinanced, the maturity of the Bonds will be extended by 12 months at a time. The bankruptcy trustee or liquidator determines the coupon of the extended Bonds to a floating reference rate plus up to five percentage points.

If the Bonds are extended in connection with refinancing because buyers cannot be found for the volume of Bonds required to be refinanced, the maturity of bonds issued pursuant to section 15 of the *Mortgage Credit Loans and Mortgage Credit bonds etc. Act* that mature during the extension period and which are connected to the extended Bonds, will be extended according to the maturity of the extended Bonds.

5. Other rules

Listed in the following section are rules an issuer must observe in consideration of other stakeholders.

5.1 Exclusion of asset-backed securities in the security pool

According to the rules of the European Central Bank (“ECB”), the security pool for ROs, SDOs and SDROs must not contain asset-backed securities (“ABS”) except for ABSs that

- satisfy the CRR requirements on ABSs in the security pool
- originate from a member of the same group as the issuer of the RO, SDO or SDRO, or a unit affiliated with the same organisation, institution or authority as the issuer of the Bonds, and
- are used as a technical tool for assigning a mortgage on real property or guaranteed loans secured by mortgage from the unit from which they originate to be placed as security for the relevant Bonds.

For the purposes of the Eurosystem monetary policy, ROs, SDOs and SDROs are not considered ABSs.

Realkredit Danmark A/S will, from time to time, ensure that ABSs that do not satisfy the ECB requirements, are not used as security for the Bonds.

5.2 Realkredit Danmark A/S's accounts with banks

The credit rating agency Standard & Poor's require a so-called counterparty rating, which implies that accounts must be held with banks rated BBB/A-2 or higher by Standard & Poor's, provided that daily balances in accounts with each of such banks do not exceed 5% of the capital centre's total assets. If the account-holding bank is downgraded to below BBB/A-2 or is no longer rated by Standard & Poor's, Realkredit Danmark A/S will within 30 days take reasonable steps to replace the account-holding bank with a bank that satisfies the rating criteria (replacement).

If the current account balance in each bank exceeds 5%, the account-holding bank must be rated at least A/A-1 by Standard & Poor's. If the bank is downgraded to below A/A-1 or is no longer rated by Standard & Poor's, Realkredit Danmark A/S must within 60 days take reasonable steps to replace the account-holding bank with a bank that satisfies the rating criteria (replacement). In case of bank replacement, all future payments will be transferred to the new accounts. Realkredit Danmark A/S will inform the Bondholders if new payment instructions are necessary.

Regardless of these provisions, Realkredit Danmark A/S may maintain accounts with banks not rated by Standard & Poor's with balances of up to DKK 100 million per bank and up to DKK 250 million in total.

6. Registration document

For numbering, see Appendix IV of the Commission's regulation (no. 809/2004)

1. Persons responsible

- 1.1 Realkredit Danmark A/S is responsible for this Base Prospectus under applicable Danish law.

The following persons are responsible for the information in the registration document on behalf of Realkredit Danmark A/S:

Board of Directors:

Tonny Thierry Andersen, Chairman of the Board of Directors
Lars Stensgaard Mørch, Vice Chairman of the Board of Directors
Henrik Ramlau-Hansen
Kim Andersen
Lisbeth Sahlertz Nielsen
Claus Bundgaard

who by authority to the Executive Board as of 27 May 2013 has authorised:

Executive Board:

Carsten Nøddebo Rasmussen, Chairman of the Executive Board and CEO

Realkredit Danmark A/S
Lersø Parkalle 100
DK-2100 Copenhagen Ø

to sign the Base Prospectus.

For information about the Board of Directors, the Executive Board and auditors, see the most recent annual report of Realkredit Danmark A/S, or go to rd.dk or danskebank.com.

- 1.2 The persons responsible for the information provided in this registration document, cf. 1.1, hereby declare to have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information provided in the Base Prospectus is in accordance with the facts and contains no omissions likely to affect the import thereof.

The information contained in this Base Prospectus should be read in conjunction with the Final Terms listed in Appendix 2 and the published documents referred to in the Base Prospectus and set out in Appendix 1.

2. Auditors

- 2.1 Realkredit Danmark A/S' auditors are
Erik Holst Jørgensen, State-Authorised Public Accountant
Jens Ringbæk, State-Authorised Public Accountant
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

The independent auditors of Realkredit Danmark A/S are members of FSR – Danish Auditors.

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Realkredit Danmark A/S employs the same firm of auditors as audits Danske Bank A/S's financial statements. See the *Financial Business Act* and related executive orders.

In addition, Realkredit Danmark A/S is supervised by the in-house Audit Department, which is a part of Danske Bank A/S. The address of the Audit Department is:

Audit Department
Dalbergstrøget 17
DK-2630 Høje Taastrup.

Dorte Toldborg is Group Chief Auditor.

- 2.2 At the most recent annual general meeting of Realkredit Danmark A/S held on 5 March 2015, Deloitte Statsautoriseret Revisionspartnerselskab was appointed as auditor of Realkredit Danmark A/S for a one-year period. Erik Holst Jørgensen, State-Authorised Public Accountant, Deloitte Statsautoriseret Revisionspartnerselskab and Jens Ringbæk, State-Authorised Public Accountant, Deloitte Statsautoriseret Revisionspartnerselskab thus replaced Jesper Ridder Olsen, State-Authorised Public Accountant, Ernst & Young, Anders Duedahl-Olesen, State-Authorised Public Accountant, Ernst & Young.

The change of auditors was made pursuant to section 199(2) of the *Financial Business Act*, as Danske Bank A/S appointed said auditors at its annual general meeting.

3. Selected financial information

- 3.1 Selected financial information concerning Realkredit Danmark A/S for the most recent financial years is set out in the table below (in DKKm):

Year	Q1 2015	Q1 2014	2014	2013
Net profit	1,053	810	3,056	2,612
Total assets	859,383	836,081	834,555	848,134
Return on equity	9.0 %	7.0 %	6.5 %	5.6 %
Cost/income ratio	11.2 %	13.5 %	13.5 %	14.7 %
Total capital ratio	35.1 %	34.2 %	34.5 %	34.0 %
Tier 1 capital ratio	34.6 %	33.7 %	34.0 %	33.5 %

Note: Return on equity = net profit for the year as % of average shareholders' equity, cost/income ratio = costs as a percentage of income and tier 1 capital = tier 1 capital ratio.

Annual reports and financial statements are available at Realkredit Danmark A/S's website www.rd.dk.

4. Risk factors

For information about risk factors that may affect Realkredit Danmark A/S's ability to fulfil its obligations in respect of issuing the Bonds and managing mortgage loans, see the introductory paragraph on risk factors in section 3.

Realkredit Danmark A/S's Board of Directors is responsible for defining limits to and monitoring Realkredit Danmark A/S's risk as well as approving overall instructions and policies. Risk exposures and activities are reported regularly to the Executive Board.

The Board of Directors has delegated the day-to-day responsibility to the Executive

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Board, which is in charge of implementing overall instructions. Continuous risk monitoring and management are the responsibility of a committee chaired by the Chairman of Realkredit Danmark A/S's Executive Board.

Realkredit Danmark A/S's principal committees are the Risk Committee, the ALCO Committee and the Product Committee.

The Risk Committee is charged with ensuring a consistent overview of Realkredit Danmark A/S's overall risk exposure and capital requirement as well as the risk models applied in order to assist the Executive Board of Realkredit Danmark A/S in monitoring and ensuring compliance with current legislation and practice in the area in question.

The ALCO Committee is charged with monitoring and coordinating Realkredit Danmark A/S's funding, rating, the use of limited resources in the form of capital and liquidity and laying down internal limits.

The Product Committee is charged with performing risk assessments of new products and business initiatives.

5. Information about Realkredit Danmark A/S

5.1 *Realkredit Danmark A/S – History and development*

5.1.1 Realkredit Danmark A/S has the following secondary names: Den Danske Kreditforening A/S, Kredit Danmark A/S, Sanaartornermi Taarsigassasisarfik (Grønlands Kreditforening A/S), Mortgage Credit Association Denmark, Mortgage Credit Denmark, Dänisches Bodenkreditinstitut, Grundejernes Hypotekforening, Husmandshypothekforeningen for Danmark, Jydske Grundejer-Kreditforening, Ny jydske Kjøbstad-Creditforening, Ny Jysk Grundejer Kreditforening, Provinshypotekforeningen for Danmark, Østifternes Kreditforening, Østifternes Land-Hypothekforening, Kreditforeningen Danmark, BG Kredit A/S, Danske Kredit Realkreditaktieselskab, Mæglerservice Danmark A/S, RealDanmark Holding A/S, E-Boligdanmark A/S, KD Ejendomsservice A/S, Ejendomsservice Danmark A/S, RD A/S and Boligkredit Danmark A/S.

5.1.2 Realkredit Danmark A/S's registered office is situated in the City of Copenhagen.

Realkredit Danmark A/S's company registration (CVR) no. is 13 39 91 74.

5.1.3 The company opened a mortgage credit business in 1851 under the name of Østifternes Kreditforening. In 1972, Østifternes Kreditforening merged with a number of other credit associations and mortgage banks, establishing Kreditforeningen Danmark.

At 1 January 1993, Kreditforeningen Danmark was converted into a public limited company under the name of Realkredit Danmark A/S. As part of the conversion, Kreditforeningen Danmark's assets and liabilities were assigned to KD Holding A/S, a wholly owned holding company, and subsequently reassigned to the holding company's wholly owned subsidiary, Realkredit Danmark A/S. KD Holding A/S subsequently changed its name to RealDanmark Holding A/S.

In 1998, Realkredit Danmark A/S established a joint subsidiary, BG Kredit A/S, in cooperation with BG Bank A/S. That same year, Realkredit Danmark A/S's sole shareholder, RealDanmark Holding A/S, merged with BG Bank A/S (BG Holding A/S), forming the continuing holding company, Kapital Holding A/S. Kapital Holding A/S subsequently changed its name to RealDanmark A/S.

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In 2001, Realkredit Danmark A/S merged with Danske Kredit A/S and BG Kredit A/S following the merger of Danske Bank A/S and RealDanmark A/S. Realkredit Danmark A/S is the continuing mortgage credit arm of the Danske Bank Group.

- 5.1.4 Realkredit Danmark A/S's registered office is situated in Copenhagen. Realkredit Danmark A/S is a public limited company and a wholly owned subsidiary of Danske Bank A/S. Realkredit Danmark A/S is governed by Danish law and registered in Denmark. Realkredit Danmark A/S's address and telephone number for the registered office are:

Realkredit Danmark A/S
Lersø Parkallé 100
DK-2100 Copenhagen Ø

Website: www.rd.dk
E-mail: rd@rd.dk
Tel.: +45 70 12 53 00

- 5.1.5 At the date of this Base Prospectus, no events had occurred which would be relevant to the evaluation of Realkredit Danmark A/S's solvency since the annual report last published by Realkredit Danmark A/S.

5.2 *Investment*

- 5.2.1 At the date of this Base Prospectus, no significant investments have been made since the last published annual report of Realkredit Danmark A/S.

- 5.2.2 At the date of this Base Prospectus, Realkredit Danmark A/S has not committed to making any significant future investments since the last published annual report of Realkredit Danmark A/S.

- 5.2.3 There are no expected sources of funding, because Realkredit Danmark A/S, at the date of this Base Prospectus, has not committed to making any significant future investments. See 5.2.2.

6. Business overview

6.1 *Principal activities*

- 6.1.1 The object of Realkredit Danmark A/S is to operate as a mortgage credit institution, including any kind of business permitted pursuant to applicable legislation on mortgage credit institutions.

Realkredit Danmark A/S is a member of the Danske Bank Group. Realkredit Danmark A/S's principal activity is to ensure that Realkredit Danmark A/S, Danske Bank A/S and Realkredit Danmark A/S's subsidiary home a/s chain of estate agents offer competitive mortgage credit products and services and endeavours to do so by providing advisory services customised to individual customer needs.

As part of Danske Bank Group, Realkredit Danmark A/S may arrange products across the Group, including banking, pension, investment and insurance services and buying and selling of real property.

- 6.1.2 At the date of this Base Prospectus, Realkredit Danmark A/S has no plans to launch new significant products or activities.

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6.2 Principal markets

Realkredit Danmark A/S's principal market is the Danish market. In addition, Realkredit Danmark A/S provides loans secured by real property in the Faroe Islands, Greenland, Norway and Sweden and has previously provided loans secured by real property in France, United Kingdom and Germany. Realkredit Danmark A/S may resolve to provide loans secured by real property outside Denmark.

Realkredit Danmark A/S's principal markets in Denmark primarily consist of lending for owner-occupied dwellings and holiday homes (personal customers) and loans to customers with properties in the urban trade, agriculture and residential rental segments (business customers). An overview of the distribution of loans to the various property categories is provided in Realkredit Danmark A/S's most recent annual report. See Appendix 1.

6.3 In this Base Prospectus, Realkredit Danmark A/S does not describe its competitive setting.

7. Organisational structure

7.1 Realkredit Danmark A/S is a wholly-owned subsidiary of Danske Bank A/S.

Realkredit Danmark A/S is the sole owner of its subsidiary home a/s, a chain of real estate agents.

7.2 Realkredit Danmark A/S primarily sells its products and services through the distribution channels of Danske Bank Group. Realkredit Danmark A/S has its own sales office for corporate customers.

Realkredit Danmark A/S applies IT systems that are developed, maintained and managed by Danske Bank A/S.

To a large extent, Realkredit Danmark A/S uses Danske Bank A/S's functions, including business development, finance, credit and back office functions.

8. Trend information

8.1 At the date of this Base Prospectus, there has been no adverse change in the prospects of Realkredit Danmark A/S since the date of publication of its most recent annual report.

8.2 At the date of this Base Prospectus, Realkredit Danmark A/S is not aware of any trends, uncertainty, requirements, obligations or events that may reasonably be expected to have a material impact on Realkredit Danmark A/S's prospects for the current financial year.

9. Profit forecasts or estimates

9.1 Earnings expectations or forecasts for Realkredit Danmark A/S are generally not considered material to the pricing of the Bonds and therefore are not included in the Base Prospectus.

10. Board of Directors, Executive Board and supervisory bodies

10.1 The members of the Board of Directors and the Executive Board are named in item 1.1 above.

For additional information on the principal activities of members of the Board of Direc-

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tors and the Executive Board of Realkredit Danmark A/S performed by them outside Realkredit Danmark A/S – in so far as such activities are of importance to Realkredit Danmark A/S, see the most recent annual report of Realkredit Danmark A/S and the websites rd.dk and danskebank.com. See Appendix 1.

The company address for the Board of Directors and Executive Board of Realkredit Danmark A/S is:

Realkredit Danmark A/S
Lersø Parkallé 100
DK-2100 Copenhagen Ø

Realkredit Danmark A/S is supervised by:

The Danish Financial Supervisory Authority
Århusgade 110
DK-2100 Copenhagen Ø

- 10.2 *Board of Directors, Executive Board and supervisory bodies – conflicts of interest*

For a declaration that there are no potential conflicts of interest, see the statement by the Board of Directors and the Executive Board in section 8.

11. Board practices

- 11.1 Pursuant to the *Executive Order on audit committees in companies and groups subject to supervision by the Danish Financial Supervisory Authority*, Realkredit Danmark A/S has an audit committee. The Audit Committee supervises core business issues for the companies of the Realkredit Danmark Group. Once a year, Internal Audit reports to the Audit Committee on the effectiveness of the established reporting processes in relation to Realkredit Danmark A/S's financial reporting and risk management.

The framework for the audit committee's work is defined pursuant to section 3 of the Executive Order. The Audit Committee reviews matters regarding financial reports, auditing and collateral provision. These are issues that the Board of Directors, the Audit Committee itself, the group chief auditor or the external auditors believe deserve attention before they are brought before the Board of Directors. The Audit Committee normally convenes 2-5 times a year.

The members of the Audit Committee are:

Kim Andersen
Henrik Ramlau-Hansen

All members of the Audit Committee are members of the Board of Directors of Realkredit Danmark A/S. For further information about the responsibilities of the Audit Committee, reference is made to Realkredit Danmark A/S's website and the most recent annual report. See Appendix 1.

- 11.2 At the date of this Base Prospectus, there were no corporate governance regulations or requirements for bond-issuing MCIs in Denmark whose shares are not listed.

12. Major shareholders

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12.1 Realkredit Danmark A/S is a wholly-owned subsidiary of Danske Bank A/S. Danske Bank Group has prepared internal procedures and guidelines to ensure that Danske Bank A/S's controlling interest in Realkredit Danmark A/S is not abused.

12.2 At the date of this Base Prospectus, Realkredit Danmark A/S has no knowledge of any agreement that may at a subsequent date result in parties other than Danske Bank A/S gaining a controlling interest in Realkredit Danmark A/S.

13. Information about Realkredit Danmark A/S's assets and liabilities, financial position and results of operations

13.1 *Historical financial information*

Audited financial information, including a balance sheet, an income statement, a cash flow statement and accounting policies as well as notes for the last two financial years is set out in Annual Report 2013 and Annual Report 2014 of Realkredit Danmark A/S. See Appendix 1. Annual Report 2013 and Annual Report 2014 are audited by Realkredit Danmark A/S's auditors.

The financial information referred to has been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU and follows the accounting standards and policies that Realkredit Danmark A/S also expects to apply in its next annual report.

13.2 *Financial statements*

Realkredit Danmark A/S's financial statements include both unconsolidated and consolidated financial statements. For further information, see Annual Report 2014 of Realkredit Danmark A/S. See Appendix 1.

13.3 *Auditing of historical annual financial information*

13.3.1 The historical financial information has been audited by Realkredit Danmark A/S's auditors. The audit report, which is unqualified, is included in Annual Report 2013 and Annual Report 2014 of Realkredit Danmark A/S. See Appendix 1.

13.3.2 The Base Prospectus does not contain audited information other than the financial information.

13.3.3 All financial information set out in the Base Prospectus is extracted from Realkredit Danmark A/S's published annual reports.

13.4 *Age of the latest financial information*

13.4.1 Realkredit Danmark A/S's most recent audited financial information is from the financial year 2014.

13.5 *Interim and other financial information*

Realkredit Danmark A/S prepares interim financial reports. Since its most recent audited financial statements, Realkredit Danmark A/S has prepared its interim report for the first quarter of 2015. The information in the interim report is unaudited. Annual and interim reports are available at Realkredit Danmark A/S's website.

13.6 *Legal and arbitration proceedings*

At the date of this Base Prospectus, no legal, government or arbitration proceedings have

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been brought against Realkredit Danmark A/S. Realkredit Danmark A/S has no information about any proceedings which may be brought against Realkredit Danmark A/S or which may have or have had in the recent past significant influence on Realkredit Danmark A/S's and/or the Realkredit Danmark Group's financial position or results of operations.

13.7 *Significant changes in Realkredit Danmark A/S's financial or trading position*

At the date of this Base Prospectus, no significant changes have occurred to Realkredit Danmark A/S's financial or trading position since the end of the latest accounting period for which audited or preliminary financial information has been published (first quarter 2015).

14. Additional information

14.1 *Share capital*

14.1.1 For information about the issued capital, see the latest published annual report. See Appendix 1.

14.2 *Articles of Association*

14.2.1 Realkredit Danmark A/S is registered with the Danish Business Authority under company registration (CVR) no. 13 39 91 74.

The object of Realkredit Danmark A/S is to carry on business as a mortgage credit institution, including any kind of business permitted pursuant to applicable legislation on mortgage credit institutions. See Article 2 of the *articles of association of Realkredit Danmark A/S*.

15. Material contracts

At the date of this Base Prospectus, Realkredit Danmark A/S has not entered into material contracts outside its normal business that could cause Realkredit Danmark A/S to assume obligations or acquire rights that would affect Realkredit Danmark A/S's ability to meet its obligations towards the Bondholders with respect to the Bonds.

16. Disclosures from third parties, expert statements and declarations of interest

The Base Prospectus does not contain any disclosures from third parties or expert statements or reports.

17. Documents on display

The Board of Directors and the Executive Board of Realkredit Danmark A/S declare that the following documents are available for inspection during the life of the Base Prospectus:

- The articles of association of Realkredit Danmark A/S
- Realkredit Danmark A/S's annual reports and financial information, which is wholly or partly included in the Base Prospectus
- Realkredit Danmark A/S's subsidiary home a/s does not publish financial statements. home a/s' financial statements are consolidated in Realkredit Danmark A/S's financial statements.

The documents are available for inspection in person by request to Realkredit Danmark

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A/S or may be inspected in electronic form at www.rd.dk.

7. Securities note

For numbering, see Appendix V of the Commission's regulation (no. 486/2012)

1. Persons responsible

- 1.1 See clause 1.1 of the registration document.
- 1.2 See clause 1.2 of the registration document.

2. Risk factors

- 2.1 See the description of risk factors in section 3 of the Base Prospectus, "Risk factors".

3. Important information

- 3.1 Realkredit Danmark A/S is not aware of any conflicts of interest that may be relevant to the issue of Bonds under this Base Prospectus. Any conflicts of interest will be described in the Final Terms for each specific ISIN.
- 3.2 The Bonds have been issued in accordance with the *Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act* and section 5 of the *Executive Order on the Issuance of Bonds by Mortgage Credit Institutions, the Balance Principle and Risk Management*.

Funds derived from the issuance of Bonds under this Base Prospectus are applied to fund lending secured by mortgages on real property etc. provided by Realkredit Danmark A/S.

Pursuant to section 5 of the *Executive Order on the Issuance of Bonds by Mortgage Credit Institutions, the Balance Principle and Risk Management*, the issuance of the Bonds can be effected as a pre-issue of concluded fixed price agreements or as a block issue on the basis of the estimated lending activity.

Under Danish mortgage credit legislation, excess funds from an issue and sale of Bonds may be placed in low-risk and marketable securities or in money market instruments pursuant to section 21(6) of the *Executive Order on the Issuance of Bonds by Mortgage Credit Institutions, the Balance Principle and Risk Management*.

Excess funds from a block issue may not, except during a transition period, exceed the budgeted gross lending for the next following 90 days in each capital centre. This does not apply to block issues made prior to planned purchases in the market for the purpose of restructuring existing funding. Such block issues may have a maturity of up to 90 days, after which time any excess Bonds must be cancelled.

4. Information on securities to be offered/admitted for trading

- 4.1 Realkredit Danmark A/S issues Bonds pursuant to the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act* and relevant executive orders.

Realkredit Danmark A/S issues RO and SDRO bonds under this Base Prospectus.

The Bonds are issued in one or more ISINs. The ISINs are set out in the Final Terms.

The Bonds are subject to Danish law, and any litigation concerning the Bonds is governed by Danish law and jurisdiction.

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4.2 The issuance of the Bonds is governed by *the Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act*. For a more detailed review of the legislation governing the Bonds and MCIs, see section 4 of the Base Prospectus.

4.3 The Bonds are issued electronically in book-entry form as bearer securities. Securities are not issued in certificated form.

The Bonds are registered either with:

- VP Securities A/S, Weidekampsgade 14, DK-2300 Copenhagen S;
- VP Lux S.à r.l., 43, Avenue Monterey, LU - 2163 Luxembourg; or
- Verdipapirsentralen ASA, Fred. Olsens gate 1, Postboks 4, NO-0051 Oslo

Realkredit Danmark A/S may decide to have the Bonds registered with another securities depositary. The place of registration for each specific ISIN is set out in the Final Terms. See Appendix 2.

4.4 The Final Terms specify the currency used for issuing the Bonds. See Appendix 2.

4.5 In the event of bankruptcy of Realkredit Danmark A/S, Bondholders will rank before unsecured creditors (subject to certain costs of administration of the estate etc.) in terms of assets in the capital centre where the Bonds are issued, and also to Realkredit Danmark A/S's other assets.

4.6 Realkredit Danmark A/S issues Bonds in multiple capital centres. The Final Terms describe in which capital centre each specific ISIN is issued.

Any claims by the Bondholders with respect to the Bond may only be made against the capital centre in which the specific ISIN is issued.

Realkredit Danmark A/S determines the opening of other series in Realkredit Danmark A/S in the respective capital centres. Realkredit Danmark A/S also determines when to transfer funds to the respective capital centres.

The reserve fund must be of a size sufficient to meet the requirements of the mortgage credit legislation in force from time to time. To the extent that a capital centre meets the statutory capital adequacy requirements, any excess funds may be transferred from the capital centre in question to Realkredit Danmark A/S's funds in the "general capital centre".

Borrowers in the individual series are not jointly and severally liable to Realkredit Danmark A/S for the series' obligations and are not entitled to receive a share of the series reserve fund upon redemption of their loans.

The Bonds are cancelled in accordance with the general provisions of Danish legislation. Realkredit Danmark A/S is liable for any tardy or defective performance of its contractual obligations resulting from error or negligence.

Even in areas subject to increased liability, Realkredit Danmark A/S is liable for losses arising from:

- breakdown of or lack of access to IT systems or damage to data in such systems due to any of the factors listed below and regardless of whether or not Realkredit Danmark A/S or a third-party supplier is responsible for the operation of the systems;
- power failure or a breakdown of Realkredit Danmark A/S's telecommunication

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systems, legislative or administrative intervention, natural disasters, war, insurrection, civil unrest, sabotage, terrorism or vandalism (including computer virus attacks or hacking);

- strikes, lockouts, boycotts or picketing, regardless of whether Realkredit Danmark A/S or its organisation is itself a target thereof or has started such conflict and regardless of its cause. This also applies if the conflict affects only parts of Realkredit Danmark A/S.
- any other circumstances beyond Realkredit Danmark A/S's control.

Realkredit Danmark A/S will not be exempt from liability if:

- Realkredit Danmark A/S ought to have foreseen the cause of a loss when the agreement was concluded or ought to have avoided or overcome the cause of the loss; or if
- under Danish law, Realkredit Danmark A/S is liable for the cause of a loss under any circumstances.

4.7 Interest

4.7.1 Nominal rate of interest

The Bonds may be issued with a fixed or a floating coupon rate.

For fixed-rate Bonds, the nominal rate of interest (coupon rate) is stated in the Final Terms. On floating rate Bonds, the reference rate and margin is stated in the Final Terms.

For Bonds whose term to maturity is extended in accordance with section 6 of *the Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act*, the following applies:

Pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, Realkredit Danmark A/S may decide that Bonds in a specific ISIN be fully or partly extended by 12 months from the ordinary maturity date of the Bonds.

The extension rate on Bonds that can be extended will be determined by Realkredit Danmark A/S in accordance with section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, and announced on Realkredit Danmark A/S' website, www.rd/investor.dk, and in a company announcement, and will take effect at the time of the first extension of maturity. The coupon set for the first extension of maturity also applies to any further extensions of maturity.

4.7.2 Stipulations regarding coupon payments

Bonds may have 12, 4, 2, 1 or another number of annual payment dates. The number of annual payment dates for the individual ISIN are set out in the Final Terms.

The coupon is paid on a proportionate basis on each payment date according to the defined interest convention stated in the Final Terms.

Coupon payments and accrual may change as a result of market changes.

Realkredit Danmark A/S pays coupons and redemption amounts to Bondholders by transferring, on the due date, the funds to accounts with banks, payment agents, securities brokers, etc., designated by the account-holding bank by way of to a securities centre and/or clearing bank.

If the due date is not a business day, payment takes place on the next business day.

Bondholders cannot claim payment of coupons or other amounts as a result of deferred

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payment or the validation rules of the account-holding bank.

- 4.7.3 The start date of interest accrual is stated in the Final Terms.
- 4.7.4 The due dates for the payment of interest are stated in the Final Terms for the specifically issued Bonds.
- 4.7.5 The Bonds become time barred in accordance with the general provisions of Danish legislation. Claims for payment of interest, fees and similar charges become time barred three years after the due date, and claims for payment of principal become time barred ten years after the due date according to the *Statute of Limitations Act*. Interest amounts and payments due on bonds do not carry interest from the due date and fall to Realkredit Danmark A/S if they are not collected before the expiry of the limitation period.
- 4.7.6 Not applicable because there are no underlying securities.
- 4.7.7 Basis of calculation if coupon is floating:
If the coupon is floating, the coupon rate for the specific ISIN is fixed on the basis of the reference rate and margin on the specific ISIN with a fixed interval.

Reference rate:
The relevant reference rate and the definition of fixing dates are stated in the Final Terms.

The margin:
The margin is specified for each specific ISIN and is stated in the Final Terms.

Number of annual interest rate fixings:
The coupon of the floating rate Bonds can be fixed on a quarterly, semi-annually or annual basis – or with another specified interval. The number of annual fixings is specified in the Final Terms.

Initial coupon rate:
When opening a floating rate, Bond Realkredit Danmark A/S can determine the initial coupon rate. The initial coupon rate and the period the rate is valid for are specified in the Final Terms.
- 4.7.8 On the fixing date, the coupon is calculated as the reference rate, in some cases multiplied by a factor, plus the margin specified for the specific ISIN. Reference rate, possible multiplication factor and margin are specified in the Final Terms.

For Bonds carrying a floating rate of interest which are comprised by section 6 of *the Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act*, the following applies:

The interest rate at the refinancing cannot be fixed at a rate more than 5 percentage points above the most recently fixed interest rate and the interest rate must remain unchanged for 12 months or up to the next refinancing unless a lower interest rate is fixed within the said 12 months or before the next refinancing.
- 4.7.9 The Final Terms state the chosen reference rate and where public information about the development in the reference rate is made available.
- 4.7.10 If the chosen reference rate ceases to be published or quoted, Realkredit Danmark A/S will determine the reference rate based on a similar money market rate estimated by Realkredit Danmark A/S.

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- 4.7.11 Not applicable; there are no adjustment rules in connection with events affecting the basis of the interest calculation.
- 4.7.12 Realkredit Danmark A/S calculates the floating rate of the Bond.
- 4.7.13 The interest payment does not have a derivative component.
- 4.8 The repayment and method of redemption of the Bonds are specified in the Final Terms. See Appendix 2.

The bonds may be repaid as:

- a bullet loan
- an annuity with an optional interest-only period
- an annuity
- a serial loan
- a hybrid (a combination of repayment methods).

The Bonds are issued in series either as callable or non-callable Bonds.

Callable bonds

If the Final Terms applying to a series of Bonds designate the Bonds to be callable, amounts prepaid by borrowers to Realkredit Danmark A/S will be included in the amortisation unless Realkredit Danmark A/S has exercised the options mentioned below to purchase and redeem bonds without a simultaneous drawing.

Amortisation takes place in accordance with drawings carried out by Realkredit Danmark A/S and is made at par as per the amortisation profile of the specific ISIN. The drawing determines which units of the issued Bonds are redeemed. Immediately after the drawing, Realkredit Danmark A/S announces that the drawing has taken place and that more detailed information about the bonds drawn can be obtained from Realkredit Danmark A/S.

In addition, Realkredit Danmark A/S reserves the right to amortise the bonds through purchase and cancellation with regard to that part of the amortisation of the Bonds which exceeds the ordinary amortisation as calculated by Realkredit Danmark A/S from time to time.

Realkredit Danmark A/S reserves the right to offer the borrowers the opportunity to redeem a loan without a simultaneous drawing or cancellation of Bonds corresponding to those issued in connection with the loan.

Non-callable bonds

If the Final Terms applying to a series of Bonds designate the bonds as non-callable, amounts prepaid by borrowers to Realkredit Danmark A/S within the maturity group will not be included in amortisation through drawings.

In addition, Realkredit Danmark A/S reserves the right to amortise the bonds through purchase and cancellation with regard to that part of the amortisation of the Bonds which exceeds the ordinary amortisation as calculated by Realkredit Danmark A/S from time to time.

Realkredit Danmark A/S reserves the right to offer the borrowers the opportunity to redeem a loan without a simultaneous drawing or cancellation of Bonds corresponding to those issued in connection with the loan.

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Payment dates

Payment dates for interest and drawn Bonds are the first banking day after the expiry of either a calendar quarter, a calendar six-month period or a calendar year, depending on the number of annual payments on the specific ISIN. The number of annual payments will be set out in the Final Terms. Interest payments cover the preceding payment period and are made on the basis of the interest convention in force from time to time for the specific ISIN as set out in the Final Terms. When opening new ISINs, Realkredit Danmark A/S may change the date and/or number of annual payments.

Extension of maturity in the absence of buyers at refinancing

The following applies to ISINs for which the Final Terms state that the maturity of the Bonds may be extended in the absence of buyers at refinancing:

Realkredit Danmark A/S may decide that Bonds in a specific ISIN be fully or partly extended by 12 months from the ordinary maturity date of the Bonds.

If buyers cannot be found for the volume of new Bonds required to be refinanced, the maturity of the Bonds in question may be extended by 12 months at a time until enough buyers can be found for the required volume of Bonds to be refinanced.

A decision to extend the maturity may be made up until one business day before the ordinary expiry date of the Bonds and is announced in a company announcement.

For refinancing of loans whose underlying Bonds have maturities of more than 12 months, Realkredit Danmark may prior to a possible extension seek to refinance the loans using Bonds with shorter maturities.

Extension of maturity in the event of a rise in interest rates

The following applies to ISINs for which the Final Terms state that Bonds may be extended in the event of a rise in interest rates:

Pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*, Realkredit Danmark A/S may decide that Bonds in a specific ISIN be fully or partly extended by 12 months from the ordinary maturity date of the Bonds.

Realkredit Danmark A/S may decide to extend the maturity of the bonds if, in connection with a refinancing, Realkredit Danmark A/S does not realistically expect that the bonds can be sold at an auction at a yield to maturity of up to five percentage points more than the yield to maturity of a similar bond with the same term to maturity issued 11 to 14 months earlier. However, the requirement concerning a realistic expectation does not apply if Realkredit Danmark conducts a sale of a smaller volume of bonds with a view to clarifying whether the yield to maturity will be 5 percentage points higher than the yield to maturity on a similar bond with the same term to maturity issued 11 to 14 months earlier.

A decision to extend the maturity may be made up until one business day before the ordinary expiry date of the Bonds and is announced in a company announcement.

- 4.9 The yield to maturity cannot be provided in the Final Terms because the Bonds are issued on tap, and the yield depends on the price and transaction date.

The yield is determined by discounting payments on each Bond using a discount rate that renders the value of the discounted payments equal to actual amounts invested. Payments are discounted to the settlement date. The discount rate equals the yield.

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First, all payments are discounted to the first payment date, after which payments are discounted using the proportion of the current payment outstanding from settlement date t until the first payment date. This proportion is calculated as the period remaining from time t (settlement date) until the first payment date divided by a full repayment period.

- 4.10 Representation of the Bondholders is not possible.
- 4.11 Realkredit Danmark A/S's Board of Directors is authorised to open new Bonds and new bond series. Responsibility for such action has been delegated to Realkredit Danmark A/S's Executive Board pursuant to section 8(4) of the "Order of Business for the Board of Directors and Executive Board of Realkredit Danmark A/S".
- 4.12 The opening date and opening period of the Bonds are set out in the Final Terms. See Appendix 2.
- 4.13 The Bonds are negotiable mass instruments of debt. No restrictions apply to the transferability of the Bonds.
- 4.14 At the date of this Base Prospectus, the following applies with respect to taxation of investors who are subject to full tax liability in Denmark:

Any interest income and capital gains from Bonds held by private individuals are taxable, whereas any capital loss is tax-deductible. Any gains or losses on the Bonds are subject to the *de minimis* threshold of DKK 2,000 specified in section 14 of the *Gains on Securities and Foreign Currency Act*. Taxation or tax deduction will take place in the year in which such gain or loss is realised unless the investor has applied the market-value principle and affects capital income. Interest income will be taxed at the time of its due date.

Any interest income and capital gains from Bonds held by companies are taxable, whereas any capital loss is tax-deductible. Taxation or tax deduction will take place in an ongoing process on an unrealised basis in accordance with a market-value principle. Interest income will be taxed in the year in which it is incurred.

Interest due and possession, redemption and transfer of Bonds will be reported to the Danish tax authorities in compliance with current legislation.

Withholding tax at source will not be withheld in Denmark pursuant to current legislation except from certain cases of controlled debt in relation to Realkredit Danmark A/S. This will not be relevant for investors with no relations with Realkredit Danmark A/S by which they control or are controlled by Realkredit Danmark A/S and are not under joint control with Realkredit Danmark A/S.

Realkredit Danmark A/S is not liable for any changes in the tax treatment of the Bonds or in the tax position of the investors – including any withholding of tax of any kind or collection of tax at source imposed by public authorities.

All investors, including those who are not tax residents of Denmark, are recommended to seek separate and individual advice on their tax positions.

FATCA (Foreign Account Tax Compliance Act)

The United States has introduced the Foreign Account Tax Compliance Act ("FATCA"), under which financial institutions worldwide must submit information to the US authorities about any customers liable to taxation in the United States.

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If a financial institution fails to do so, the FATCA rules order US withholding agents to deduct tax at source at the rate of 30% on all payments to the non-participating financial institution.

As the Danish government supports the underlying political objective of FATCA and intends to ensure that FATCA is implemented in Denmark, on 15 November 2012 it signed the “Agreement between the United States of America and the Kingdom of Denmark to Improve International Tax Compliance and to Implement FATCA” (“*Executive Order on agreement dated 15 November 2012 between Denmark and the United States of America to Improve International Tax Compliance and to Implement FATCA*”). As a result of this agreement, Danish financial institutions can meet their reporting obligation towards the Danish tax authorities which then procure and pass on the required information about relevant US interests to the United States. The authorisation to do so is stipulated in section 8 Å of the *Danish Tax Control Act* and *Executive Order no. 769 of 25 June 2014 on identification and reporting of financial accounts relating to the United States*.

Investors should therefore note that the FATCA rules entail an obligation for investors to submit extended and documented identification information on a timely basis as set out in the FATCA rules, and rules may also be introduced in Denmark involving a duty to withhold tax concerning accounts with relevant US interests, or if the investor fails to submit extended and documented identification information on a timely basis. Further, Realkredit Danmark A/S or any other relevant person may be ordered to close an investor’s account as stipulated in the FATCA rules if an investor fails to submit extended and documented identification information on a timely basis as set out in the FATCA rules. In none of the above situations will Realkredit Danmark A/S or any other person be obliged under this Base Prospectus or the Final Terms for the specific Bonds to compensate investors for a tax amount thus withheld or any loss caused by the closing of an account. In such situations, investors may therefore receive a lower interest or lower principal payments than expected.

5. Terms and conditions of the offer

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

5.1.1 The terms and conditions applicable to the Bonds are disclosed in the Final Terms. See Appendix 2.

For ISINs for which the Final Terms state that the Bonds may be extended pursuant to section 6 of the *Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act*, Realkredit Danmark A/S will announce a plan for the sale before it starts selling the new Bonds. The plan states the loan types to be funded by the Bonds auctioned, the volume expected to be sold, how and when the auction is to take place and when it is determined whether the required volumes of new bonds have been sold. The plan may be revised.

5.1.2 The final amount of the offer will not be known until the Bond series is closed. The date for the closure of new issuance is shown in the Final Terms. See Appendix 2. The outstanding amounts of Bonds issued under this Base Prospectus varies in step with Realkredit Danmark A/S’s loan volume.

5.1.3 The bond series are open for new issuance during a predetermined opening period. Realkredit Danmark A/S may issue Bonds on tap during the opening period.

Realkredit Danmark A/S may decide to terminate the offer during parts of the opening period.

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The opening period of each ISIN will be set out in the Final Terms. See Appendix 2.

- 5.1.4 There is no method of reducing subscriptions or repaying excess amounts.
- 5.1.5 The minimum amount for investment is equivalent to the size of the individual ISIN. The size of a single Bond is disclosed in the Final Terms. See Appendix 2.
- The maximum amount for investment is equivalent to the volume in circulation of the individual ISIN.
- There is no right of withdrawal when buying the Bonds.
- 5.1.6 Delivery and clearing of the Bonds will take place via VP Securities A/S, VP Lux S.à.r.l. or Verdipapirsentralen ASA or another securities depository in which the Bonds are registered.
- Generally, the Bonds are traded with two-day settlement, but exemptions may be made for example in connection with auctions.
- 5.1.7 Trading in Bonds admitted to trading in a regulated market is made public in accordance with the rules laid down in the *Securities Trading Act* and other relevant legislation.
- 5.1.8 Trading in Bonds admitted to trading on NASDAQ Copenhagen A/S is reported in compliance with the reporting rules of the stock exchange. Prices are shown on the website of NASDAQ Copenhagen A/S: www.nasdaqomxnordic.com.
- There are no subscription rights attached to the Bonds.
- 5.2 Plan of allocation and allotment
- 5.2.1 No investors have any privileged right to purchase the Bonds issued on tap on a daily basis or in block issues.
- Only members of NASDAQ Copenhagen A/S may participate in auctions held via the IT systems of NASDAQ Copenhagen A/S for the refinancing of mortgage loans. Other investors may participate by bidding through a member of NASDAQ Copenhagen A/S.
- 5.2.2 In ordinary issues, including tap issues, and block issues, the Bonds are sold on an ongoing basis in the bond market. The agreement is signed in connection with the transaction, and the Bonds usually have two-day settlement.
- Auction participants will be notified of the price and the allocated amount immediately before the auction. Bonds may be traded before they have been issued. Realkredit Danmark A/S has no influence on trading in Bonds between third parties.
- 5.3 Pricing
- 5.3.1 The offer price of the Bonds is determined on market terms based on bid/ask prices. Consequently, the price will change over the life of the Bonds.
- Other than the market price of the Bonds, buyers of the Bonds are not expected to be charged costs other than ordinary transaction costs (brokerage fees, haircuts etc.).
- 5.4 Placing and underwriting

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- 5.4.1 Realkredit Danmark A/S is the issuer of the Bonds and acts as a securities dealer. The Bonds will be registered with VP Securities A/S, VP Lux S.à.r.l. or Verdipapirsentralen ASA or another securities depository in which the Bonds are registered. The selected securities depository is disclosed in the Final Terms. The securities depository handles the payment of interest and drawings.
- 5.4.2 Realkredit Danmark A/S has not entered into agreements with any payment intermediaries or custodians.
- 5.4.3 The Bonds are not backed by any guarantee.
- 5.4.4 Not applicable because the Bonds are not backed by any guarantee.

6. Admission to trading and trading agreements

- 6.1 Issues under this Base Prospectus are or are expected to be admitted to trading and listing on NASDAQ Copenhagen A/S www.omxgroup.com or another regulated market. However, Realkredit Danmark A/S may resolve not to apply for official listing of new issues.
- 6.2 The regulated market in which the Bonds are admitted to trading is disclosed in the Final Terms. See Appendix 2.
- 6.3 An agreement on market making in the bonds issued under this Base Prospectus may be concluded between Realkredit Danmark A/S and one or more companies, which undertake to quote bid and offer prices for a number of bonds issued under this Base Prospectus at an agreed maximum spread on NASDAQ Copenhagen A/S. If such an agreement is established, it will appear from the Final Terms of the specific ISIN.

7. Additional information

- 7.1 Not applicable because no advisers are disclosed in the Securities Note to this Base Prospectus.
- 7.2 The information in the Securities Note to this Base Prospectus has not been audited by Realkredit Danmark A/S's auditors.
- 7.3 This Base Prospectus does not contain any expert statements or reports.
- 7.4 This Base Prospectus does not contain any information provided by third parties.
- 7.5 The rating agencies Standard & Poor's (S&P) and Fitch Ratings (Fitch) are established in the European Union and registered pursuant to article 4.1 of Regulation (EC) no 1060/2009 on credit rating agencies.

At the date of this Base Prospectus, Realkredit Danmark A/S and Bonds issued under this Base Prospectus have been rated as follows:

Rating	S&P	Fitch
Capital centre S	AAA	AAA
Capital centre T	AAA	AA+
Capital centre General capital centre	AAA	Not rated
Issuer rating long	Not rated	A
Issuer rating short	Not rated	F1

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Realkredit Danmark A/S draws attention to the fact that the rating is subject to change, and that Realkredit Danmark A/S may resolve to terminate the collaboration on ratings with one or more credit rating agencies or select other credit rating agencies.

8. Statement by management

The Executive Board today reviewed and approved this base prospectus for mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark A/S in pursuance of the Board of Director's authority to the Executive Board as of 27 May 2013.

We, the members of the Executive Board of Realkredit Danmark A/S, hereby declare that, to the best of our knowledge and belief, the information contained in this prospectus (the registration document, the securities note, the supplements and appendix) is in accordance with the facts and does not omit anything likely to affect the import of such information, and that all relevant information contained in the minutes of the Board of Directors, long-form audit reports and any other internal documents is contained herein.

The company's Executive Board hereby declare that there are no potential conflicts of interest between the company's Board of Directors and the Executive Board, between the obligations that the members of the Board of Directors and the Executive Board of Realkredit Danmark A/S have in respect of Realkredit Danmark A/S and their private interests and/or other obligations.

Copenhagen, 24 June 2015

Carsten Nøddebo Rasmussen
Chief Executive Officer

Henrik Blavnsfeldt
Senior Vice President
Under powers of procuration

Appendix 1: List of documents included in the Base Prospectus by reference

Documents to which reference is made in the Base Prospectus	Type of document	Date of publication
Most recently published historical financial information	Annual Report 2013	9 February 2014
	Annual Report 2014	3 February 2015
Most recently published financial information	Annual Report 2014	3 February 2015

Where in the Base Prospectus is the reference?	Document	Where in the document is the reference?
Registration document Registration document, page 31, item 3.1	Interim Report – First Quarter 2015 of Realkredit Danmark A/S	Financial highlights, p 3
Registration document, page 34, item 10.1	Annual Report 2014 of Realkredit Danmark A/S	Directorships, page 60
Registration document, page 35, item 11.1	Annual Report 2014 of Realkredit Danmark A/S	Organisation and management, page 14
Registration document, page 36, item 13.1	Annual Report 2013 of Realkredit Danmark A/S	The full Annual Report 2013: Management's report, page 3-4 Statement and reports, pages 57-58 Financial statements, pages 15-20 Notes, pages 21-56
	Annual Report 2014 of Realkredit Danmark A/S	The full Annual Report 2014: Management's report, pages 3-4 Statement and reports, pages 57-58 Financial statements, pages 15-20 Notes, p 21-56
Registration document, page 36, item 13.2	Annual Report 2014 of Realkredit Danmark A/S	Accounting policies pages 21-26
Registration document, page 36, item 13.3.1	Annual Report 2013 of Realkredit Danmark A/S	Auditors' report, page 58
	Annual Report 2014 of Realkredit Danmark A/S	Auditors' report, page 58
Registration document, page 37, item 14.1.1	Interim Report – First Quarter 2015 of Realkredit Danmark A/S	Balance sheet and statement of capital, pages 8-9
Registration document, page 37, item 17	Annual Report 2013 of Realkredit Danmark A/S	The full report
	Annual Report 2014 of Realkredit Danmark A/S	The full report
	Interim Report – First Quarter 2015 of Realkredit Danmark A/S	The full report

Appendix 2: Template for final terms

REALKREDIT DANMARK A/S

The final terms ("Final Terms") apply to [SDROs]/[ROs] issued by Realkredit Danmark A/S.

The Bonds are issued pursuant to the Base Prospectus for Mortgage Bonds and Mortgage-covered Bonds issued by Realkredit Danmark A/S dated [●] and any supplement (together referred to as the "Base Prospectus").

The Final Terms only concern the specific issue(s) of [SDROs]/[ROs] (the "Bonds"), which are described in the Final Terms.

Final Terms – Series [xxYY]

Capital centre	Capital centre [T] [S] [I Other] [other capital centre]
Bond type	[Mortgage-covered Bonds (SDRO)] [Mortgage Bond (RO)]
Currency	[DKK] [EUR] [SEK] [NOK] [other currency]
Interest	<p>The interest rate is [fixed][floating]. Information about each specific ISIN is shown in table 1.</p> <p>[When opening other ISINs, Realkredit Danmark A/S will determine the coupon rate [interest fixing and any interest premium per annum] and the amortisation method.]</p> <p>[Realkredit Danmark determines the initial coupon rate for an ISIN immediately before the ISIN is opened. The initial coupon rate is shown in table 2.]</p> <p>[The coupon is determined as the [CIBOR][STIBOR] [CITA][NIBOR][EURIBOR][other reference] rate (as defined herein) [multiplied by [365/360] [other fraction] plus a specified margin/spread for each ISIN.]</p> <p>[The coupon rate is rounded to [two][*] decimal points.]</p>
[Definition of reference rate]:	<p>[For ISINs with [quarterly][semi-annually][yearly][other frequency] fixing, [CIBOR] [STIBOR] [CITA] [NIBOR] [EURIBOR] [other reference rate] is fixed every [3] [6] [12] [other frequency] months as the [3] [6] [12] [other frequency]-month [CIBOR] [STIBOR] [CITA] [NIBOR] [EURIBOR] [other reference rate] published daily the [fourth last] [other days] banking day of [December, March, June and September][other dates], respectively.]</p> <p>[If [*] ceases to list the stated [CIBOR] [STIBOR] [CITA] [NIBOR] [EURIBOR] [other reference rate] rate, Realkredit Danmark A/S will calculate the coupon rate as listed above on the basis of a similar [3] [6] [12] [other frequency]-month money market rate.]</p>

Payment dates	<p>[Payment dates for interest and redemption of principal are the first [Danish] [*] banking day after the expiry of a payment period.] [Description of other payment dates]</p> <p>[Interest payments cover the preceding payment period and are calculated based on the Bond conventions in force from time to time.] [*]</p> <p>When opening new ISINs, Realkredit Danmark A/S determines the date of and the number of annual payment dates.] [*]</p>
Interest rate convention	<p>[Bonds of the same ISIN pay coupon on each payment date according to one of the following day count conventions:] [*]</p> <p>[Actual/actual (fixed fraction) The coupon is paid on a proportionate basis on each payment date according to the number of annual payment dates, ie the coupon payment on each payment date corresponds to the coupon divided by the annual number of payment dates.]</p> <p>[Actual/360 The coupon is paid on each payment date according to the actual number of days in the payment period relative to 360 days, ie the coupon payment on each payment date corresponds to the coupon multiplied by the actual number of days in the payment period divided by 360.] [*]</p> <p>[Convention on the specific ISIN is listed in table 1.] [*]</p>
Amortisation	<p>[Amortisation for each specific ISIN is listed in table 1.] [*]</p> <p>[The Bonds are amortised to the same extent as the loans granted by Realkredit Danmark A/S on the basis of the Bonds, using ordinary amortisation as stated for the specific ISIN.] [*]</p> <p>[The Bonds are callable.] [The Bonds are non-callable.] [*]</p> <p>[The issued Bonds are redeemed at par on expiry unless they are extended pursuant to section 6 of the <i>Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act</i>] [*]</p> <p>[Table 2 describes whether Bonds in a specific ISIN may be extended pursuant to section 6 of the <i>Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act</i>] [*]</p> <p>[If the Bonds do not expire on a banking day, they will be</p>

	redeemed at par on the following banking day after expiry.] [*]
Settlement	[Generally, Bonds are traded with two-day settlement, but exemptions may be made from this rule]. [*]
Trading in the Bonds	[The Bonds will be admitted to trading and official listing on: NASDAQ Copenhagen A/S P.O. Box 1040 DK-1007 Copenhagen K Website: www.nasdaqomxnordic.com] [*]
Denomination	[0.01] [*]
Other terms	[Description of other terms]
Terms	Together with the terms and conditions of the “Base prospectus for mortgage bonds issued mortgage-covered bonds issued by Realkredit Danmark A/S”, these Final Terms and any supplements constitute the terms and conditions of the Bonds issued.
Base Prospectus	“Base prospectus for mortgage bonds issued and mortgage-covered bonds issued by Realkredit Danmark A/S” and any supplements. The Base Prospectus is available at: www.rd.dk/Investor .
Declaration	Realkredit Danmark A/S hereby declares: <ul style="list-style-type: none"> a) that the Final Terms were drawn up pursuant to article 5(4) of Directive 2003/71/EC and should be read in conjunction with the Base Prospectus and any supplements b) that the Base Prospectus and any supplements are electronically available at Realkredit Danmark A/S’s websitewww.rd.dk/Investor c) that investors should read the Base Prospectus, any supplements to the Base Prospectus and Final Terms to obtain full information d) that the summary of the specific issue has been attached as an appendix to the Final Terms.

[Copenhagen] [*], dd. mm yyyy	
These Final Terms are signed on behalf of Realkredit Danmark A/S’s management in accordance with special authorisation granted by Realkredit Danmark A/S’s Board of Directors.	

[Floating-rate bonds:

Table 1		Floating-rate bonds:								
ISIN	Reference rate	Interest premium p.a.	Number of annual interest rate fixings	Interest rate fixings in force as at	First interest rate fixing in force from	Commencement date for first interest rate period	Opening date	Closing date	Expiry	Amortisation

Table 2		Floating-rate bonds:								
ISIN	Payment period	Number of payment periods per year	[Extended in case of refinancing failure]	[Extended in case of interest rate increase]	Convention	Initial interest rate p.a. **	Currency	Listing venue	1. Date of listing	Place of registration

]

[Fixed-rate bonds:

Table 1		Fixed-rate bonds						
ISIN	Annual coupon	Currency	Amortisation	Opening date	Closing date	Expiry	Commencement date for first interest rate period	

Table 2		Fixed-rate bonds						
ISIN code	Payment period	Number of payment dates per annum	[Extended in case of refinancing failure]	[Extended in case of interest rate increase]	Convention	Listing venue	First listing date	Place of registration

]

Exhibit A: Summary of “Base prospectus for mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark A/S”

Appendix 3: Definitions

The terms and expressions listed below will have the following meaning when used in this Base Prospectus:

- "Base Prospectus" refers to this base prospectus dated 24 June 2015
- "Banking Day" refers to any day on which Danish payment mediation systems and Danish banks located in Denmark are open
- "RO" refers to mortgage bonds
- "SDRO" refers to mortgage-covered bonds
- "Bonds" refer to any type of security issued under the Base Prospectus, i.e. SDRO and RO bonds
- "Final Terms" refer to the final terms under which the specific Bonds are issued
- "Bondholder" refers to the investors who own the Bonds
- "Most recent annual report" refers to Annual Report 2014 of Realkredit Danmark A/S
- "Most recent annual reports" refer to Annual Report 2013 of Realkredit Danmark A/S and Annual Report 2014 of Realkredit Danmark A/S

Appendix 4: References to legislation

List of statutes included in the Base Prospectus by reference:

- The “Resolution Act” refers to Danish Act no. 333 on the restructuring and resolution of certain financial enterprises dated 31 March 2015
- The “Non-profit Housing and Subsidised Private Co-operative Housing etc. Act” refers to Danish Act no. 1023 on subsidised housing dated 21 August 2013
- The “Executive Order on the Issuance of Bonds, the Balance Principle and Risk Management” refers to Danish Executive Order no. 1425 on the issuance of bonds, the balance principle and risk management dated 16 December 2014
- The “Executive Order on the Valuation and Lending Limits of Mortgage Credit Institutions” refers to Danish Executive Order no. 286 on the valuation and lending limits of mortgage credit institutions dated 27 March 2014
- The “Executive Order on the Refinancing of Adjustable-Rate Mortgage Loans” refers to Danish Executive Order no. 1450 on the refinancing of adjustable-rate mortgage loans dated 15 December 2014
- The “Executive Order on Audit Committees in Companies and Groups subject to Supervision by the Danish Financial Supervisory Authority” refers to Danish Executive Order no. 1393 on audit committees in companies and groups subject to supervision by the Danish Financial Supervisory Authority dated 19 December 2011
- The “Executive Order on the Valuation of Mortgage and Loans in Real Property provided as Collateral against Issuance of Mortgage-Covered Bonds and Covered Bonds” refers to Danish Executive Order no. 287 on the valuation of mortgage and loans in real property provided as collateral against issuance of mortgage-covered bonds and covered bonds dated 27 March 2014
- The “Statute of Limitations Act” refers to Danish Act no. 1063 on the time barring of claims dated 28 August 2013
- The “Guarantee Fund Act” refers to Danish Act no. 1271 on a guarantee fund for depositors and investors dated 4 November 2013
- The “Capital Requirements Directive (CRD IV)” refers to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC
- The “Capital Requirements Regulation (CRR)” refers to Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
- The “Bankruptcy Act” refers to Danish Act no. 11 dated 6 January 2014
- The “Gains on Securities and Foreign Currency Act” refers to Danish Act no. 1113 on the tax treatment of gains and losses on claims, debt and financial contracts dated 18 September 2013
- The “Financial Business Act” refers to Danish Act no. 182 on financial business dated 18 February 2015
- The “Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act” refers to Danish Act no. 850 on mortgage loans and mortgage bonds etc. dated 25 June 2014
- The “Securities Trading Act” refers to Danish Act no. 831 on securities trading dated 12 June 2014