



**NORDEA KREDIT REALKREDITAKTIESELSKAB**

*(incorporated as a limited company in Denmark with business registration (CVR) number 15134275)*

**BASE PROSPECTUS FOR ISSUANCE OF MORTGAGE BONDS (ROs) AND  
COVERED MORTGAGE BONDS (SDROs)**

Nordea Kredit Realkreditaktieselskab (“**Nordea Kredit**” or the “**Issuer**”) has been licensed as a mortgage institution by the Danish Financial Supervisory Authority (“the Danish FSA”) pursuant to the Danish Financial Business Act, including a licence to issue mortgage bonds and covered mortgage bonds. Nordea Kredit may issue new mortgage bonds or covered mortgage bonds under this base prospectus (the “**Base Prospectus**”) by way of tap issuance, auctions, pre-issuance or block issuance.

Nordea Kredit has given its consent to Nordea Bank Abp (the “**Bank**”) to use the Base Prospectus as a financial intermediary for subsequent resale or final placement of mortgage bonds and covered mortgage bonds under the Base Prospectus.

Admission to trading on a regulated market as defined in Directive 2014/65/EU of the European Parliament and of the Council (“**MiFIDII**”) in Denmark for bonds issued under this Base Prospectus may be applied for. References in this Base Prospectus to the Bonds being “listed” (and all similar references) mean that such Bonds have been admitted to trading and possibly been listed on a regulated market pursuant to MiFID II.

Application may be made for mortgage bonds and covered mortgage bonds issued under the Base Prospectus under ISIN codes opened after the date of the Base Prospectus to be admitted to trading and official listing on Nasdaq Copenhagen A/S. All mortgage bonds and covered mortgage bonds issued are registered with VP Securities A/S (“**VP**”) and are therefore not issued in physical form. Delivery and clearing etc are executed via VP’s systems.

The Base Prospectus has been prepared by Nordea Kredit with a view to having the securities admitted to trading on a regulated market in Denmark and to enable a public offer in Denmark. The Base Prospectus has been prepared as a prospectus in compliance with the Prospectus Regulation (as defined below) and the relevant implementing legislation in Denmark for the purpose of providing information about the securities issued. The Base Prospectus is a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The securities are not and will not be registered under the US Securities Act of 1933 (the “**US Securities Act**”) and may be subject to US tax law requirements. Subject to certain exceptions, securities may not be offered, sold or distributed within the United States or to US persons (as defined in Regulation S of the US Securities Act). The securities may be offered and sold outside the United States to non-US persons in accordance with Regulation S of the US Securities Act. For a description of certain restrictions on the offer, sale and distribution of securities and on the distribution of the Base Prospectus and other offering material

concerning the securities, see section 12 “Subscription, sale, registration and settlement” and section 13 “Selling and dealing restrictions”.

**“Mortgage bonds issued by Nordea Kredit in general currently have ratings (“long-term covered bond rating”) of AAA from Standard & Poor’s Global Ratings Europe Limited (“S&P”). Covered mortgage bonds issued out of Nordea Kredit’s capital centre 2 have been assigned the same ratings. S&P is established in the European Union and registered in accordance with Regulation (EC) no 1060/2009 as of the date of the Base Prospectus. A list of approved credit rating agencies is available on ESMA’s website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)), which was last updated on 4 January 2021. A rating is not a recommendation to buy, sell or own securities and may be suspended, downgraded or withdrawn by the relevant credit rating agency at any time. Further information on Nordea Kredit’s ratings is available in section 12.4 “Credit ratings”. Investing in securities involves risks. Prospective buyers of securities should make sure that they understand the terms and conditions of the securities as well as the extent of their exposure to risk and that they assess the suitability of the securities as an investment in light of their own circumstances and financial situation. Further information on such risks is available in section 3 “Risk factors”.**

THIS BASE PROSPECTUS IS DATED 23 FEBRUARY 2021

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## **1 Introduction**

The Base Prospectus constitutes a base prospectus for the purposes of the Prospectus Regulation (as defined below) and has been prepared for the purpose of providing all information about the Issuer and the securities under the Base Prospectus which given the nature of the Issuer and the securities concerned is deemed necessary for investors to be able to make an informed assessment of the Issuer's assets and liabilities, financial position, results performance and prospects as well as the rights attaching to the securities offered.

Under the Base Prospectus securities governed by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act may be issued. The securities comprise mortgage bonds issued in pursuance of section 18 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act ("**ROs**") as well as covered mortgage bonds issued in pursuance of section 33 a of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act ("**SDROs**").

Any reference in the Base Prospectus to "**Bonds**" covers all types of securities issued under the Base Prospectus, that is, ROs and SDROs. An investor holding Bonds is designated "**Bondholder**". Any reference in the Base Prospectus to "mortgage bonds" or "covered mortgage bonds" not in upper case is used to describe the respective type of security in general, that is, the description applies to securities issued under the Base Prospectus and securities in general.

Any reference in the Base Prospectus to "**Final Terms**" means the final terms that read in conjunction with the Base Prospectus and the information incorporated by reference are applicable to an ISIN code of securities issued under the Base Prospectus.

The Base Prospectus is a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Prospectus Regulation is defined as Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

**If a financial intermediary uses the Base Prospectus to make an offer of Bonds, the financial intermediary is obliged to inform investors of the terms and conditions of the offer at the time the offer is made. Financial intermediaries using the Base Prospectus are further obliged to state on their websites that they use the Base Prospectus in accordance with the consent and the conditions attached thereto.**

**No persons have been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issuance or sale of Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.**

**The distribution of the Base Prospectus or a sale made in this connection must under no circumstances create any indication that there has not been any changes in the situation of the Issuer since the date of the Base Prospectus or the date on which the Base Prospectus was last amended (by supplements, if any), or that there has been no adverse change in the financial position of the Issuer since the date of the Base Prospectus or the date on which the Base Prospectus was last amended (by supplements, if any), or that any other information provided in connection with the Base Prospectus is correct at any time subsequent to the date on which the information is provided.**

**The distribution of the Base Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. The Issuer presumes that persons who come into possession of this Base Prospectus will obtain information on and observe all such restrictions. The Bonds issued under the Base Prospectus are not and will not be registered pursuant to the US Securities Act or with any securities regulatory authority of any federal state or other jurisdiction of the United States and the Bonds may be subject to US tax law requirements. Subject to certain exceptions, the Bonds must not be**

offered, sold or distributed within the United States or to, or for the account or benefit of, “US persons” (as defined in Regulation S of the US Securities Act). For a description of certain restrictions on the offer or sale of the securities concerned and the distribution of the Base Prospectus, see section 12 “Subscription, sale, registration and settlement” and section 13 “Selling and dealing restrictions”.

The Bonds will be offered and sold outside the United States to non-US persons (“non-US persons”) pursuant to Regulation S of the US Securities Act. However, the Bonds may be sold in the United States to qualified institutional buyers (“QIBs”) in accordance with Rule 144A. Prospective buyers are hereby notified that sellers of the Bonds are relying on the exemptions from the provisions of section 5 of the US Securities Act provided by Rule 144A. For a description of these and certain other restrictions on the offer, sale and transfers of the securities concerned and on the distribution of the Base Prospectus, see section 12 “Subscription, sale, registration and settlement” and section 13 “Selling and dealing restrictions”.

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

The relevant Final Terms for the Bonds will include a section titled “MiFID II product governance”, which describes the target market and distribution channels assessed to be appropriate for the relevant Bonds. Any person subsequently offering, selling or recommending the Bonds (a “Distributor”) should take into consideration the manufacturers’ target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

This Base Prospectus dated 23 February 2021 replaces the “Base Prospectus for issuance of mortgage bonds (ROs) and covered mortgage bonds (SDROs)” dated 24 February 2020 issued by Nordea Kredit.

This prospectus will be valid for 12 months from the date of approval, unless the public is informed otherwise.

## **2 Responsibility statement**

### **2.1 Nordea Kredit's responsibility**

The Base Prospectus has been prepared by Nordea Kredit Realkreditaktieselskab, Helgeshøj Alle 33, 2630 Taastrup, Denmark, which is responsible for the Base Prospectus in accordance with applicable Danish legislation.

### **2.2 Persons responsible**

#### **Board of Directors:**

Mads Skovlund Pedersen  
(Chairman)

Anne Rømer  
(Vice Chairman)

Kim Skov Jensen  
(Member of the Board of Directors)

Anita Ina Nielsen  
(Member of the Board of Directors)

Thomas Vedel Kristensen  
(Member of the Board of Directors)

Torben André Petersen  
(Member of the Board of Directors)

Marte Kopperstad  
(Member of the Board of Directors)

who have authorised two members of the Executive Management to jointly sign the Base Prospectus.

#### **Executive Management:**

Kamilla Hammerich Skytte  
(Chief Executive Officer)

Claus H. Greve  
(Deputy Chief Executive Officer)

### **2.3 Declaration**

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

Taastrup, 23 February 2021

According to authorisation granted by the Board of Directors of Nordea Kredit

Kamilla Hammerich Skytte  
(Chief Executive Officer)

Claus H. Greve  
(Deputy Chief Executive Officer)

Nordea Kredit declares that the Base Prospectus has been approved by the Danish FSA in its capacity as competent authority in compliance with Regulation (EU) 2017/1129. The Danish FSA only approves the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency as imposed by Regulation (EU) 2017/1129. However, such approval should not be considered as an endorsement of Nordea Kredit.

### **3 Risk factors**

An investment in the Bonds involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Bonds.

The risks described below could have a material adverse effect on the business, results of operations, financial condition or future prospects of the Issuer or the value of the Bonds.

Investors are urged to carefully read the Base Prospectus as a whole and consult advisers before buying the Bonds offered.

Mortgage lending involves risk and the most important risks are listed and described below. These risks are associated with the Issuer, the Bonds and the market in general. If one or more of these risks should materialise investors may lose all or part of the funds invested.

These risks are described below and supplemented with a more general description of other identified risk factors. However the risk factors listed and the description of these are not exhaustive.

#### **3.1 Credit risk**

Credit risks is the failure of any borrower to honour their payment obligations. As the loans are secured by mortgages, credit risks might be affected by overall property market prices. Economic trends might adversely affect one or more customer segments or industries if overall property prices decrease.

Nordea Kredit is operating on the Danish market, why Nordea Kredit's performance is affected by the Danish as well as international economic and political events.

A negative development in the conditions of the Danish economy may have an adverse effect on Nordea Kredit business, financial conditions and Nordea Kredit's ability to pay its Bondholders.

The outbreak of COVID-19 (also commonly referred to as the "coronavirus") has spread rapidly globally in recent months and disrupted various markets and resulted in severe uncertainty about the development of the economies affected by the outbreak both in Europe and elsewhere. The exact ramifications of the coronavirus outbreak are highly uncertain and, as of the date of this Base Prospectus, it is difficult to predict the spread or duration of the pandemic, including any potential future resurgence, or its full effect on the global and Danish economy or on Nordea Kredit.

Vaccination programs have been initiated, but the disease continues to spread, making the final consequences difficult to estimate. COVID-19 has been and is the cause of significant changes for individuals, societies, businesses and countries - for example in the form of restrictions, quarantine, pressure on the healthcare sector, business closures and varying degrees of lock down.

Any of the foregoing, and any future adverse consequences, such as an economic downturn or an increase in unemployment, related to the coronavirus outbreak not yet known, could have a material adverse effect on Nordea Credits business, financial condition and results of operations and adversely affect Nordea Kredit.

#### **3.2 Liquidity risk**

Nordea Kredit depends on an efficient and well-functioning market for the sale of covered mortgage bonds and mortgage bonds. Negative changes in financial market conditions, might affect Nordea Kredit's possibilities of financing and refinancing mortgage loans These factors may have an adverse impact on Nordea Kredit's activities, financial position and operating results performance.

The principal liquidity risks of Nordea Kredit consist of short-term liquidity risks, refinancing risks and the risk that Nordea Kredit could be required to provide additional supplementary collateral.

As mortgage loans to a certain extent are financed by way of Bonds with maturities that are shorter than the maturities of the mortgage loans granted, Nordea Kredit depends on being able to refinance such mortgage loans on a current basis. Negative financial market trends present a liquidity risk, for example when it comes to refinancing. Refinancing risk is defined as the risk that one or more refinancing auctions fail.

Nordea Kredit may moreover be required to provide additional supplementary collateral in case lower property prices cause a breach of the loan to value (LTV) limits or if required by credit rating agencies for bonds issued by Nordea Kredit to maintain their current ratings.

There can be no assurances that the Issuer will be able to maintain its current ratings or that the Issuer will retain current ratings on its debt instruments. A reduction in the ratings of the issuer may increase funding costs, limit access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Therefore, a reduction in credit ratings could adversely affect the Issuer's access to liquidity and its competitive position and, as a result, have a material adverse effect on its business, financial condition and results of operations.

### **3.3 Operational risk**

Operational risk is defined as the risk of losses due to inappropriate or inadequate internal procedures, human and system errors or external events, including legal risks.

If such operational risks materialise, the results performance and financial position of Nordea Kredit may be adversely affected.

IT systems are generally vulnerable to a number of threats, including but not limited to physical damage to vital IT infrastructure and software or hardware malfunctions and risks related to cybercrime etc.

The Issuer has laid down internal rules and guidelines to minimise and/or mitigate the risks.

Furthermore, Nordea Kredit shares certain staff functions as well as IT systems and solutions with the Bank and the rest of the Nordea Group. Nordea Kredit moreover collaborates closely with the Bank on the issuance and sale of covered mortgage bonds and mortgage bonds as well as on the investment of its own funds, and Nordea Kredit's mortgage loans are provided via the Bank's customer records. A number of significant activities have been outsourced to the Bank. If the Bank or the Nordea Group can no longer perform these functions or deliver IT systems and solutions, there is a risk that Nordea Kredit's business cannot be carried on in a fully sound and prudent manner. This could adversely affect Nordea Kredit's earnings capacity and thus its ability to pay its Bondholders.

### **3.4 Market risk**

These risks are managed in accordance with internal guidelines in order to prevent risk taking above agreed limits.

Nordea Kredit is exposed to interest rate and currency risks in connection with cash and capital investments which are not associated with the loan and bond portfolios.

Interest rate risk arises as Interest Rate Risk in the Banking Book (IRRBB) defined as the current or prospective risk to its capital and earnings arising from adverse movements in interest rates. Nordea Kredit's IRRBB is managed centrally by the parent bank under an outsourcing agreement with limits set by Nordea Kredit's Board. IRRBB is limited and managed from an earnings perspective to stabilize Net Interest Income



(NII) against a set of interest rate stress scenarios and from an Economic Value (EV) perspective to limit the change in economic value of banking book assets, liabilities and derivatives resulting from interest rate movements independent of accounting classification and ignoring margins.

Nordea Kredit's currency risk arises from the fact that fees (including administration and reserve fees) related to loans denominated in euro are charged and paid in the currency of denomination. Due to the peg between DKK and EUR the currency risk is marginal and accordingly tightly limited.

Furthermore, Nordea Kredit ensures that it adheres to the specific balance principle by limiting balance sheet and cashflow mismatches.

### **3.5 Refinancing risk**

Special rules apply to the refinancing of Bonds requiring Nordea Kredit to finance mortgage loans where the term to maturity of these Bonds is shorter than the mortgage loan associated with the Bonds.

As a consequence of the rules, in these situations the interest and amortisation terms may be changed or the maturity date may be deferred.

In the sections on legislation and on terms and conditions of the Base Prospectus, the specific rules on the regulation of refinancing risk are described in more detail.

Risks related to refinancing may have an adverse affect on Nordea Kredit's business and financial condition including the price of the issued bonds.

### **3.6 Risks related to the use of risk models**

Nordea Kredit applies internal ratings-based risk models to calculate risk exposure amount ("REA") and the credit risk. The models are in accordance with current national and international guidelines. Nordea Kredit's internal models may be changed as a result of a number of factors, including amendments to national and international legislation as well as changes to supervisory practices. Insufficient modelling of IRB models may cause inadequate capitalisation of credit risk (REA) and ultimately a risk of unexpected credit losses.

### **3.7 Risks related to the implementation of new legislation**

Nordea Kredit's activities are subject to regulation and supervision. Amendments to Danish legislation and changes to practice by the Danish FSA as well as changes to EU regulation could adversely affect Nordea Kredit's business, the products and services offered and thus its financial results and the pricing of the Bonds.

Although Nordea Kredit continually monitors the situation, future changes in regulation can be unpredictable and are beyond the control of Nordea Kredit.

The Issuer is subject to capital and liquidity requirements determined on the basis of a number of factors that separately or collectively may be difficult for the individual investor to identify or calculate. There is moreover a risk that the capital requirements for the Issuer will change in the coming years. The Basel Committee on Banking Supervision published in December 2017 the outstanding Basel III post crisis regulatory reforms. The reforms include among others a revised standardised approach for credit risk, revisions to the internal ratings-based approach for credit risk, that banks' risk weighted assets (RWA's) generated by internal models cannot be lower than 72.5% of the RWA's as calculated by the standardised approaches. This will impact risk weights for example for home loans. The implementation dates for the majority of the reforms are 1 January 2023, where there for the output floor is a transitional period. The floor will be phased in with 50% from 2023 and be fully implemented in 2028.

The Bonds may become more expensive to buy and sell if a tax on financial transactions were to be introduced.

The Issuer cannot give any assurance that the requirements and applicable regulation will not be changed in the future. This could entail new and/or stricter capital requirements that could affect the Issuer and/or the Bonds.

### **3.8 Risks related to resolution tools and powers under the BRRD and bankruptcy**

The European Parliament's and the Council's Recovery and Resolution Directive (2014/59/EU) concerning failing credit institutions (the "**BRRD**") has been implemented into the Danish Act on Restructuring and Resolution of Certain Financial Businesses as well as by amendments to the Danish Financial Business Act. This was last updated December 2020 in accordance with BRRD2. The BRRD is designed to provide authorities designated by member states with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing credit institution or investment firm to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and the financial system.

Nordea Kredit may be subject to the applicable statutory resolution powers, which may result in the Bondholders losing some or all of their investment.

Danish mortgage institutions, such as Nordea Kredit, are exempt from the application of the minimum requirement for own funds and eligible liabilities ("**MREL**"). However, there can be no assurance that mortgage institutions will remain exempt from the MREL in the future or that the conditions for exemption from the MREL will continue to be fulfilled for Danish mortgage institutions, such as Nordea Kredit. If an MREL is imposed on Nordea Kredit, it may have an adverse impact on Nordea Kredit's liquidity, funding costs, ability to lend and financial position.

The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act confers a primary preferential right on the holders of covered mortgage bonds, mortgage bonds and certain counterparties relating to derivative financial instruments in the event of the bankruptcy of the mortgage institution.

If a mortgage institution is declared bankrupt, the funds of the capital centre, less costs for the processing of the bankruptcy estate etc, including costs for the trustee, staff etc, will be used to satisfy claims from holders of mortgage bonds, covered mortgage bonds, covered bonds and other securities in the relevant series or group of series with a series reserve fund as well as claims for interest accrued on the said claims from the time of the bankruptcy order.

The Bondholders thus have a primary preferential right. In accordance with the legislation, payments of interest and principal to the Bondholders continue as long as sufficient funds are available and are not pending the final settlement of the bankruptcy estate.

### **3.9 Risks related to the bonds**

#### **3.9.1 Ratings do not necessarily reflect all risks and may be downgraded**

The Bonds are rated by S&P. This rating may not reflect the potential impact of all risks related to the structure, the market, additional factors mentioned in this section and other factors that may affect the value of the Bonds or the financial position of Nordea Kredit. A rating is not a recommendation to buy, sell or hold securities and a credit rating agency may at any time change, suspend or withdraw its rating. There can be no assurance that any rating of the Bonds will be maintained after the date of the Base Prospectus. If any rating assigned to the Bonds is downgraded, suspended or withdrawn, the market value of the Bonds may decline.

Furthermore, if the credit rating of the Bonds is downgraded or if Nordea Kredit should decide not to have the Bonds rated, the liquidity and/or the price of the Bonds may be adversely affected.

Lastly, the ratings of the Bonds may be downgraded if the rating of the Kingdom of Denmark is downgraded even though there is no direct connection with Nordea Kredit's activities.

**3.10 Bonds issued for the purpose of using proceeds for particular purposes**

With regard to Bonds issued for the purpose of using the proceeds for a specific purpose, such as eligible green loans, no guarantee can be given that such use of the proceeds will match the investment criteria of investors.

Loans can be granted against a mortgage on climate-friendly properties according to the criteria set out by Nordea Kredit in the Nordea Green Bond Framework.

It will be stated in the Final Terms if the Bonds are green bonds ("Green Bonds"). Green Bonds are issued to fund loans granted meeting specific eligibility requirements and/or intended to increase the positive or reduce the negative impact on the environment ("Eligible Green Loans").

The criteria defining the green purposes for which the loans are granted are set by Nordea Kredit, and Nordea Kredit will to the best of its ability ensure that the criteria of the Nordea Green Bond Framework are met.

It is intended that the mortgaged properties must meet the eligibility criteria to increase the positive or reduce the negative impact on the environment during the maturity of the bonds. However, Nordea Kredit does not guarantee the correctness of the energy and/or property labelling published and cannot be held responsible if a property does not meet the requirements due to subsequent events and circumstances.

In connection with the refinancing of Eligible Green Loans, existing loans may be included, provided that Nordea Kredit is not aware of circumstances that cause the loans not to meet the criteria set out in the Nordea Green Bond Framework.

Investors should familiarise themselves with the information on the use of the proceeds if it is stated in the Final Terms that the Bonds are Green Bonds. The loans are granted for the purposes specified. However, Nordea Kredit cannot be held responsible if the purposes are not fulfilled due to subsequent events and circumstances.

Nordea Kredit specifically points out that the criteria applied are set by Nordea Kredit and therefore do not necessarily follow standards and/or norms etc set by other entities or authorities.

Nordea Kredit reserves the right to incorporate recognised norms and/or standards set by other entities or authorities into the Nordea Green Bond Framework. Nordea Kredit further reserves the right to make amendments or supplements to the Nordea Green Bond Framework.

To the extent that Nordea Kredit uses statements, approvals, information etc from third parties in connection with the issuance of Green Bonds, Nordea Kredit will to the best of its ability ensure their validity, but Nordea Kredit does not guarantee the accuracy and/or correctness of such statements.

Such statements or approvals by third parties do not constitute and should not be considered a recommendation by the Issuer or any other party for the purchase, sale or holding of such Bonds. Such a statement or approval is valid only at the date on which it was originally given and the criteria and/or considerations on the basis of which such a statement or approval is made may change at any time.

If the Bonds are listed or admitted to trading in a "green", "environmentally sound", "sustainable" or an equivalent area/segment of the stock exchange or securities market (whether regulated or not), neither the Issuer nor any other party will make any warranty statement or provide any guarantee that such a listing or admission to trading fulfils, in whole or in part, current or future expectations or requirements of investors in relation to the investment criteria or guidelines that investors and their investments must comply with in

accordance with the legislation applicable at any time or their own statutes, other rules or investment portfolio mandates, particularly as regards the direct or indirect environmental or sustainability impact of any projects or uses that include or relate to Eligible Green Loans.

It should also be noted that the criteria for such a listing or admission to trading may vary between individual stock exchanges and securities markets. In addition, neither the Issuer nor any other party will make any warranty statement or provide any guarantee that the Bonds will be listed or admitted to trading or that such listing or admission to trading will continue throughout the maturity of the Bonds.

Any events and/or omissions on the part of the Issuer do not constitute default in relation to the Bonds.

### **3.11 Loss of SDRO status**

If the underlying assets no longer match the value of the SDROs or comply with the lending limits applicable when the loan was granted, Nordea Kredit is under an obligation to provide supplementary collateral in the form of certain asset types according to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. If Nordea Kredit fails to provide supplementary collateral, all the Bonds issued in the relevant series with a series reserve fund will lose their covered mortgage bond status, which may affect the value of the Bonds.

### **3.12 Non-compliance with the balance principle**

As described in section 4.4 “**The Balance principle**” of the Base Prospectus, Nordea Kredit must under Danish mortgage legislation manage the capital centre in a manner that ensures an appropriate balance between the payment obligations on the outstanding liabilities and assets of the capital centre in terms of currency, interest rate, option and maturity structure. This is known as the balance principle. To comply with these requirements, Nordea Kredit may for example enter into derivatives contracts in accordance with the provisions of the Danish executive order on bond issuance, the balance principle and risk management. Non-compliance with the balance principle may cause Nordea Kredit to lose its licence to issue Bonds, which may influence the price of the Bonds in a manner that is unfavourable to Bondholders.

### **3.13 Early redemption of Bonds**

Borrowers may prepay their mortgage loans either by (i) buying bonds at market price and using these to prepay their loans, or (ii) in certain cases by prepaying the mortgage loan at a predetermined price, in which case the market value will generally not rise significantly above this redemption price. Borrowers will often utilise this prepayment option if they can obtain more attractive financing in this way. Therefore, Bondholders are exposed to prepayment risk and may have to reinvest at a lower interest rate.

Furthermore, in case of negative coupon interest, the Issuer may make use of unscheduled prepayments, by drawing bonds for redemption, to offset the negative coupon interest, which will reduce the nominal principal. In case of unscheduled redemption due to negative coupon interest, the volume of bonds drawn for redemption will be based on either par or the market price. In case of unscheduled redemption at par, the nominal amount drawn for redemption may deviate from the amount that could have been obtained by selling the bonds drawn for redemption in the market. In case of unscheduled redemption at market price, the proceeds from the redemption may deviate from the nominal amount drawn for redemption and thus from the proceeds if the Bonds had been redeemed according to schedule/at maturity.

Nordea Kredit moreover reserves the right to redeem the Bonds in full or in part prior to the maturity date, alternatively to offer the Bondholders to exchange the Bonds for new bonds in full or in part if the terms of the loans financed by the Bonds are changed as a result of legislative changes, orders by the authorities and/or market conditions. Bonds may be drawn for redemption as a result of redemption by Nordea Kredit immediately or at a later date at the predetermined redemption price of the relevant ISIN code.

### 3.14 Risks related to the market in general

#### 3.14.1 Interest rate risk

Investors in the Bonds are subject to the risk that changes in market interest rates may affect the value of the Bonds. Furthermore, there is a risk of a negative coupon on floating-rate bonds without an interest rate floor.

Bondholders will only receive the amounts as 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, 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 the Bondholders may have with regard to interest on any such payments under the general provisions of Danish law.

## 4 Legislation

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

Nordea Kredit is a Danish mortgage institution – see also the description of Nordea Kredit in section 9.1 “Nordea Kredit Realkreditaktieselskab” of the Base Prospectus. Mortgage institutions are credit institutions regulated pursuant to the Danish Financial Business Act.

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

The activities of mortgage institutions are furthermore regulated by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. This stipulates provisions on, among other things, collateral for mortgage loans, terms to maturity and repayment profiles, lending limits, supervision as well as provisions on the issuance of covered mortgage bonds (SDROs), covered bonds (SDOs) and mortgage bonds (ROs).

In addition, the activities of Nordea Kredit are regulated by the Capital Requirements Regulation (the “CRR”), which, among other things, sets requirements for own funds and liquidity.

### 4.1 Supervision

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

### 4.2 SIFI

The Danish FSA designates systemically important financial institutions (“**SIFIs**”) not later than 30 June of every year.

Nordea Kredit was designated as a SIFI on 3 January 2017. Nordea Kredit is expected to be designated continuously as a SIFI.

The designation as a SIFI results in the institution being subject to a higher capital requirement (“**O-SII buffer requirement**”) reflecting the individual institution’s systemic importance, so-called systemicness. The O-SII buffer requirement must be fulfilled with common equity tier 1 capital (CET1) and is expressed as a percentage of the total REA. The O-SII buffer requirement for Nordea Kredit is 1.5%.

### 4.3 Lending

A mortgage loan is granted against a registered mortgage on property according to the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. Loans without a mortgage on property may be granted to public authorities or against suretyship from certain public authorities.

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

Loans for owner-occupied year-round residences and holiday homes cannot be granted, notwithstanding the rank of the loan, so the loans are amortised more slowly than a 30-year loan repaid by a fixed percentage of the principal over the term of the loan (annuity loans). This requirement may, within the term of the loan, be derogated from for a period of up to ten years, taking into account the expected impairment in the value of the mortgage and the lending limits applying to the mortgage.

The lending limit for the individual property is determined based on the property's designated use and thus its classification in the property categories set out, see the Danish executive order on classification of property categories and repayment of loans in case of change to another property category.

The lending limit is a maximum of 80% of the value of:

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

The lending limit is a maximum of 75% of the value of:

- holiday homes not let for commercial purposes.

The lending limit is a maximum of 70% of the value of:

- agricultural and forestry properties, market gardens etc.

The lending limit is a maximum of 60% of the value of:

- holiday homes let for commercial purposes;
- office and retail properties;
- industrial and craftsman's properties;
- properties for energy supply activities;
- properties fitted out for the purpose of routing data traffic in electronic communications networks.

The lending limit is a maximum of 40% for other properties, including unbuilt plots.

The restrictions regarding term to maturity and amortisation do not apply to loans financed by covered mortgage bonds, provided that the lending limit does not exceed 75% and provided that the loans are financed by covered mortgage bonds against mortgages on the following property categories:

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

#### **4.4 The Balance principle**

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

The requirement for mortgage institutions' compliance with a balance principle is set out in the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act as well as in the Danish FSA's executive order on bond issuance, the balance principle and risk management (the executive order on the balance principle).

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

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

##### **4.4.1 Executive order on the balance principle – general regulations on the general and the specific balance principle**

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

Exposures resulting from financial instruments for hedging purposes with credit institutions as counterparties must be held within the 15% limit of the issuer's outstanding nominal volume of covered mortgage bonds in accordance with Article 129(1)(c) or the 10% limit in accordance with Article 129(1), final paragraph, of the CRR as well as the Danish executive order on the application of the 10% limit in Article 129 of the CRR for all credit institution claims. Any breach must be offset by the provision of supplementary collateral in the form of safe and liquid assets. Certain funds are, however, exempted from the restriction of 15% or 10%, including mortgage payments and redemption amounts from borrowers.

Only financial instruments with credit institutions qualifying for credit quality step 2 or higher can form part of the cover basis. This requirement must be fulfilled on an ongoing basis. If the hedge is made against another part of the entity itself, there are a number of supplementary requirements.

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

An overview of the regulations of the executive order on the balance principle for the general and the specific balance principle is set out below.

#### **4.4.2 The general balance principle**

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

#### **4.4.3 The specific balance principle**

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

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

The issuance of mortgage bonds and covered mortgage bonds may be made as an advance issue of fixed-price agreements concluded or as a block issue based on estimated lending activities. Funds from a block issue not immediately utilised for new lending must not exceed the budgeted gross volume of loans for the subsequent 90-day period. These funds must be used as soon as possible for new mortgage loans, and new block issues may not be made until existing block issues have been fully used or any surplus bonds have been cancelled. Such surplus funds must be placed in safe and liquid securities or as deposits with credit institutions qualifying for credit quality step 2 or higher with a period of notice of up to 12 months and be kept separate from other funds.

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

Options and comparable derivative instruments with asymmetric returns included in the calculation of future payment differences within the balance principle must have a maximum term of four years from the time when the agreement was made with the borrower.

It must be possible to calculate the differences between all future incoming and outgoing payments in connection with mortgage loans (interest and principal payments from borrowers and payments including interest to bondholders and on derivative financial instruments for hedging payment differences) on a daily cumulative discounted basis for all future incoming and outgoing payments of the capital centre etc. Seen in proportion to the issuer's own funds, a future liquidity shortfall arising from outgoing payments exceeding incoming payments must not exceed:

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

This will not comprise liquidity shortfalls offset by cash investments, provided that such investments are made in safe and liquid securities or as deposits with credit institutions qualifying for credit quality step 2 or higher with a period of notice of up to 12 months.

The interest rate risk arising due to payment differences in connection with lending activities must not exceed an amount corresponding to 1% of own funds. The interest rate risk is calculated as the sum of interest rate



risks for each currency in which there are payment differences, as the largest decline in the present value of payment differences based on six different assumptions for the direction of interest rates. Interest rate risks cannot be offset between different currencies.

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

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

#### **4.5 Supervisory diamond**

The Danish FSA has set a number of indicators for what must in general be considered mortgage institution business with a higher risk. Together the indicators constitute the supervisory diamond for mortgage institutions. The five indicators are

- Lending growth: Lending growth to the individual customer segments must be less than 15% per year. The customer segments are divided into four categories: (i) private homeowners, (ii) residential rental properties, (iii) agricultural properties and (iv) other commercial.
- Borrower's interest rate risk concerning owner-occupied dwellings, holiday homes and private rental housing: The percentage of loans where the loan to value (LTV) ratio exceeds 75% of the lending limit and where the interest rate is only fixed for up to two years must be less than 25%.
- Interest-only period on loans to private individuals: The percentage of loans with interest-only periods in the LTV band above 75% of the lending limit must not exceed 10% of the total loan volume.
- Loans with short-term funding: The percentage of loans refinanced must be less than 12.5% of the total loan portfolio quarterly and must be less than 25% of the loan portfolio annually.
- Large exposures: The sum of the 20 largest exposures must be lower than the common equity tier 1 capital.

#### **4.6 Recovery and resolution**

The rules on recovery and resolution of the BRRD have been implemented in Danish legislation in the Danish Act on Restructuring and Resolution of Certain Financial Businesses as well as by amendments to the Danish Financial Business Act. The purpose of the rules is to protect financial stability by quick and effective intervention in the event that an institution is failing or likely to fail.

In pursuance of the implementation of the BRRD, viable institutions are handled by the Danish FSA, whereas the tasks and powers concerning resolution are handled by Finansiel Stabilitet, the Danish entity designated as the competent resolution authority.

Mortgage institutions are required to prepare and maintain a recovery plan which must be submitted to the Danish FSA. Resolution plans, on the other hand, must be prepared, adopted and maintained by the Danish FSA. The resolution plan will be adopted by the Danish FSA following a recommendation from Finansiel Stabilitet.

Finansiel Stabilitet has four resolution tools in connection with the resolution of a failing mortgage institution:

- full or partial sale of business;
- establishment of a so-called bridge institution (subsidiary) which can temporarily take over all or some activities;
- establishment of an asset management vehicle to which assets, rights or liabilities can be transferred;

- writing down or converting the entity's obligations (bail-in) for the purpose of absorbing losses and recapitalising the entity. However, Danish mortgage banks are exempted from the write down/conversion – bail-in – of instruments other than capital instruments.

During the period from 2015 to 2024, Nordea Kredit must make payments to a resolution fund that can contribute to the resolution of a failing institution. The contribution of mortgage institutions to the resolution fund is smaller than the contribution of banks.

#### **4.7 Debt buffer**

In connection with the implementation of the BRRD, it was adopted that Danish mortgage institutions must meet a debt buffer requirement of 2% calculated on the basis of the total unweighted lending of the individual institution.

The Financial Business Act was in May 2018 amended regarding debt buffer requirement for mortgage institutes. As a SIFI mortgage institute belonging to an international group with a mother company outside Denmark – like Nordea Kredit – the current debt buffer requirement of 2% will apply with no additional requirement, if an 8% MREL is fulfilled on group level. The requirement is valid from 1 January 2022.

#### **4.8 Capital centre 2 and the institution's general reserves**

The origination of mortgage loans and the issuance of mortgage bonds and other securities to finance these loans can be effected in series. Mortgage bonds and other securities cannot be issued in the same series. Covered mortgage bonds must be issued in separate series with a series reserve fund. A series or a group of series with a joint series reserve fund and joint liability constitutes a capital centre. The value of the assets backing the covered mortgage bonds issued must as a minimum match the value of the covered mortgage bonds issued, and the collateral provided for the individual loan must always comply with the applicable lending limit.

In the event that the value of the assets no longer matches the value of the covered mortgage bonds issued, the institution must provide supplementary collateral to comply with the requirement. A similar rule does not apply to mortgage bonds.

ROs issued under this Base Prospectus are issued out of the institution's general reserves.

SDROs issued under this Base Prospectus are issued out of Nordea Kredit's capital centre 2.

If Nordea Kredit opens additional capital centres in the future, such capital centres may be included in the Base Prospectus subject to publication of a supplementary prospectus.

#### **4.9 Bankruptcy and restructuring**

The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act confers a primary preferential right on the holders of covered mortgage bonds, mortgage bonds and certain counterparties relating to derivative financial instruments in the event of the bankruptcy of the mortgage institution.

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

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

Credit Loans and Mortgage-Credit Bonds etc Act will be satisfied. After payment of the claims and debt listed in section 27 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, any remaining funds will be included in the assets of the bankruptcy estate.

The funds of the institution's general reserves, less costs for the processing of the bankruptcy estate etc, including costs for the trustee, staff etc, will be used to satisfy claims from holders of mortgage bonds and other securities not issued in series with a series reserve fund as well as claims for interest accrued on the said claims from the time of the bankruptcy order. However, the above funds cannot exceed the mortgages underlying the mortgage bonds and other securities plus an amount corresponding to 8% of the risk-weighted value of the mortgages. After payment of the claims and debt listed in section 27 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, any remaining funds will be included in the assets of the bankruptcy estate.

The bondholders thus have a primary preferential right. In accordance with the legislation, payments of interest and principal to the bondholders continue as long as sufficient funds are available and are not pending the final settlement of the bankruptcy estate.

In the event that the capital centre does not have sufficient assets to compensate the holders of mortgage bonds or covered mortgage bonds, the bondholders may raise the outstanding claim according to the provisions of section 96 of the Danish Bankruptcy Act against the assets available for distribution of the institution's general reserves.

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

If the mortgage institution does not provide supplementary collateral when required, this may not be submitted as cause for acceleration of payments by holders of covered mortgage bonds or lenders pursuant to section 15(1) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.

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

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

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

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

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

#### **4.10 Exclusion of asset-backed securities as collateral**

According to the rules of the ECB, capital centres must not contain asset-backed securities (“ABSs”) unless the ABSs

- fulfil certain requirements of the CRR;
- derive from a member of the same group as the issuer of mortgage bonds or covered mortgage bonds or an entity associated with the same organisation, institution or authority as the issuer of the bonds; and
- are used as a technical tool to transfer mortgages on property or guaranteed loans secured by mortgages on property from the entity from which they derive as collateral for the relevant bonds.

For the purpose of the legal basis for the monetary policy of the Eurosystem, mortgage bonds and covered mortgage bonds are not regarded as ABSs.

Nordea Kredit will ensure at all times that ABSs which do not fulfil the ECB’s requirements are not used as collateral for the Bonds.

In case of any changes to the requirements of the ECB, Nordea Kredit will adhere to such changes.

#### **4.11 Covered bond directive**

Directive (EU) 2019/2162 on the issuance of covered bonds (the “**Covered Bond Directive**”) has been approved and was published in the Official Journal on 18 December 2019. The directive is a framework directive which must be implemented into national law by 8 July 2021, and the rules will apply from no later than 8 July 2022.

The Covered Bond Directive specifies the core elements for covered bonds within the union under the common definition “European Covered Bond”.

The Covered Bond Directive lays down requirements for the types of assets that can be used to collateralise covered bonds and the main characteristics of covered bonds.

Furthermore, covered bonds that comply with the existing requirements of the CRR and new stricter requirements, such as minimum overcollateral, will continue to benefit from lower risk weights, hence lower capital requirements in relation to other covered bonds.

The Covered Bond Directive includes rules on grandfathering of covered bonds issued before the new rules come into effect. Covered bonds issued after the new rules come into force must meet the rules laid down in the Covered Bond Directive.

As of the date of this Base Prospectus, it is not yet fully known whether and if so, to what extent, the Covered Bond Directive will impose additional capital and/or liquidity requirements on Nordea Kredit.

## 5 Terms of the bonds

The following terms and conditions apply to Bonds issued by Nordea Kredit under this base prospectus (the “**Base Prospectus**”) under ISIN codes opened after the date of the Base Prospectus.

The terms of covered mortgage bonds and mortgage bonds issued under ISIN codes opened prior to the date of the Base Prospectus are set out in the relevant base prospectus applicable at the time when the relevant ISIN code was opened. See also section 7 “Information incorporated into the Base Prospectus by reference”.

Final Terms of the Bonds will be issued, which together with the terms and conditions set out below lay down the terms applicable to the Bonds. Final Terms of the Bonds will be published for example on Nordea Kredit’s website [www.nordeakredit.dk](http://www.nordeakredit.dk).

### 1. Definitions

The following terms have the following meaning:

The “ <b>Bank</b> ”	Nordea Bank Abp
“ <b>DKK</b> ”	Danish kroner, which is the official currency in Denmark at the time of approval of the Base Prospectus
“ <b>EUR</b> ”	Euro, the single European currency of the member states participating in the third phase of EMU
“ <b>Bonds</b> ”	ROs and SDROs issued under the Base Prospectus
“ <b>Nordea Kredit</b> ”	Nordea Kredit Realkreditaktieselskab
“ <b>ROs</b> ”	Mortgage bonds issued under the Base Prospectus
“ <b>SDROs</b> ”	Covered mortgage bonds issued under the Base Prospectus
“ <b>Business Day</b> ”	Refers to either a Danish Business Day meaning a day on which both Danish payment system and Danish banks located in Denmark are open for business, or  TARGET2 Business Day, meaning a day on which TARGET2 (Trans-European Automated Real-time Gross settlement Express Transfer) payment

systems is open for payments in EUR.

The business day convention will be stated in the final terms of the bonds.

### 2. Information concerning the Bonds to be offered/admitted to trading

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

Bonds are issued under one or several ISIN codes. ISIN codes of Bonds issued under the Base Prospectus will be stated in the Final Terms.

The issuance of Bonds is regulated by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act as well as the Danish Financial Business Act and by executive orders issued in pursuance of these acts. For a more detailed review of the legislation applicable to mortgage institutions and the issuance of Bonds, see section 4 “Legislation” of the Base Prospectus.

The Bonds are issued in book-entry form as bearer securities and are registered with:

VP Securities A/S  
Weidekampsgade 14  
PO Box 4040  
2300 Copenhagen S, Denmark

The central securities depository where Bonds are registered will be stated in the Final Terms.

The Final Terms will state whether the Bonds will be admitted to listing on the regulated market of

Nasdaq Copenhagen A/S and, if applicable, the first expected listing date.

The Final Terms will state where information about the outstanding volume is available.

The Bonds will be denominated in DKK, EUR or another currency. The currency used for the Bonds will be stated in the Final Terms.

Bonds categorised as Green Bonds by Nordea Kredit is subject to the definitions and classifications as described in the Nordea Green Bond Framework.

The Nordea Green Bond Framework (<https://www.nordea.com/en/investor-relations/reports-and-presentations/bonds/green-bonds/>) defines and delineates a number of asset categories (green bond assets) including green buildings (commercial and residential), renewable energy etc., that qualifies for financing by issuing Green Bonds.

SDROs are issued out of capital centre 2. All payments from the borrowers relating to mortgage loans in capital centre 2 are received by capital centre 2, and all payments to Bondholders are also made out of capital centre 2. Capital centre 2 is subject to the provisions of the Danish executive order on series accounts of mortgage institutions.

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

In the event of Nordea Kredit's bankruptcy the Bondholders of SDROs have a special preferential position in capital centre 2. In the event of bankruptcy Nordea Kredit will as far as possible continue the normal payments to the Bondholders prior to the final settlement of the bankruptcy estate in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. For a more detailed description see section 4 "Legislation" of the Base Prospectus.

ROs are issued out of the institution's general reserves. All payments from the borrowers relating to mortgage loans are received by the institution's general reserves, and all payments to the Bondholders are also made out of the institution's general reserves. The institution's general reserves

are subject to the provisions of the Danish executive order on series accounts of mortgage institutions.

For mortgage loans financed by ROs issued out of the institution's general reserves, the borrowers are not subject to joint and several liability. The borrowers are liable for their mortgage loans towards Nordea Kredit with the property mortgaged and personally in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.

In the event of Nordea Kredit's bankruptcy the Bondholders of ROs have a special preferential position in the institution's general reserves. In the event of bankruptcy Nordea Kredit will as far as possible continue the normal payments to the Bondholders prior to the final settlement of the bankruptcy estate in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. For a more detailed description see section 4 "Legislation" of the Base Prospectus.

### 3. Rights

The Bonds carry interest as described in further detail below as well as in the Final Terms.

The Bonds are non-callable by the Bondholders throughout the life of the Bonds.

Bondholders can exercise their rights relating to Bonds issued under the Base Prospectus by application to Nordea Kredit.

### 4. Exemption from liability

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

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

- breakdown of/lack of access to IT systems or damage to the data of these systems which can be attributed to the events below, regardless of whether Nordea Kredit itself or an external vendor is responsible for operating the systems;
- failures in Nordea Kredit's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrection, civil unrest, sabotage, terrorism or vandalism (including computer viruses and hacking);
- strikes, lockouts, boycotts or blockades, whether or not the dispute is directed against or initiated by Nordea Kredit or its organisation

and regardless of the reason for the dispute – this also applies if the dispute only affects parts of Nordea Kredit;

- other circumstances beyond the control of Nordea Kredit.

Nordea Kredit's exemption from liability does not apply if:

- Nordea Kredit should have anticipated the circumstances causing the loss when the agreement was concluded or should have avoided or overcome the cause of the loss;
- Nordea Kredit is liable for the circumstances causing the loss pursuant to Danish law.

## 5. Interest

The coupon interest (the nominal interest rate) of Bonds with fixed rates will be stated in the Final Terms. The nominal interest rate of Bonds with adjustable rates consists of a reference rate with an interest rate premium or discount as further described below. The relevant reference rate and the interest rate premium or discount will be stated in the Final Terms.

The Final Terms of Bonds subject to the provisions on regulation of refinancing risk will state whether the Bonds are subject to these provisions. In the event of maturity extension, the nominal interest rate will be fixed as specified in condition 7 below.

The adjustable rate is adjusted at a fixed interval. This will be stated in the Final Terms of the Bonds. Nordea Kredit is entitled to set another similar reference rate if:

- the current reference rate is no longer set, either temporarily or permanently, or;
- the current reference rate is temporarily unsuitable as a reference rate as a result of significant changes or other similar circumstances.

In the above situations Nordea Kredit is entitled:

- to replace the current reference rate with a predetermined reference rate (if Nordea Kredit has decided in advance on a similar reference rate as an alternative), or;
- where such a predetermined reference rate is not available or suitable, to replace the current reference rate with a non-predetermined

reference rate (which in the opinion of Nordea Kredit is a similar reference rate), or;

- where there are no such reference rates (neither predetermined nor non-predetermined), to replace the current reference rate with a rate set by Nordea Kredit based on the market conditions prevailing at the time.

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

Details on where to find historical information about the reference rate will be stated in the Final Terms if such information is available.

See also the Final Terms.

Nordea Kredit's payment of interest and principal to the Bondholders is effected by way of transfer to the accounts etc specified towards VP.

The start date for interest (the opening date) will be stated in the Final Terms.

Payment of interest and Bonds drawn for redemption takes place with maturity on the first business day of a given month after the end of a payment period.

Nordea Kredit can set another due date.

The due date for payment of interest on the Bonds will be stated in the Final Terms.

Nordea Kredit may set one or more interest rate caps and/or interest rate floors for part of or the entire term to maturity of the Bonds in the Final Terms of adjustable-rate Bonds.

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

## 6. Negative interest

The following applies to fixed rate Bonds with negative coupons and to Bonds with adjustable rates which become negative. Nordea Kredit has a claim against the investors corresponding to the negative interest amount. This claim falls due for payment on the payment date of the relevant payment period. The investors' payment to Nordea Kredit as a result

of negative interest can at Nordea Kredit's initiative be effected in one or several of the following ways at the end of an interest payment period: (1) by claiming the negative interest amount from the investors by offsetting this against amounts relating to bonds drawn for redemption allotted to the investors, or (2) by making an unscheduled redemption of a portion of the investors' nominal holdings with VP corresponding to the negative interest, settled at par by offsetting this against the redemption proceeds allotted to the investors, or (3) by using a combination of (1) and (2). A choice of one of the above three options is made by Nordea Kredit for each individual interest payment date with a negative interest rate and may thus vary between interest payment dates. The choice of method will be announced through the systems of VP.

#### **7. Maturity date and settlement**

The term to maturity and the maturity date of the Bonds will be set by Nordea Kredit and will be stated in the Final Terms.

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

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

Nordea Kredit calculates the amount to be drawn for redemption for each interest payment date.

Amortisation is effected by redemption of the Bonds at par or at another agreed redemption price at the drawing of Bonds. For fixed rate Bonds with negative coupons and Bonds with adjustable rates – see condition 6 above – the negative interest amount may be charged via the redemption of Bonds. The redemption price at the drawing of Bonds will be stated in the Final Terms. Amortisations are distributed between the Bondholders according to a mathematical principle in such a manner that all Bondholders have the same percentage of their holdings amortised.

For Bonds subject to section 6 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act as amended (the provisions on regulation of refinancing risk), the maturity may be extended either in case of a rise in interest rates or in case of a failed auction (insufficient number of buyers).

The following applies to maturity extension in case of a rise in interest rates:

If the maturity of a mortgage loan exceeds the maturity of the underlying Bonds and the Bonds have a fixed rate and a maturity of up to and including 12 months at the refinancing of the loan, Nordea Kredit may only initiate a sale of Bonds which, at refinancing, are to replace the maturing Bonds if Nordea Kredit has a justified expectation that the sale can be carried out without the yield exceeding the yield fixed in connection with the latest refinancing by 5% points. However, this does not apply if Nordea Kredit carries out a sale of a small volume of Bonds to ascertain whether the yield will exceed the yield fixed in connection with the latest refinancing by 5% points. If a sale cannot be initiated, see the first sentence, and if the maturing Bonds fall due, the maturity of these Bonds is extended by 12 months. At maturity of the Bonds after the 12-month extension, new Bonds must be issued to replace these. At this issuance the first and second sentences do not apply.

If the maturity of a mortgage loan exceeds the maturity of the underlying Bonds and the Bonds have a fixed rate and a maturity from 12 and up to and including 24 months at the refinancing of the loan, Nordea Kredit may only initiate a sale of Bonds which, at refinancing, are to replace the maturing Bonds if Nordea Kredit has a justified expectation that the sale can be carried out without the yield exceeding the yield on a comparable bond with the same remaining maturity from 11 and up to and including 14 months earlier by 5% points. However, this does not apply if Nordea Kredit carries out a sale of a small volume of Bonds to ascertain whether the yield will exceed the yield on a comparable bond with the same remaining maturity from 11 and up to and including 14 months earlier by 5% points. If a sale cannot be initiated, see the first sentence, and if the maturing Bonds fall due, the maturity of these Bonds is extended by 12 months. At maturity of the Bonds after the 12-month extension, new Bonds must be issued to replace these. At this issuance the first and second sentences do not apply.

If the maturity of a mortgage loan exceeds the maturity of the underlying Bonds and the underlying Bonds have an adjustable rate and a remaining maturity of up to and including 24 months the first time they are used for financing a mortgage loan, the interest rate at the interest rate fixing cannot exceed



the latest interest rate fixed by more than 5% points. This interest rate must remain unchanged for 12 months or until the next refinancing if this is carried out within 12 months unless a lower interest rate is fixed within the 12 months or before the next refinancing. Nordea Kredit may only initiate a sale of Bonds which, at refinancing, are to replace the maturing Bonds if Nordea Kredit has a justified expectation that the sale can be carried out without the interest rate exceeding the latest interest rate fixed by 5% points. However, this does not apply if Nordea Kredit carries out a sale of a small volume of Bonds to ascertain whether the interest rate will exceed the latest interest rate fixed by 5% points. If a sale cannot be initiated, see the first sentence, and the maturing Bonds fall due, the maturity of these Bonds is extended by 12 months. At maturity of the Bonds after the 12-month extension, new Bonds must be issued to replace these. At this issuance the first and second sentences do not apply.

The following applies to maturity extension in case of a failed auction (insufficient number of buyers): Nordea Kredit can decide to extend the maturity of Bonds under an ISIN code, in full or in part, by 12 months at a time from their ordinary maturity date if there are an insufficient number of buyers for new Bonds issued to refinance maturing Bonds under the relevant ISIN code. In the event of such maturity extension the nominal interest rate of the Bond will be changed so that the yield equals the yield at the latest refinancing plus 5% points. In the event of further extension of the maturity as a result of a failed auction (insufficient number of buyers), this nominal interest rate will continue to apply.

If the auction with the sale of Bonds to refinance Bonds extended in this manner fails, further extension can take place where the nominal interest rate from the original extension is applied. The term to maturity of the Bonds will be extended by 12 months at a time until refinancing can be completed with a sufficient number of buyers for all the new Bonds required.

A decision on extension can be made until one business day before the ordinary maturity date of the Bonds and must be published by means of a company announcement. Immediately after the auction Nordea Kredit will publish the yield on the basis of the sale completed at the auction. Here it will be announced whether the term to maturity of the Bonds is extended because an interest rate trigger has been released. If an interest rate trigger is not

released at the relevant auction, the yield fixed will provide the basis for the fixing of the Bond's interest rate trigger at the following auction.

In the event that Nordea Kredit fails to sell the full amount at the auction, extension will be effected corresponding to the Bonds that have not been sold. The extension will be effected on a pro rata basis, and in this case the corresponding share of the Bondholders' holding of the Bonds that would otherwise reach maturity will be extended.

In the event of Nordea Kredit's bankruptcy, restructuring or similar proceedings, the restructuring administrator or the trustee can extend the maturity of the relevant Bonds by one year at a time where new refinancing Bonds may not be issued or where there are an insufficient number of buyers for all the new Bonds required. The restructuring administrator or the trustee will fix the interest rate on the extended Bonds at an adjustable reference rate plus up to 5% points. This reference rate must be a leading 1-year reference rate in the same currency as the extended Bonds.

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

The Final Terms will state whether the Bonds are callable or non-callable.

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

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

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

Nordea Kredit reserves the right to offer borrowers in the institution's general reserves the option to repay their mortgage loans without ROs equivalent

to the volume issued in connection with the mortgage loan simultaneously being drawn for redemption or cancelled.

#### **8. Yield**

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

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

Cash flows of the Bonds are affected by tap issuance under the ISIN codes and by the prepayment and remortgaging activity of the borrowers. Neither future new issuance nor prepayments can be calculated accurately. Instead these must be calculated by approximation.

#### **9. Investor representation**

There is no investor representation for ROs and SDROs.

#### **10. Opening of new ISIN codes**

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

The Final Terms will state the opening date of new ISIN codes.

#### **11. Restrictions on transferability**

The Bonds are sold in the market via the Bank and are freely transferable both during and after the opening period, except as stipulated by the selling restrictions applicable in the United States or to US persons as well as the other restrictions in section 13 “Selling and dealing restrictions” of the Base Prospectus.

## 6 Template for Final Terms

### FINAL TERMS OF THE BONDS

ISSUED BY NORDEA KREDIT REALKREDITAKTIESELSKAB (“**Nordea Kredit**”)

These final terms (the “**Final Terms**”) apply to bonds issued by Nordea Kredit under Nordea Kredit’s base prospectus dated 23 February 2021 and any prospectus supplements to this base prospectus (collectively the “**Base Prospectus**”) in ISIN codes opened after the date of the Base Prospectus. The Final Terms solely relate to the ISIN codes set out in the tables below (the “**Bonds**”).

Nordea Kredit hereby declares that:

- The Final Terms have been prepared in accordance with the Prospectus Regulation and must be read in conjunction with the Base Prospectus.
- The Base Prospectus has been published electronically on Nordea Kredit’s website [www.nordeakredit.dk](http://www.nordeakredit.dk), on the Danish FSA’s website [www.finanstilsynet.dk](http://www.finanstilsynet.dk) as well as on the website of Nasdaq Copenhagen A/S [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).
- For the full information investors must read the Base Prospectus as well as the Final Terms.
- The summary for this specific issue is attached as an appendix to these Final Terms.

#### MiFID II PRODUCT GOVERNANCE

**[THE TARGET MARKET OF THE BONDS IS RETAIL CLIENTS, PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES –** Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds solely consists of eligible counterparties, professional clients and retail clients as defined in Directive 2014/65/EU (“MiFID II”); and (ii) all channels for distribution are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “Distributor”) should take into consideration the manufacturer’s target market assessment; However, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels subject to the Distributor’s suitability and appropriateness test under MiFID II, if relevant.]

**[THE TARGET MARKET OF THE BONDS IS PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES ONLY –** Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (“MiFID II”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “Distributor”) should take into consideration the manufacturers’ assessment of the type of clients; However, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

#### **Bonds subject to provisions on regulation of refinancing risk:**

The Bonds may be subject to the provisions on regulation of refinancing risk. If that is the case, this will be indicated in Table 2 below. More detailed terms may furthermore be specified in a note to the table.

<b>Information about where the past performance of the money market rate underlying the reference rate can be found:</b>	[Information can be found [●].] [Not applicable as the Bonds have a fixed rate.]
<b>Bonds subject to provisions set by Nordea Green Bond Framework</b>	In Table 1 these Bonds will be marked with a “G” in the Bond type column.
<b>Yield:</b>	[●] [The method for calculation of the yield is described on page [●] of the Base Prospectus.]
<b>Negative interest:</b>	[If the interest rate of a Bond can become negative, this is set out in Tables 5 and 6 below.]
<b>Accrued interest:</b>	[●][Investors pay accrued interest for the period from the latest interest payment date until the date of acquisition.] [Investors pay accrued interest for the period from the latest interest payment date until the date of acquisition, see, however, condition 6 on negative interest in section 6 “Terms of the Bonds” of the Base Prospectus.]
<b>Market-making agreements:</b>	[Nordea Kredit has not entered into any agreement with any entity concerning market making in the Bonds.] [Nordea Kredit has entered into an agreement with the following entity [entities] on market making in the Bonds on the following terms: <i>[Name and address of entities and a description of the terms of the market-making agreement.]</i>
<b>Information about prices and outstanding volume of Bonds:</b>	Prices and the outstanding volume of Bonds will be announced on a current basis [on the website of Nasdaq Copenhagen A/S: <a href="http://www.nasdaqomxnordic.com">www.nasdaqomxnordic.com</a> ] [and/or] <i>[specify another place where information will be available]</i> .
<b>Conflicts of interest:</b>	[Nordea Kredit is not aware of any conflicts of interest that are material to Nordea Kredit in connection with the offer of the Bonds.] <i>[Description of any conflicts of interest which in connection with the offer of the Bonds are material to Nordea Kredit, including a specification of the persons involved and the nature of such interest.]</i>
[The Bonds have adjustable rates and are callable.] [The Bonds have fixed rates and are callable.] [The Bonds have adjustable rates and are non-callable.] [The Bonds have fixed rates and are non-callable.]	

**Tables:**

**Table 1**

*[The following Table 1 is inserted for adjustable-rate callable or non-callable Bonds]*

<b>Bond type</b>	<b>ISIN code</b>	<b>Currency</b>	<b>Opening date/Date from which interest becomes payable</b>	<b>Closing date</b>	<b>Maturity date</b>

*[The following Table 1 is inserted for fixed-rate callable or non-callable Bonds]*

<b>Bond type</b>	<b>ISIN code</b>	<b>Coupon rate</b>	<b>Currency</b>	<b>Opening date/Date from which interest becomes payable</b>	<b>Closing date</b>	<b>Maturity date</b>

**Table 2**

*[The following Table 2 is inserted for fixed-rate and adjustable-rate Bonds]*

<b>Bond type</b>	<b>ISIN code</b>	<b>Number of annual payment dates</b>	<b>Payment periods</b>	<b>Day count convention</b>	<b>Payment days</b>	<b>Auction trigger</b>	<b>Interest rate trigger</b>

**Table 3**

*[The following Table 3 is inserted for all bond types]*

<b>Bond type</b>	<b>ISIN code</b>	<b>Amortisation profile of underlying loans</b>	<b>With interest-only option</b>	<b>Redemption price when bonds drawn for redemption</b>

**Table 4**

*[The following Table 4 is inserted for all bond types]*

<b>Bond type</b>	<b>ISIN code</b>	<b>Rating</b>	<b>Deno- mination</b>	<b>Settle- ment (value date)</b>	<b>Place of listing</b>	<b>Place of registra- tion</b>	<b>Day of listing</b>

[The following Tables 5 and 6 are inserted for adjustable-rate callable or non-callable Bonds]

Table 5

<b>ISIN code</b>	<b>Interest rate reset frequency</b>	<b>Fixing period</b>	<b>Negative interest</b>	<b>Reference rate</b>	<b>Initial interest rate</b>

Table 6

<b>Bond type</b>	<b>ISIN code</b>	<b>Fixing method</b>	<b>Day count convention</b>	<b>Interest rate premium/discount</b>	<b>Interest rate cap/period</b>	<b>Interest rate floor/period</b>

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

Nordea Kredit Realkreditaktieselskab:

\_\_\_\_\_  
Name:  
Position:

\_\_\_\_\_  
Name:  
Position:

APPENDIX TO THE FINAL TERMS – SUMMARY OF THIS SPECIFIC ISSUE

*[Summary of the Base Prospectus, including information on  
the Final Terms of the specific Bonds inserted.]*

## **7 Information incorporated into the Base Prospectus by reference**

The Base Prospectus should be read and understood in conjunction with the parts of the documents below that are incorporated into the Base Prospectus by reference:

(i) Nordea Kredit's audited annual financial statements for the financial years ended 31 December 2019 and 31 December 2020, in both cases with attached audit reports, which are included in the page references in the tables below and

(ii) the terms of the Bonds set out on:

pages 22-27 of the base prospectus dated 24 February 2020, pages 33-37 of the base prospectus dated 21 December 2017 for the offer of mortgage bonds and covered mortgage bonds, pages 19-22 of the base prospectus dated 16 February 2015 for the offer of covered mortgage bonds issued out of Nordea Kredit Realkreditaktieselskab's capital centre 2, pages 18-20 of the base prospectus dated 14 February 2014 for the offer of mortgage bonds issued by Nordea Kredit Realkreditaktieselskab, pages 30-54 of the base prospectus dated 14 April 2011 for the offer of covered mortgage bonds issued out of Nordea Kredit Realkreditaktieselskab's capital centre 2, pages 30-54 of the base prospectus dated 14 April 2011 for the offer of mortgage bonds issued by Nordea Kredit Realkreditaktieselskab, pages 26-28 of the base prospectus dated 8 October 2007 for the offer of covered mortgage bonds issued out of Nordea Kredit Realkreditaktieselskab's capital centre 2, Appendix 2 of the base prospectus dated 20 March 2006 for the offer of mortgage bonds issued by Nordea Kredit Realkreditaktieselskab and Appendix 2 of the base prospectus dated 27 June 2005 for the offer of mortgage bonds issued by Nordea Kredit Realkreditaktieselskab, which have been published and registered separately with the Danish FSA.

Information in the above documents is incorporated into the Base Prospectus, but any declaration or statement included in the documents incorporated will be deemed to have been revised or replaced if a declaration or statement in the Base Prospectus revises or replaces any such declaration or statement previously made (expressly, implicitly or otherwise). Any declaration or statement that has been revised or replaced no longer forms part of the Base Prospectus.

The table below shows the relevant page references to the audited annual financial statements for the financial years ended 31 December 2019 and 31 December 2020, in both cases with attached audit reports, which are incorporated by reference. The published financial statements of Nordea Kredit are available on [www.nordeakredit.dk](http://www.nordeakredit.dk) under Investor information (select "Investor information" on the right, then "Financial reports and calendar" on the left, then select "Financial reports" in the middle and select the relevant report).

### **Audited annual financial statements of Nordea Kredit for the financial year 2020**

#### **Nordea Kredit Realkreditaktieselskab – Annual Report 2020**

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Link to Annual Report 2020

<https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=1006232&lang=en>

### **Audited annual financial statements of Nordea Kredit for the financial year 2019**

#### **Nordea Kredit Realkreditaktieselskab – Annual Report 2019**



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Link to Annual Report 2019:

<https://www.nordea.com/Images/33-353646/Annual Report Nordea Kredit Realkreditaktieselskab 2019.pdf>

## **8 Reasons for sale of the Bonds and use of proceeds**

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

Any surplus funds from Bonds issued under the Base Prospectus will be invested in safe and liquid securities in compliance with the provisions of Danish legislation and internal policies, see section 4 “Legislation” of the Base Prospectus.

## **9 About the Nordea Group and Nordea Kredit Realkreditaktieselskab**

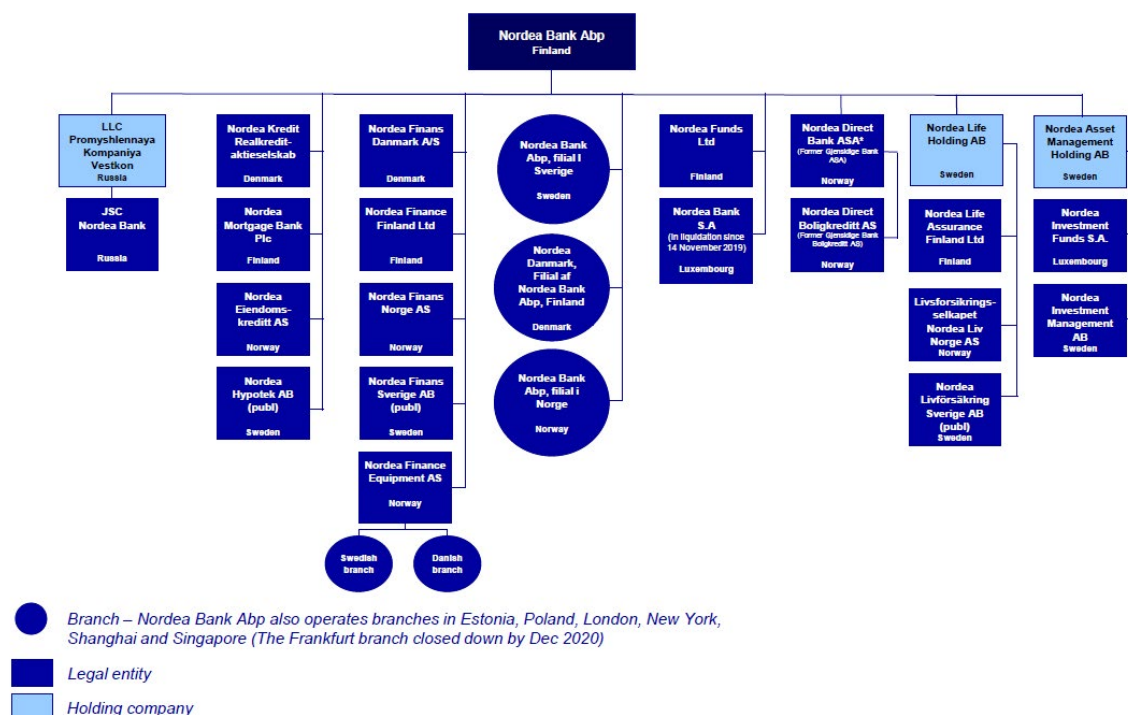
### **9.1 General**

The company is part of the Nordea Group, which is a large financial group in the Nordic region (Denmark, Finland, Norway and Sweden) measured in total revenues with global reach and operations in 19 countries worldwide. As of 31 December 2020, the Nordea Group had approximately 10 million household customers and around 0.6 million corporate customers.

The Nordea Group's parent company, Nordea Bank Abp, is a public limited liability company formed in accordance with Finnish law with headquarters in Helsinki. The Bank's shares are listed on the stock exchange and are traded on the stock exchanges in Stockholm (in SEK), Copenhagen (in DKK) and Helsinki (in EUR).

Nordea Kredit is a wholly owned subsidiary of Nordea Bank Abp.

The following chart sets forth the main legal structure of the Nordea Group as of the date of this Base Prospectus:



\* Nordea Bank Abp and Nordea Direct Bank ASA (former Gjensidige Bank ASA) have signed a merger plan on 12 June 2019. The merger of Nordea Direct Bank ASA (former Gjensidige Bank ASA) into Nordea Bank Abp is expected to be executed in the first half of 2021. The execution of the merger is subject to the necessary authority approvals.

Nordea Kredit Realkreditaktieselskab (Danish business registration (CVR) number 15134275) and LEI code 52990080NNXXLC14OC65) (Nordea Kredit) is a Danish mortgage institution domiciled in Taastrup, Høje-Taastrup Municipality. The company's registered address is Helgeshøj Alle 33, 2630 Taastrup, Denmark, telephone +45 33 33 36 36.

Nordea Kredit's latest interim and annual reports, company announcements and other information are available at [www.nordeakredit.dk](http://www.nordeakredit.dk). However, information on the website is not part of the Base Prospectus unless incorporated by reference.

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

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

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

Nordea Kredit carries on business pursuant to Danish legislation, particularly the Danish Financial Business Act and the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act and is subject to the

supervision of the Danish FSA. Nordea Kredit has received approval from the Danish FSA to issue mortgage bonds (ROs) and covered mortgage bonds (SDROs).

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

#### 9.1.1 Activities

Nordea Kredit solely grants loans for properties in Denmark except for the Faeroe Islands and Greenland. Loans are granted for all property categories (see also information about property categories under the description of Danish mortgage legislation in section 4 “Legislation” of the Base Prospectus). Except as set out above, there are no lending restrictions with respect to specific geographical areas or in relation to the total volume of loans to one or several segments.

Loans are granted to customers of Nordea Danmark, filial af Nordea Bank Abp (the “Branch”), and Nordea Kredit thus solely processes loan applications intermediated by the Branch. Loans taken out with Nordea Kredit form part of the borrowers’ consolidated commitments with the Nordea Group.

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

#### *Organisational structure*

Nordea Kredit is a wholly owned subsidiary of Nordea Bank Abp.

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

#### *Collaboration with other Nordea Group entities*

The business activities and operations of Nordea Kredit are also closely integrated with and tied to the Bank.

The business model of Nordea Kredit is highly dependent on the Bank as key processes related to lending and funding are conducted or partly conducted by the Bank. The close collaboration with the Bank is considered an operational risk to Nordea Kredit. This risk is largely mitigated by outsourcing and governance agreements between the entities.

The outsourced or partly outsourced processes include customer contact, credit risk assessments, ongoing scoring and rating, refinancing and pre-issuance etc.

Nordea Kredit’s mortgage loans are provided via the Branch, Nordea Kredit makes use of IT systems and solutions developed and operated by the Bank and a number of significant activities have been outsourced to the Bank.

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

#### 9.1.2 Guarantee by the Bank

At the origination of loans the Bank provides a guarantee of minimum 25% of the cash value of a loan in favour of Nordea Kredit. However, for loans granted for non-profit rental housing, youth housing and housing for the elderly, the guarantee provided constitutes 10%. If Nordea Kredit has more than one loan on the same property, the guarantees cover the top portion of the combined commitment. The guarantee expires when the loan is terminated or matures. Loans where the guarantee has expired after the former time-limited guarantee scheme are not covered by the guarantee.

The guarantee is renewed when and if the existing loan is remortgaged into a new mortgage loan with Nordea Kredit. The guarantee contributes to reducing the credit risk on the individual commitment.

Nordea Kredit will be able to utilise guarantees provided by the Bank as supplementary collateral, provided, however, that the value of Nordea Kredit's total exposure with credit institutions under Article 129(1) of the CRR does not exceed 15% of the nominal value of Nordea Kredit's mortgage bonds and covered mortgage bonds outstanding.

#### 9.1.3 Legal and arbitration proceedings

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

#### 9.1.4 Management of certain risks relating to mortgage institutions

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

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

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

Nordea Kredit has chosen to apply the specific balance principle. Nordea Kredit's interest rate, currency, liquidity and option risks are thereby limited as it is ensured that lending and financing through mortgage bond and covered mortgage bond issuance are closely balanced as described in detail in section 4.4 "**The Balance principle**" of the Base Prospectus.

#### *Focus on market risks*

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

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

Nordea Kredit minimises its liquidity, market and currency risks related to the investment of capital.

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

In the event of a liquidity shortfall, for example if outgoing payments to the Bondholders exceed incoming payments from the borrowers, for example due to an increase in arrears on payments from the borrowers, Nordea Kredit has an internal liquidity buffer. Nordea Kredit's internal liquidity buffer consists solely of unencumbered liquid assets.

Apart from any liquidity shortfall, the liquidity reserve must also cover the requirement for providing supplementary collateral if the value of the assets provided as collateral no longer at least matches the value of the Bonds issued or if the assets do not comply with the lending limits applicable at the time when the loan was granted. Under applicable legislation, the cost of extra collateral may not be imposed on the individual loan and its debtor(s) and must consequently be borne by Nordea Kredit.

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

#### 9.1.5 Financial information

Selected financial information for Nordea Kredit is set out below:

<b>Income, profit and business volumes, key items (DKKm)</b>	<b>2020</b>	<b>2019</b>
Net interest and fee income	2,722	2,670
Value adjustments	10	13
Staff and administrative expenses	-608	-306
Impairment losses on loans and receivables	-491	-6
Profit before tax	1,640	2,373
Net profit for the year	1,279	1,850
Receivables from credit institutions and central banks	49,948	67,462
Loans and receivables at fair value	417,553	404,998
Debt to credit institutions and central banks	4,998	5,597
Bonds in issue at fair value	435,055	440,929
Total equity	22,481	22,590
Total assets	467,936	473,277
<b>Ratios and key figures (%)</b>	<b>2020</b>	<b>2019</b>
Return on equity	5.7	8.2
Cost/income ratio	22.4	11.4
Total capital ratio	29.6	27.0
Tier 1 capital ratio	25.0	24.4
Tier 1 capital, DKKm	20,682	20,603
Risk exposure amount, DKKm	82,626	84,322
Average number of employees (full-time equivalents)	116	119

Cash flow statement for Nordea Kredit are set out below:

<b>Cash flow statement (DKKm)</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Profit for the period before tax	1,640	2,373
Adjustment for items not included in cash flow:		
Impairment losses on loans and receivables	428	-80
Depreciation, amortisation and impairment charges of tangible and intangible assets	0	0

Depreciation and impairment losses of assets in temporary possession	-4	-2
Depreciation, amortisation and impairment losses of other assets	2	-2
Revaluation of investment in associated undertaking	-1	2
Prepaid expenses/deferred income (net)	-2	7
	2,063	2,298
<b>Working capital</b>		
Loans and receivables at fair value adjusted for losses and impairment charges	-12,983	-10,002
Loans and receivables at amortised cost	0	0
Other assets	370	-571
Debt to credit institutions and central banks	-599	-5,244
Bonds in issue	-5,874	40,112
Other liabilities	-295	-681
Tax, net	-369	-521
<b>Cash flow from operating activities</b>	<b>-17,687</b>	<b>25,391</b>
<b>Investing activities</b>		
Bonds	0	0
Shares	0	0
Investment in associated undertaking	1	0
Tangible and intangible assets adjusted for depreciation and amortisation	0	0
Assets in temporary possession	10	49
<b>Cash flow from investing activities</b>	<b>11</b>	<b>49</b>
<b>Financing activities</b>		
Proceeds from subordinated capital	1,550	0
Dividend	-1,388	-1,593
<b>Cash flow from financing activities</b>	<b>162</b>	<b>-1,593</b>
Increase/(decrease) in cash and cash equivalents	-17,514	23,847
Cash and cash equivalents at beginning of period	67,512	43,665
<b>Cash and cash equivalents at end of period</b>	<b>49,998</b>	<b>67,512</b>

The cash flow statement has been prepared for this Base Prospectus and is not audited. Nordea Kredit declares that the above cash flow statement gives a true and fair view and is in accordance with the applicable rules and standards for Danish mortgage institutions, including the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

#### 9.1.6 Historical financial information

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

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

#### 9.1.7 Auditing of historical annual financial information

The historical annual financial information for Nordea Kredit has been audited by independent auditors. Auditors' reports are included in the published annual reports for 2019 and 2020 for Nordea Kredit.

The Base Prospectus does not contain audited information other than the information contained in the annual reports for Nordea Kredit to which this Base Prospectus refers. As Nordea Kredit publishes an audited annual report every year, the latest audited financial information will never be more than 14 months old. Nordea Kredit prepares and publishes interim reports for the period 1 January to 30 June. Interim reports are not audited and are publicly available on Nordea Kredit's website [www.nordeakredit.dk](http://www.nordeakredit.dk) under Investor information (select "Investor information" on the right, then "Financial reports and calendar" on the left, then select "Financial reports" in the middle and select the relevant report).

#### 9.1.8 Latest financial information

Nordea Kredit publishes annual reports and interim reports for the period 1 January to 30 June on a current basis. The most recent audited financial information appears from the annual report for 2020 published on 23 February 2021.

Nordea Kredit hereby declares that as of the date of this Base Prospectus there have been no significant changes in the financial or trading position of Nordea Kredit since the publication of the annual report for 2020.

#### 9.1.9 Financing

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

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

#### 9.1.10 Trend information and material contracts

Nordea Kredit declares that there has been no material adverse change in the prospects of Nordea Kredit since the date of its last published audited financial statements. Nordea Kredit is not aware of any known trends, uncertainties or demands against Nordea Kredit that are likely to have a material effect on the business prospects for the financial year 2021.

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

#### 9.1.11 Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Strandvejen 44, 2900 Hellerup, Denmark, Danish business registration (CVR) number 33771231, represented by Christian Fredensborg Jakobsen (mne16539), state-authorised public accountant, and Benny Voss (mne15009), state-authorised public accountant, has audited the annual financial statements of Nordea Kredit.

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



## **10 Board of Directors, Executive Management and other bodies**

### **10.1 Board of Directors**

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

#### **Mads Skovlund Pedersen (Chairman of the Board of Directors)**

Internal assignments:

Head of Personal Banking Nordea Denmark

Vice Chairman of the Board of Directors of danbolig A/S

External assignments:

Vice Chairman of the Board of Directors of Finanssektorens Arbejdsgiverforening

Board member of Karl Pedersen og Hustrus Industrifond

#### **Anne Rømer (Vice Chairman of the Board of Directors)**

Internal assignments:

None

External assignments:

Independent Management Consultant

#### **Kim Skov Jensen (member of the Board of Directors)**

Internal assignments:

Managing Director, Head of Markets & Treasury Financial Control, Group Finance, Nordea Bank Abp

Member of the Board of Directors of Fionia Asset Company A/S

Member of the Board of Directors of Nordea Bank Sweden's pension fund

External assignments:

Member of the Board of Alpint Kraftcenter Danmark

#### **Anita Ina Nielsen (member of the Board of Directors)**

Internal assignments:

Country AML Responsible Nordea Denmark

External assignments:

None

#### **Thomas Vedel Kristensen (member of the Board of Directors)**

Internal assignments:

Head of Core Technology Nordea Abp

External assignments:

None

#### **Torben André Petersen (member of the Board of Directors)**

Internal assignments:

Deputy Head of Business Banking Nordea Denmark

External assignments:

None

**Marte Kopperstad (member of the Board of Directors)**

Internal assignments:

Head of Products and Business Development Nordea Abp

Member of the Board of Directors of Nordea Hypotek AB (publ), Sweden

Vice Chairman of the Board of Directors of Nordea Mortgage Bank Plc, Finland

Member of the Board of Directors of Nordea Direct ASA, Norway

Member of the Board of Directors of Nordea Eiendomskreditt AS, Norway

Member of the Board of Directors of BITS AS, Norway

External assignments:

None

The business address of the members of the Board of Directors is Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønjordsvej 10, 2300 Copenhagen S, Denmark.

**10.2 Executive Management**

The Executive Management of Nordea Kredit has the following members:

**Kamilla Hammerich Skytte (Chief Executive Officer)**

Internal assignments:

Member of the Board of Directors of danbolig A/S

External assignments:

Member of the Board of Directors of the Association of Danish Mortgage Banks

**Claus H. Greve (Deputy Chief Executive Officer)**

Internal assignments:

None

External assignments:

Member of the Board of Directors of the Association of Danish Mortgage Banks

The business address of the members of the Executive Management is Nordea Kredit

Realkreditaktieselskab, Helgeshøj Alle 33, 2630 Taastrup, Denmark.

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

**10.3 Board practices**

Nordea Kredit has an independent audit committee. The audit committee assists the Board of Directors of Nordea Kredit in fulfilling its oversight responsibilities by monitoring the financial reporting process, the statutory audit of the annual financial statements, the internal control system, the effectiveness of internal audit and risk management and by verifying the independence etc of the auditors. The audit committee reviews the planning and budget of the internal audit function prior to the presentation to the Board of Directors.

The members of the audit committee are:

**Anne Rømer (Chair)** and

**Mads Skovlund Pedersen.**

When Nordea Kredit was designated as a SIFI, a risk committee was established. The risk committee assists the Board of Directors with respect to Nordea Kredit's risk profile and strategy. The risk committee also provides assistance in relation to assessing whether the Board of Directors' risk strategy has been correctly implemented in the organisation, whether the financial products are in accordance with the business model and whether the incentives of the remuneration structure take account of risks, capital, liquidity as well as the probability of profit and the time horizon for this.

The members of the risk committee are:

**Kim Skov Jensen (Chairman)** and

**Torben André Petersen.**

Nordea Kredit has also established a nomination committee and a remuneration committee consisting of all members of the Board of Directors.

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

## **11 Taxation**

### **11.1 Denmark**

The following is a summary description of the taxation of the Bonds in Denmark according to Danish legislation applicable as of the date of the Base Prospectus. Any changes in law and/or practice may be made with retroactive effect. The following description does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or sell the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional securities dealers) may be subject to special rules. Prospective investors are under all circumstances recommended to contact their own tax advisers to clarify the individual consequences of their purchase, holding and sale of the Bonds. The Issuer makes no representations or warranties to the Bondholders regarding the tax consequences of the purchase, holding or sale of the Bonds.

#### **11.1.1 Withholding tax**

Under existing Danish tax legislation, no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Bonds other than, in certain cases, to payments in respect of controlled debt in relation to the Issuer as referred to in the Danish Corporation Tax Act. This will not have any impact on Bondholders who are not in a relationship where they control, or are controlled by, the Issuer. In the event that statutory withholding tax to Denmark is introduced, the payments will be made after deduction of this and Nordea Kredit will not be obliged to compensate investors for any losses incurred as a result.

#### **11.1.2 Persons resident for tax purposes in Denmark**

Natural or legal persons, including persons who are engaged in financial trade and other enterprises resident for tax purposes in Denmark or receiving interest on the Bonds through their permanent establishment in Denmark, are liable to pay tax on such interest. Capital gains are taxable to natural persons and corporate entities in accordance with the Danish act on taxation of gains and losses on claims, debt and financial contracts (the “**Danish gains on securities and foreign currency act**”). Gains and losses on Bonds held by corporate entities are generally included in their taxable income in accordance with the mark-to-market principle (the “**mark-to-market principle**”), that is, on an unrealised basis. Gains and losses on Bonds held by natural persons are generally included in their taxable income on a realised basis, and if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation. Pension funds and other entities subject to the Danish Pension Returns Tax Act will, irrespective of realisation, be taxed on the basis of the annual increase or decrease in the value of the Bonds according to the mark-to-market principle as laid down in the act.

#### **11.1.3 Tax on negative interest**

Interest income in the form of negative interest is taxable for the debtor pursuant to the Danish central government tax act, whereas interest expenses in the form of negative interest is tax deductible for the creditor. A debtor's interest income in the form of negative interest as well as a creditor's interest expenses in the form of negative interest is included in the capital income of private individuals. Persons applying the Danish business taxation scheme must include interest from their business activities in their personal income. This also applies to negative interest from their business activities.

For the purpose of tax base determination, a creditor's accrued interest expenses in the form of negative interest are tax deductible. Correspondingly, interest income in the form of negative interest received by a debtor is included as return on capital in the tax base.

#### **11.1.4 Persons not resident for tax purposes in Denmark**

Under existing Danish tax legislation, payments of interest and principal to natural or legal persons that are not resident for tax purposes in Denmark are not subject to taxation in Denmark other than, in certain cases, payments in respect of controlled debt in relation to the Issuer as referred to under “Withholding tax” above.

No Danish withholding tax will be payable with respect to such payments, and no capital gain realised upon the sale, exchange or cancellation of the Bonds will be subject to taxation in Denmark other than, in certain cases, payments in respect of controlled debt in relation to the Issuer as referred to under “Withholding tax” above. This tax treatment applies solely to Bondholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and who do not carry on business in Denmark through a permanent establishment.

## **11.2 Foreign Account Tax Compliance Act**

An agreement between the government of the United States of America and the government of the Kingdom of Denmark to improve international tax compliance and to implement the US Foreign Account Tax Compliance Act (“FATCA”) was entered into on 15 November 2012 (the Danish executive order on agreement of 15 November 2012 between the government of the United States of America and the government of the Kingdom of Denmark to improve international tax compliance and to implement FATCA).

FATCA require investors with relevant US interests to deliver extended identification information, Rules may also be introduced in Denmark involving a duty to withhold tax on interest and principal in accounts held by investors with such US interests or if investors fail to submit extended identification information.

Investors should therefore note that if rules involving an obligation to withhold tax are implemented in Denmark, payments will be made after such a deduction. In accordance with this Base Prospectus or the Final Terms neither Nordea Kredit nor any other person is in that case obliged to compensate investors for any such tax amount withheld or for any losses incurred as a result.

**Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.**

## **12 Subscription, sale, registration and settlement**

### **12.1 Terms and conditions of the offer**

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

During the opening period of the Bonds, the Bonds may be sold in the market through tap issues, auctions, pre-issues or block issues. There is no right of cancellation when purchasing the Bonds. The conditions for the issuance of the Bonds will be stated in the Final Terms of the Bonds.

The final issuance requirement for the Bonds is not known until the closing of an ISIN code as this depends on borrower demand for loans financed by the relevant ISIN code. The outstanding volume is reported on a current basis on [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com). For auctions the terms and the volume offered are announced before the auction.

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

The opening period of the offer will be stated in the Final Terms.

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

For Bonds denominated in DKK the minimum purchase is DKK 0.01. For Bonds denominated in EUR the minimum purchase is EUR 0.01. The denomination will be stated in the Final Terms.

Bonds usually trade subject to a settlement period of two business days, but this rule may be derogated from provided that both parties to the transaction are in agreement. Delivery and clearing are effected via VP.

Transactions in mortgage bonds and covered mortgage bonds admitted to trading on a regulated market are published in accordance with rules laid down pursuant to the Danish Capital Markets Act, and the current

rules applying for the relevant market. With respect to Nasdaq Copenhagen A/S these are the exchange's rules for issuers of bonds.

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

For Bonds admitted to trading on Nasdaq Copenhagen A/S, Nordea Kredit publishes information on a current basis on the Nasdaq Copenhagen A/S website [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com) in accordance with rules for issuers of mortgage bonds and covered mortgage bonds on Nasdaq Copenhagen A/S:

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

The relevant information is also published as company announcements on Nordea Kredit's website [www.nordeakredit.dk](http://www.nordeakredit.dk) under Investor information (select "Investor information" on the right).

There are no special rights of pre-emption attached to the Bonds.

#### *Plan of distribution and allotment*

No investors have any preferential right to purchase the Bonds.

Auctions are held via Nasdaq Copenhagen A/S's systems and/or Bloomberg's systems.

Auctions are organised in collaboration with the Bank, which also acts as a securities dealer. For auctions over the Nasdaq Copenhagen A/S systems, members will be notified of their allotment immediately after the auction. Investors trading via the Bank will be informed by telephone.

Daily tap auctions as well as future refinancing auctions may be held via Bloomberg at which auctions primary dealers can bid.

#### *Pricing*

The Bonds are offered at market prices, and the price will consequently fluctuate over the term to maturity of the Bonds. Prices of Bonds listed on Nasdaq Copenhagen A/S are available on [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

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

#### *Placing and underwriting*

The Bonds are issued by Nordea Kredit. Issues are made on behalf of Nordea Kredit by the Bank, Grønjordsvej 10, 2300 Copenhagen S, Denmark, via VP.

Nordea Kredit has not entered into any agreements with paying agents. The Bonds are registered with VP (see addresses in section 12.3 "Registration and settlement" of the Base Prospectus). This will be stated in the Final Terms. VP calculates the amounts of bonds drawn for redemption and interest amounts for the individual financial institutions based on their investor custody accounts with VP. VP makes an allocation of the lines provided for these financial institutions via Danmarks Nationalbank, the Danish central bank. Subsequently the individual institutions effect payments of coupon interest and the amount of Bonds drawn for redemption to investors' accounts.

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

Nordea Kredit may decide to issue Bonds in other countries and to apply for admission to trading and official listing on regulated markets other than Nasdaq Copenhagen A/S. Further, Nordea Kredit may decide to register the Bonds with other central securities depositories. This will be stated in a supplementary prospectus.

#### **12.2 Admission to trading and dealing arrangements**

Nordea Kredit may apply for admission of the Bonds to trading and listing on Nasdaq Copenhagen A/S.

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

A market-making arrangement may be made under which the parties to such an arrangement are under an obligation to quote bid and offer prices in a number of Bonds issued under the Base Prospectus. This will be stated in the Final Terms of the specific Bonds.

Nordea Kredit has entered into primary dealer agreements with a number of banks. The purpose of the primary dealer agreements is to ensure continued high liquidity of Bonds issued by Nordea Kredit and thus lower interest rates.

#### **12.3 Registration and settlement**

The Bonds will be issued in dematerialised form through VP Securities A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark, Danish business registration (CVR) number 21599336. Legal title to the Bonds will exclusively be evidenced by the book entries in the books of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds will take place in accordance with the rules and procedures of VP applicable from time to time. Settlement of the Bonds can be effected on VP's platform for settlement or on the TARGET2-Securities ("T2S") platform if the conditions required for T2S settlement as stated in the settlement rules of VP are fulfilled.

#### **12.4 Credit ratings**

Bonds issued under the Base Prospectus are rated by the credit rating agency S&P and have been assigned the highest rating of AAA.

For this purpose, Nordea Kredit has submitted certain information and regular reporting routines have been agreed with the credit rating agency.

The credit rating agency S&P is established in the EU and are registered in accordance with Regulation (EC) no 1060/2009 on credit rating agencies.

A rating, once assigned, may subsequently be revised and Nordea Kredit may decide not to have a rating assigned to the Bonds. Nordea Kredit may furthermore decide to have the Bonds rated by another authorised credit rating agency. In the event that this should change, information to this effect will be provided in a supplement to the Base Prospectus and stated in the Final Terms of the specific Bonds.

#### **12.5 Financial intermediaries**

Nordea Kredit provides its consent to the use of the Base Prospectus for subsequent resale or final placement of the Bonds issued under the Base Prospectus by financial intermediaries which have been granted such consent by Nordea Kredit. Nordea Kredit furthermore accepts responsibility for the contents of the Base

Prospectus, also for subsequent resale or final placement of the Bonds by financial intermediaries which have been given consent by Nordea Kredit with respect to the use of the Base Prospectus.

The consent mentioned above will remain in force as long as the Base Prospectus is valid.

Only the Bank has been given consent to use the Base Prospectus for offers in Denmark.

Subsequent resale or final placement of the Bonds by financial intermediaries can be made as long as the Base Prospectus is valid.

**Financial intermediaries which have been given consent as set out above by Nordea Kredit may use this Base Prospectus for subsequent resale or final placement of Bonds issued under the Base Prospectus in Denmark.**

**If a financial intermediary uses the Base Prospectus to make an offer of the Bonds, the financial intermediary will provide information on the terms and conditions of the offer at the time the offer is made.**

Information about financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms of the specific Bonds will be available on Nordea Kredit's website [www.nordeakredit.dk](http://www.nordeakredit.dk). Additional financial intermediaries which may be given consent by Nordea Kredit to use the Base Prospectus for subsequent resale or final placement of the Bonds are likewise subject to the selling and dealing restrictions in section 13 "Selling and dealing restrictions" of the Base Prospectus.

### **13 Selling and dealing restrictions**

#### **General**

In connection with the Base Prospectus, no representation is made that any action has been or will be taken by Nordea Kredit in relation to any jurisdiction which would permit a public offering of the Bonds or the possession or distribution of the Base Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Nordea Kredit presumes that persons into whose possession this Base Prospectus may come comply with existing legislation and rules in any country or jurisdiction in which or from which they purchase, offer, sell or deliver Bonds or hold or distribute the Base Prospectus, in all cases at their own expense.

Each financial intermediary arranging an offering of Bonds must represent and warrant that to the best of its knowledge and belief it has in all material respects observed existing legislation in any jurisdiction in which or from which it purchases, offers, sells or delivers Bonds or holds or distributes the Base Prospectus, in all cases at its own expense.

#### **United States**

Terms used in this section have the meanings indicated in Regulation S of the US Securities Act.

The Bonds have not been and will not be registered under the US Securities Act and may not be offered or sold within the US or to, or for the account or benefit of, US persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the US Securities Act. Nordea Kredit declares that it has not offered or sold and will not offer or sell any Bonds in the US or to, or for the account or benefit of, any US persons, except in accordance with Rule 903 of Regulation S of the US Securities Act. Accordingly, neither Nordea Kredit nor the Bank and its subsidiaries nor persons acting on behalf of it or its subsidiaries have participated or will participate in any offering or similar activity aimed at US persons (designated as "directed selling efforts" in the US Securities Act).

Generally, the Bonds will be sold only



- if the Bonds are sold by Nordea Kredit;
- if each financial intermediary has represented that, except as permitted by its agreement with Nordea Kredit, it will not offer or sell Bonds (i) as part of its distribution at any time or (ii) otherwise not until 40 days after the date of initiation of the offering or the issue date, whichever is later (the “**40-Day Period**”), within the US or to, or for the account or benefit of, US persons, and the financial intermediary will have sent to all other financial intermediaries, distributors, dealers or persons to which it sells Bonds during the 40-Day Period a confirmation or other notice setting forth the offering and selling restrictions applicable to the Bonds within the US or to, or for the account or benefit of, US persons.

The Bonds will be offered and sold outside the US in accordance with Regulation S. In addition, within the 40-Day Period it may constitute a violation of the registration requirements of the US Securities Act to offer or sell the Bonds in the US by any financial intermediary (whether or not participating in any offering).

#### **Denmark**

Each financial intermediary arranging an offering of Bonds must represent and warrant that it has not offered or sold and will not offer, sell or deliver any Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Capital Markets Act as amended and executive orders issued thereunder and in compliance with the Danish executive order on investor protection to the extent applicable.

#### **United Kingdom**

Each financial intermediary arranging an offering of Bonds must represent and warrant that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to Nordea Kredit; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

### **14 General information**

- (1) Nordea Kredit has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark in connection with the preparation and approval of the Base Prospectus. For the purpose of the preparation of the Base Prospectus, the Board of Directors of Nordea Kredit authorised two members of the Executive Management jointly on 19 February 2019 to sign, among other things, prospectuses (including the Base Prospectus), any changes to prospectuses and any other document requiring signature with a view to having a prospectus approved by the relevant authority.
- (2) Nordea Kredit was not involved in any legal or arbitration proceedings (including any present or future proceedings of which the Issuer is aware) during the 12 months preceding the date of the Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or results of Nordea Kredit.
- (3) There has been no material adverse change in the prospects of Nordea Kredit or the Nordea Group since 31 December 2020 and no significant change in the financial or trading position of Nordea Kredit since 31 December 2020. No significant investments have been made since 31 December 2020.
- (4) Nordea Kredit has not entered into agreements which oblige Nordea Kredit to make significant investments in the future.

- (5) Nordea Kredit is not aware of any trends, uncertainties, requirements, obligations or events which may reasonably be expected to have any significant impact on the prospects for Nordea Kredit for the current financial year. No events have occurred since the date of the most recent financial statements which have a material impact on the assessment of the Issuer's capital position. The Base Prospectus does not contain any separate earnings forecast.
- (6) Current profit forecasts and estimates for Nordea Kredit are not deemed to have any material effect on the assessment of the Bonds offered and are therefore not included in the Base Prospectus.
- (7) Where information in the Base Prospectus has been sourced from a third party, such information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
- (8) Copies (and any English translations) of the following documents will be available for inspection at the offices of the Issuer in Denmark during usual business hours on any business day:
  - i) Nordea Kredit's Memorandum of Association and Articles of Association;
  - ii) the audited annual financial statements of Nordea Kredit for the last two financial years and the unaudited financial statements for the period 1 January to 30 June most recently published; and
  - iii) the Base Prospectus.

The audited annual financial statements of Nordea Kredit as well as the unaudited interim financial statements are also available online on [www.nordeakredit.dk](http://www.nordeakredit.dk) under Investor information immediately after their approval by the Board of Directors (select "Investor information" on the right, then "Financial reports and calendar" on the left, then select "Financial reports" in the middle and select the relevant report). Information in the above documents, save for the information in section 7 "Information incorporated into the Base Prospectus by reference", is for information purposes only and does not form part of the Base Prospectus. The Base Prospectus is available on the website of Nasdaq Copenhagen (<http://www.nasdaqomx.com>).

- (9) The Issuer does not intend to launch any material new products and/or new activities in the near future.
- (10) Nordea Kredit is not aware of any agreements that may lead to a third party obtaining a controlling interest in Nordea Kredit.