

Appendix: Company Announcement number 87/2016 – 4 November 2016**Terms and conditions of Realkredit Danmark's auctions to be held from 17 November to 18 November 2016****Auctions:**

The auctions will take place at CPH Auctions at NASDAQ Copenhagen A/S.

The Dutch auction principle and hidden call method will be used.

Hidden call means that the bidders can only see their own bids, whereas the issuer can see all bids.

Allocation:

Under the Dutch auction principle, all bids above the cut-off price will be settled in full at the cut-off price.

For bids at the exact cut-off price, proportional allocation may be used. All bids below the cut-off price will not be settled.

Decimal points:

Investors may place their bids at prices with up to two decimal places.

Bonds:

Realkredit Danmark will put SDRO's maturing in 2021 in series 12F on the auction.

Bids/settlement:

The auctions will be held with cut off period 11:00 am.

The IPMO is set to 10 minutes.

Value date:

2 January 2017.

Participants:

Bids will be accepted from all members with access to CPH Auctions at NASDAQ Copenhagen A/S.

The following SDRO's will be offered:

Date	ISIN	Currency	Maturity	Series	Cut off period	Total amount m. ¹
17 – 18 November 2016	DK0004605672	DKK	1-7-2021	12F	11:00 am	27,700

1) The amount is the total volume of bonds in the ISIN to be sold. The total amount of bonds is aimed to be equally distributed throughout the period.

Block issue:

Prior to the auctions, Realkredit Danmark will block issue the auction amounts in the ISIN's sold via CPH Auctions at NASDAQ Copenhagen A/S.

Other conditions:

1. Realkredit Danmark is not under any obligation to sell the entire amount announced at the auctions.
2. On each auction day, Realkredit Danmark will not trade in the ISIN codes offered on the auction at the specific auction day prior to the announcement of the results of the auction.
3. Realkredit Danmark may choose to postpone a planned sale.
4. Realkredit Danmark may choose to change the planned selling period.
5. Realkredit Danmark may choose to cancel a planned sale until the expiration of the IPMO period.

If items 3 to 5 are realised, this will be announced to the market via a company announcement.

Specific terms regarding extension pursuant to section 6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act:

For bonds issued with extension option the following applies.

Extension due to lack of buyers

In the unexpected situation where lack of buyers is identified during a planned sales activity, Realkredit Danmark will aim at conducting further sales activities at a later stage. This will be announced to the market via a company announcement.

In the unexpected situation where Realkredit Danmark does not succeed in disposing of the total amount of bonds, Realkredit Danmark may decide to fully or partly extend the bonds until one banking day prior to the ordinary expiration of the bonds. Announcement will be made via a company announcement.

In this situation, Realkredit Danmark may extend the bonds in question for 12 months at a time from the ordinary maturity date of the bonds.

Extension due to increasing interest rates

If Realkredit Danmark does not have a realistic expectation that the bonds can be sold at a yield-to-maturity less than the yield-to-maturity fixed at the latest interest rate fixing plus 500 bp, Realkredit Danmark may cancel the planned sale. This will be announced via a company announcement.

As soon as Realkredit Danmark has a realistic expectation that the sale can be completed a new plan will be announced via a company announcement. Realkredit Danmark may try to sell the bonds until one banking day prior to the ordinary expiration of the bonds.

In the unexpected situation where Realkredit Danmark does not succeed in disposing of the bonds, Realkredit Danmark may decide to fully or partly extend the bonds by 12 months from the ordinary maturity date of the bonds due to the yield-to-maturity will be more than 500 bp higher than the yield-to-maturity at the latest interest rate fixing.

It will be decided no later than one banking day prior to the ordinary expiration of the bonds whether the bonds will be extended. Extension will be announced via a company announcement.