

Appendix 2: Company Announcement number 86/2017 – 6 November 2017**Terms and conditions of Realkredit Danmark's auction to be held on 27 November 2017****Auction:**

The auction 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.

Realkredit Danmark will fix the interest rate spread on the bond prior to the auction. Hence, bids must be made on the price of the bond. The interest rate spread will be published by Announcement of prospectus the week prior to the auction.

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 with up to two decimal places.

Bids/settlement:

Bids must be made in terms of amount and bond price.

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

The IPMO is set to 10 minutes.

Value date:

2 January 2018.

Realkredit Danmark will, whenever possible, offer investors delivery of bonds purchased at the auction with spot settlement provided that the investors sell maturing Realkredit Danmark non-callable floating rate bonds to Realkredit Danmark. Investors who wish to make use of this option should contact RD Funding, +45 45 13 20 19.

Participants:

Members with access to CPH Auctions at NASDAQ Copenhagen A/S may bid on the auction.

Auction amount:

The following SDRO is offered:

Date	ISIN	Series	Reference rate	Maturity	Interest floor	Currency	Total amount m. ¹
27 November 2017	DK0004606647	12G	Euribor 3M	1-7-2020	Yes	EUR	150

1) The amount is the total volume of bonds to be refinanced.

The bond will be used for the refinancing of maturing bond, and will continue to be used for the funding of new loans.

Special information on bonds with interest rate floor:

Since the bond has an embedded interest rate floor, Realkredit Danmark reserves the right to cancel the auction and change the auction method if the auction results in a bond price below 100.20.

In case of a cancelled auction and changed auction method, Realkredit Danmark will open a new bond, and a new auction with bids on the fixing-spread will be held.

Block issue:

Prior to the auction, Realkredit Danmark will block issue the auction amounts.

Other conditions:

1. Realkredit Danmark is not under any obligation to sell the entire amount announced at the auction.
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.