

## **Appendix: Company Announcement number 9/2020**

### **Terms and conditions of Realkredit Danmark's auction to be held from 24 February to 28 February 2020**

#### **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.

#### **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 three decimal places for 1-year bonds maturing in 2020 in both the 10F and 10G series.

For the rest of the ISIN codes offered, bids may contain only two decimal places.

#### **Bonds:**

Realkredit Danmark will put mortgage covered bonds (SDRO) maturing from 2021 to 2025 in series 10F and bonds maturing in 2021 in series 10G, on the auction.

#### **Bids/settlement:**

The auction will be held with three cut off periods 11:00 am, 12:30 pm and 01:30 pm.

The IPMO is set to 10 minutes. Realkredit Danmark performs the final allocation as soon as possible and no later than at the expiration of the IPMO period.

#### **Value date:**

1 April 2020.

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 bullet bonds to Realkredit Danmark. Investors who wish to make use of this option should contact RD Funding, +45 45 13 20 19 during the day of the auction.

#### **Participants:**

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

**Auction plan:**

The following mortgage covered bonds will be offered:

Date	ISIN code	Currency	Maturity	Series	Cut-off period	Total amount m.*
25 February 2020	DK0009294845	DKK	2021	10F	01:30 PM	600
24 – 27 February 2020	DK0004610326	DKK	2021 1IT	10F	11:00 AM	24,200
25 February 2020	DK0009294928	DKK	2022	10F	01:30 PM	700
26 February 2020	DK0004610409	DKK	2022 2IT	10F	01:30 PM	1,175
24 – 28 February 2020	DK0009295065	DKK	2023	10F	12:30 PM	8,450
26 February 2020	DK0009295149	DKK	2024	10F	01:30 PM	950
24 – 28 February 2020	DK0009295222	DKK	2025	10F	12:30 PM	12,200
27 February 2020	DK0004610912	EUR	2021 1IT	10G	11:00 AM	75

\* The amount is the total volume of bonds in each ISIN to be put on auction. The total amount of bonds is aimed to be equally distributed throughout the period.

Realkredit Danmark plans to sell the following mortgage covered bonds (SDRO) by the tap:

Date	ISIN code	Currency	Maturity	Series	Total amount m.
26 February 2020	DK0004607454	DKK	2021 2IT	10F	10
26 February 2020	DK0009295305	DKK	2026	10F	60
26 February 2020	DK0004602570	DKK	2027	10F	20
26 February 2020	DK0004604196	DKK	2028	10F	15
26 February 2020	DK0004607538	DKK	2029	10F	12
26 February 2020	DK0004610599	DKK	2030	10F	80
27 February 2020	DK0004611050	EUR	2022 2IT	10G	0.9
27 February 2020	DK0004605086	EUR	2023	10G	3
27 February 2020	DK0004605326	EUR	2025	10G	2

**Block issue:**

Prior to the auctions, Realkredit Danmark will block issue the auction amounts in DK0004610326, DK0009295222 and DK0004610912.

**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 on a similar bond with the same term to maturity issued approximately 12 months earlier 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 determined when refinancing approximately 12 months earlier.

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.