

New Redemption Model

June 2016



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Due to EU harmonization and the introduction of a pan-European settlement platform for securities transactions (T2S) the redemption of Danish mortgage covered bonds changed as of October 2015.

With the introduction of the new redemption model, write-down of bond holdings and payments are executed simultaneously on the payment date.

The total quantity for partial redemption for each ISIN is fixed as from the publication date, while the general ledger can change until the publication date as a consequence of changes in the outstanding amount in the individual ISIN's.

In the period from the publication date to the payment date, a provisional redemption percentage is calculated by VP Securities and VP LUX (VP) on a daily basis. The provisional redemption percentage is submitted by VP to NASDAQ Copenhagen and also published to the market.

Further information:

The redemption model is described by the Danish Mortgage Banks' Federation and the Association of Danish Mortgage Banks' in a joint press release published via NASDAQ Copenhagen A/S on [24 May 2013](#) and [9 January 2015](#), respectively.

Information from VP SECURITIES and VP LUX can be found in this [link](#).

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