



**DANISH
SHIP FINANCE**

Nasdaq Copenhagen A/S
Nikolaj Plads 6
Postboks 1040
1007 Copenhagen

7. June 2018
Company announcement no. 9

New Final Bond Terms for Danmarks Skibskredit A/S's Base Prospectus dated 26 October 2017

Floating rate non-callable bullet bond with maturity 1. January 2021.

In connection with the opening of new ISINs under Danmarks Skibskredit A/S's Base Prospectus dated 26 October 2017, Danmarks Skibskredit issues new Final Bond Terms.

Danmarks Skibskredit A/S's Base Prospectus dated 26. October 2017 and the relevant Final Bond Terms are available for download on Danmarks Skibskredit's website at <http://www.shipfinance.dk/investor-relations/>

Danmarks Skibskredit A/S
Issue of Ship Mortgage Bond under the Bond Programme

The Final Terms only apply to the specific issuance(s) of SMB the (“**Bonds**”) described in the Final Terms.

Terms used herein shall be deemed to be defined as set forth in the Base Prospectus dated 26 October 2017 (the “**Base Prospectus**”) for the purposes of the Prospectus Directive. When used in these Final Terms, “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the EEA.

This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and together with the Terms and Conditions included in Appendix 2 to the Base Prospectus (as supplemented or amended from time to time) completes the terms and conditions for the Bonds, therefore it must be read in conjunction with the Terms and Conditions included in Appendix 2 to the Base Prospectus (as supplemented or amended from time to time). Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at <http://www.shipfinance.dk/investor-relations/> and copies may be obtained from the registered office of the Issuer.

Final Bond Terms

Final Bond Terms dated 12 June 2018 only apply to stated ISIN issued by Danmarks Skibskredit A/S

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| Capital Centre: | Institute in General |
| Bond Type: | Ship Mortgage Bond |
| Tranche No.: | Not applicable |
| Date on which the Bonds will be consolidated and form a single Serie: | Not applicable |
| ISIN: | DK0004132321 |
| Trading: | Nasdaq Copenhagen A/S |
| First Day of Listing: | 12 June 2018 |
| Currency: | DKK |
| Denomination: | 0.01 |

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| Issue price: | The issue price cannot be specified, as the Bonds are issued on an ongoing basis as long as the ISIN is open for issuance. |
| Issue Date: | 12 June 2018 |
| Annual number of Payment Dates: | 4 |
| Principal: | Not applicable |
| Number of outstanding bonds: | The number of outstanding Bonds cannot be specified, as the Bonds are issued on an ongoing basis as long as the ISIN is open for issuance. The outstanding number of Bonds will be announced regularly at the website of Nasdaq Copenhagen A/S: www.nasdaqomxnordic.com |
| Interest Basis: | Floating Rate Bonds |
| Coupon Interest: | 0,20 pct. pa in the period to the first interest rate adjustment |
| Reference rate: | CIBOR3M |
| Interest Rate Spread(s): | 50bp. |
| Derivative Components: | Not applicable |
| Minimum Interest Coupon: | There is no interest rate floor |
| Maximum Interest Coupon: | Not applicable |
| Fixing methods: | Second last Business day |
| Day Count Fraction: | Actual/360 adjusted |
| Determination Date: | Not applicable |
| Interest Commencement Date: | 12 June 2018 |
| Banking Day: | Danish Banking Day. Is the Payment Date not a banking day the payment will be on the following banking day. <i>“Following Business Day”</i> |
| Banking Day Convention: | Following Banking Day Convention |

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| First bond yield: | The first interest rate is 0,2%. The first interest period runs from and including 12 June 2018 to 1 July 2018 |
| Effective interest rate: | The effective interest rate cannot be provided as the Bonds are issued on tap, and the effective interest rate depends on the price and transaction date. |
| Interest rate floor/cap: | There is no interest rate floor |
| Price at redemption due to negative interest: | <p>In case of a negative interest coupon on the Bonds at some point in the payment period, see the Final Terms, the Issuer will have a claim against the Bondholders equivalent to the absolute value of the negative interest coupon.</p> <p>In such case, the Issuer will be entitled, but not required, to redeem Bonds for settlement at par value, equivalent to a value of up to the nominal negative interest coupon. The negative interest coupon will be paid by the Bondholders by way of set-off against the redeemed Bonds.</p> <p>In case of extraordinary redemption as a result of the negative interest coupon, the redemption pool will be based on par value. In case of extraordinary redemption at par value, the nominal redemption amount may deviate from the amount that could have been obtained if the redeemed Bonds had been sold in the market.</p> <p>The proceeds from the redemption will fall due for payment to the Bondholders on the due date of the payment period.</p> |
| Amortisation: | The Bond is a hard bullet loan. |
| Extended Maturity: | Not applicable |
| Extended Maturity Date: | Not applicable |
| Redemption Payment Basis: | Subject to any purchase and cancellation or early redemption, the Bonds will be redeemed on the Maturity Date at 100 per cent of their nominal amount. |
| Payment: | <p>If the date of interest accrual or redemption of the principal amount is not a banking day in Denmark, payment will be deferred to the next succeeding banking day.</p> <p>Bondholders will have no claim for interest or other amounts on account of such deferred payment.</p> |

A banking day means a day on which banks in Denmark are generally open for business.

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| Payment Dates: | 1 January, 1 April, 1 July and 1 October in each year until Maturity Date |
| Payment Period: | 1 January, 1 April, 1 July and 1 October in each year until Maturity Date |
| Redemption dates: | Not applicable |
| Termination: | Not applicable |
| Opening date: | 12 June 2018 |
| Closing Date: | Open ended |
| Maturity Date: | 1 January 2021 |
| Value date: | In general, when the Bonds are traded, the value date is two banking days, but exceptions may be made |
| Calculation agent: | Issuer |
| Restrictions on an individual investor's right to subscribe for the Bonds: | The issuer has not imposed any restrictions on an individual investor's right to subscribe for the Bonds |
| Place of Listing: | The Bonds will be admitted to trading on the regulated market of NASDAQ Copenhagen A/S. |
| Place of Registration: | VP Securities A/S Weidekampsgade 14 P.O. Box 4040 2300 Copenhagen S Denmark |
| Names and addresses of the financial intermediaries: | Not applicable |
| Access to information on Bondholders: | Yes |
| Rating: | The bond being issued is expected to be rated by Standard & Poor's Financial Services LL (S&P) |

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| Rating trigger: | No |
| Sales trigger: | No |
| Early Redemption Amount: | Not applicable |
| Issuer Call: | Not applicable |
| Investor Put: | Not Applicable |
| Notice periods: | Not applicable |
| Redemption Schedule: | Not Applicable |
| Tax Gross Up: | Not Applicable |
| Terms and conditions: | Together with "Terms and Conditions", included as Appendix 2 to the "Base Prospectus for Danmarks Skibskredit A/S Bond Programme", including the related supplements or appendices, these Final Terms constitute the terms and conditions for the issued Bonds |
| General terms: | Not Applicable |
| Conflicts of interest: | No. Danmarks Skibskredit A/S is not aware of any conflicts of interest of importance to the offering of the Bonds |
| Terms and conditions: | Together with "Terms and Conditions", included as Appendix 2 to the "Base Prospectus for Danmarks Skibskredit A/S Bond Programme", including the related supplements or appendices, these Final Terms constitute the terms and conditions for the issued Bonds |
| Statement: | The Issuer hereby states: <ul style="list-style-type: none"> a) that the Final Terms have been prepared in accordance with Art. 5(4) of Directive 2003/71/EC and must be read in the context of this Base Prospectus including any supplements b) that the Base Prospectus including any supplements has been made available electronically on the Issuer's website www.skibskredit.dk c) that the Base Prospectus and any supplements and the Final Terms must be read in order to obtain all information d) that the summary of the specific issue is attached as an appendix to the Final Terms. |
| Prohibition of sales to EEA Retail Investors: | Not Applicable |

Bonds with fixed rate:

| ISIN | Name | Opening date | Maturity date |
|--------------|-----------|--------------|---------------|
| DK0004132321 | VarSK21C3 | 12-06-2018 | 01-01-2021 |

These Final Terms are signed on behalf of the Issuer's management by special authorisation given by the Issuer's Board of Directors.

For additional information, reference is made to this base prospectus (including any supplements) in force from time to time for bonds issued by Danmarks Skibskredit A/S.

Erik I. Lassen
Chief Executive Officer

Lars Jebjerg
Member of the Management Board, CFO

Michael Frisch
Member of the Management Board

Appendix A Summary

Appendix A to “Final Terms”: Summary of the relevant issue – including information on the Final Terms – is appended to the Final Terms

This summary is based on information requirements, each requirement referred to as an element. These elements are numbered in paragraphs A – E (A.1 – E.7).

This summary includes all the elements required of a summary of this type of issuer or securities. Not all elements must be stated. As a result, the numbering of the elements may not be consistent.

Even though an element may be required to be inserted in the summary due to the type of the issuer and the securities, it is possible that no relevant information can be given regarding such element. In cases where an element is not relevant to the prospectus, the summary states that the element is “not applicable”.

| Section A – Introduction and warnings | | |
|--|----------|---|
| A.1 | Warnings | <p>Potential investors should be aware that:</p> <ul style="list-style-type: none">- this summary should be read as an introduction to this Base Prospectus and the relevant Final Terms;- any decision to invest in the Bonds should be founded on this Base Prospectus in its entirety, including documents incorporated by reference and the relevant Final Terms;- if an action involving the information contained in this Base Prospectus and the relevant Final Terms is brought before a court of law pursuant to national law in the member states, the plaintiff investor may be obliged to bear the costs of translating this Base Prospectus and the relevant Final Terms before the proceedings commence; and- only the persons who have submitted the summary or any translations thereof may incur civil liability, but only if the summary is misleading, incorrect or inconsistent when read in conjunction with other parts of this Base Prospectus and the relevant Final Terms, or, if, when read in conjunction with the other parts of this Base Prospectus and the relevant Final Terms, it does not contain key information which will facilitate investors’ decision when investing in the Bonds. |

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| A.2 | Financial intermediaries | <ul style="list-style-type: none"> - In connection with a public offering of Bonds which is not exempt from the requirements of the Prospectus Directive to publish a prospectus, the Issuer expressly consents to the use of this Base Prospectus and the accompanying Final Terms for the resale or final placement of the Bonds by financial intermediaries to the extent that such consent is given in the relevant Final Terms. - The consent covers the entire validity period of this Base Prospectus unless this Base Prospectus has been withdrawn, cancelled or replaced beforehand. In that case, the Issuer will notify the market via a company announcement. - Any conditions relating to the consent made to financial intermediaries will be set out in the Final Terms for the specific issue and the attached summary for the specific issue. - If a financial intermediary uses this Base Prospectus to offer Bonds, the financial intermediary is obliged to inform investors of the terms and conditions of the offering at the time of the offering. - Financial intermediaries using the Base Prospectus are obliged to state on their website that they use the Base Prospectus in accordance with the related consent and its conditions. |
| Section B – Issuer | | |
| B.1 | Legal name and secondary name | <p>Danmarks Skibskredit A/S.</p> <p>The Issuer carries on business under the following secondary names: Danmarks Skibskreditfond A/S, Danish Ship Finance A/S and Dansk Skibsfinansiering A/S.</p> |
| B.2 | Registered office, legal form and country of incorporation | <p>The Issuer is a Danish public limited company (in Danish: <i>aktieselskab</i>).</p> <p>The Issuer’s registered address is Sankt Annae Plads 3, 1250 Copenhagen K, Denmark.</p> <p>The Issuer is engaged in ship financing activities in accordance with the Act. The Issuer is subject to Danish law and supervision by the DFSA.</p> |

| B.4 b | Any known trends affecting the Issuer or the industries in which it operates | Not applicable; the Issuer is not aware of any trends, uncertainty, requirements, obligations or events which may reasonably be expected to have a significant influence on the Issuer's prospects for the current financial year. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--------------------------|------|------|----------------------------------|-----|-----|---|-----|-----|---------------------------|-----|-----|-----------------------------|-----|-----|--------------------------|----|-----|---|-------|-------|------------------------------|-------|-------|-------------------|-----|-----|-------------------------|-----|-----|-------|--------|--------|--------------|--------|--------|--------|-------|-------|--------------|--------|--------|---------------|-------------|-------------|---|-----|-----|--------------------------------|-----|-----|
| B.5 | Description of the group | Danmarks Skibskredit is a subsidiary of Danmarks Skibskredit Holding A/S (jointly the Group). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.9 | Profit forecast or estimate | Not applicable; no profit forecast or estimate for the Issuer has been prepared. This is generally not regarded as material to the pricing of the Bonds and is, therefore, not included in this Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.1 0 | Qualifications in the audit report on historical accounting information | Not applicable; the audit report on the Issuer's historical financial information did not contain any qualifications. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.1 2 | Historical financial information | <p>Selected historical key financial information regarding the Issuer from the most recent annual report:</p> <table border="1"> <thead> <tr> <th>KEY FIGURES, DKK MILLION</th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Net interest income from lending</td> <td>500</td> <td>589</td> </tr> <tr> <td>Net interest income from finance activities</td> <td>135</td> <td>228</td> </tr> <tr> <td>Total net interest income</td> <td>635</td> <td>817</td> </tr> <tr> <td>Net interest and fee income</td> <td>655</td> <td>849</td> </tr> <tr> <td>Market value adjustments</td> <td>37</td> <td>124</td> </tr> <tr> <td>Staff costs and administrative expenses</td> <td>(141)</td> <td>(120)</td> </tr> <tr> <td>Loan impairment charges etc.</td> <td>(122)</td> <td>(610)</td> </tr> <tr> <td>Profit before tax</td> <td>427</td> <td>241</td> </tr> <tr> <td>Net profit for the year</td> <td>334</td> <td>188</td> </tr> <tr> <td>Loans</td> <td>34,492</td> <td>39,811</td> </tr> <tr> <td>Issued bonds</td> <td>42,467</td> <td>42,352</td> </tr> <tr> <td>Equity</td> <td>9,307</td> <td>9,164</td> </tr> <tr> <td>Total assets</td> <td>58,161</td> <td>62,621</td> </tr> <tr> <td>RATIOS</td> <td>2017</td> <td>2016</td> </tr> <tr> <td>Net interest and fee income from lending (DKKm)</td> <td>520</td> <td>621</td> </tr> <tr> <td>Return on equity after tax (%)</td> <td>3.6</td> <td>1.9</td> </tr> </tbody> </table> | KEY FIGURES, DKK MILLION | 2017 | 2016 | Net interest income from lending | 500 | 589 | Net interest income from finance activities | 135 | 228 | Total net interest income | 635 | 817 | Net interest and fee income | 655 | 849 | Market value adjustments | 37 | 124 | Staff costs and administrative expenses | (141) | (120) | Loan impairment charges etc. | (122) | (610) | Profit before tax | 427 | 241 | Net profit for the year | 334 | 188 | Loans | 34,492 | 39,811 | Issued bonds | 42,467 | 42,352 | Equity | 9,307 | 9,164 | Total assets | 58,161 | 62,621 | RATIOS | 2017 | 2016 | Net interest and fee income from lending (DKKm) | 520 | 621 | Return on equity after tax (%) | 3.6 | 1.9 |
| KEY FIGURES, DKK MILLION | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest income from lending | 500 | 589 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest income from finance activities | 135 | 228 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total net interest income | 635 | 817 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest and fee income | 655 | 849 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Market value adjustments | 37 | 124 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff costs and administrative expenses | (141) | (120) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loan impairment charges etc. | (122) | (610) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before tax | 427 | 241 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit for the year | 334 | 188 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans | 34,492 | 39,811 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issued bonds | 42,467 | 42,352 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | 9,307 | 9,164 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 58,161 | 62,621 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RATIOS | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest and fee income from lending (DKKm) | 520 | 621 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return on equity after tax (%) | 3.6 | 1.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <p>Return on finance activities (%) 3.1 3.0</p> <p>Tier 1 capital after deductions (DKKm) 8,930 8,781</p> <p>Common equity tier 1 capital ratio 19.7 17.2</p> <p>Solvency need incl. countercyclical capital buffer 10.8 10.7</p> <p>Cost/income ratio (%) 19.0 11.9</p> <p>Equity as a % of lending 27.0 23.0</p> <p>Write-offs on loans as a % of lending 0.3 0.2</p> <p>Total allowance account as a % of loans 7.0 5.9</p> <p>Weighted Loan-To-Value ratio after impairment charges 57 66</p> <p>Proportion of loans covered within 60% of market value (%) 95 88</p> <hr/> <p>The total assets of the Group amounted to DKK 58.7 billion as at 31 December 2017. The Group's equity amounted to DKK 1.5 billion as at 31 December 2017, and the result before tax for the financial year ending 31 December 2017 amounted to DKK 210 million.</p> <p>On the date of this Base Prospectus, there has been no material adverse change in the Issuer's prospects since the end of the latest financial period.</p> <p>Since the period covered by the historical financial information, there have been no significant changes in the Issuer's financial or trading position which may affect the price of the Bonds.</p> <p>.</p> |
| B.1 3 | Recent events of importance to the evaluation of the Issuer's solvency | At the date of this Base Prospectus, no events have occurred of importance to the evaluation of the Issuer's solvency since the Issuer's most recently published annual report. |
| B.1 4 | Dependence on other entities within the group | <p>The Issuer is not directly dependent on other entities within the Group with regard to the conduct of its principal activities.</p> <p>The determination of the Issuer's capital requirement and internal capital adequacy is affected by the Group's overall financial position. Similarly, the Issuer's credit rating is also affected by the Group's overall financial position. Any changes in the Group's overall financial position may, therefore, have derived effects on the Issuer's ability to conduct its principal activities, i.e. granting of loans for vessels.</p> |
| B.1 5 | Issuer's principal activities | The object of the Issuer is to operate as a ship finance institute including carrying out any kind of business permitted by applicable legislation on ship finance institutes from time to time. |

| B.1 6 | Ownership | The Issuer is a subsidiary of Danmarks Skibskredit Holding A/S, which holds 86.6% of the shares. In addition, Den Danske Maritime Fond (the Danish Maritime Fund) holds 10% of the shares, and the remainder is held by a number of minority shareholders. | | | | | | |
|-------------------------------|---------------------------------|---|--------|-----|---------------|-----------------|--------------------------|--------------|
| B.1 7 | Credit ratings | <p>At the time of this Base Prospectus, the Issuer and any Bonds issued under this Base Prospectus have been assigned the following credit ratings by the international rating agency S&P:</p> <table border="1"> <thead> <tr> <th>Rating</th> <th>S&P</th> </tr> </thead> <tbody> <tr> <td>Issuer rating</td> <td>BBB+ (negative)</td> </tr> <tr> <td>The Institute in general</td> <td>A (negative)</td> </tr> </tbody> </table> <p>The CB's issued from Capital Centre A has not been rated on the date of this Prospectus, but the bonds are expected to be assigned a rating.</p> <p>A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. It should be noted that the Issuer may decide to terminate its credit rating cooperation with the rating agency or choose to cooperate with other rating agencies.</p> <p>S&P has determined a negative outlook for the Issuer's credit rating. S&P's outlook assesses the potential direction of Issuer's long-term credit rating over the intermediate term, but an outlook is not necessarily a precursor of a rating change or future action by S&P. Given the negative outlook by S&P there is a risk that the Issuer's rating may be lowered in the short to medium term.</p> <p>In 2016, the Issuer elected to cease soliciting ratings from Moody's Investors Service (Moody's). Any ratings published by Moody's ratings entities in connection with the Issuer are unsolicited and based purely on publicly available information. Such ratings are, therefore, not disclosed in this Base Prospectus.</p> | Rating | S&P | Issuer rating | BBB+ (negative) | The Institute in general | A (negative) |
| Rating | S&P | | | | | | | |
| Issuer rating | BBB+ (negative) | | | | | | | |
| The Institute in general | A (negative) | | | | | | | |
| Section C – Securities | | | | | | | | |
| C.1 | Type of securities and security | The Bonds are issued pursuant to the Act and the relevant executive orders. | | | | | | |

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| | identification number | <p>Under this Base Prospectus, the following securities may be issued:</p> <ul style="list-style-type: none"> - CBs, which are issued to finance ship mortgage loans - SMBs, which are issued to finance ship mortgage loans - Senior Secured Bonds, which are issued to provide supplementary collateral or to increase the overcollateralisation of loans funded by CBs and SMBs - Senior Unsecured Debt, which is to be used for general corporate purposes, including for supplementary collateral in capital centres through which CBs or SMBs are issued. <p>The ISINs of the Bonds will be set out in the Final Bond Terms.</p> |
| C.2 | Currency of the securities | <p>The currency or currencies used will be set out in the Final Terms.</p> <p>Unless otherwise provided, the relevant bond series will be denominated in DKK.</p> |
| C.5 | Description of any restriction of the negotiability of the securities | <p>Not applicable; the Bonds are negotiable instruments issued in bulk.</p> |
| C.8 | Rights pertaining to the securities | <p>The holders of CBs and SMBs have a primary preferential right to all assets in the capital centre through which the relevant CBs or SMBs are issued. Any residual claim against the Institute in general will rank subsequent to the claims mentioned in Section 96 of the Danish Bankruptcy Act (in Danish: <i>konkursloven</i>), but prior to the claims mentioned in Section 97 of the Danish Bankruptcy Act.</p> <p>The holders of Senior Secured Bonds have a secondary preferential right to all assets in the capital centre through which they are issued. Any residual claim against the Institute in general will be treated as an unsecured and unsubordinated claim in respect of the assets of the Institute in general which will be available for distribution in the case of bankruptcy in accordance with Section 97 of the Danish Bankruptcy Act.</p> |

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| | | <p>Claims from holders of Senior Unsecured Debt against the Issuer may be made against the assets available for distribution of the Institute in general as unsecured claims (i.e. unsecured, unsubordinated debt).</p> <p>The Issuer is entitled to purchase the Bonds (in whole or in part) prior to their maturity and keep such Bonds as self-issued Bonds or amortise them by cancellation.</p> <p>The terms of the Bonds are governed by Danish law.</p> |
| C.9 | Interest rate and effective interest rate, deferral of interest, redemption on maturity, name of the bond agent | <p>Until redemption, the Bond will yield interest at a fixed or floating rate. The basis of calculation for a floating rate will be set out in the Final Terms, including whether the coupon interest may be negative.</p> <p>The interest terms are set out in the Final Terms for the Bonds in question.</p> <p>The effective interest rate cannot be set out in the Final Terms as the Bonds will be issued on an ongoing basis, and the effective interest rate depends on the price and transaction date.</p> <p>Representation of the Bondholders is not possible.</p> |
| C.10 | Derivative component of interest payment | <p>If derivative components have been incorporated into the interest payment, this will be set out in the Final Terms for the specific Bonds.</p> |
| C.11 | Admission to trading | <p>Admission to trading and official listing will be set out in the Final Terms.</p> <p>Issues under this Base Prospectus are already or are expected to be admitted to trading and official listing on Nasdaq Copenhagen A/S or another regulated market.</p> <p>However, the Issuer is entitled to decide not to apply for official listing of new issues.</p> |
| Section D – Risks | | |
| D.2 | Key risks specific and individual to the Issuer | <p>The Issuer is subject to various risks within its business activities.</p> <p>As a mortgage bank, the Issuer accepts credit risk, liquidity risk and market risk as well as operational risk and counterparty risk.</p> |

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| | | <p>The Issuer is subject to Danish and European law. Changes to statutory requirements and supervisory procedures and the implementation of new rules may entail a number of risks. The Issuer routinely addresses changes to capital requirements and the combined buffer requirements.</p> <p>Investors should also read the detailed information set out elsewhere in this Base Prospectus. Investors should form their own assessment, if relevant in consultation with their own advisers, before deciding whether to invest.</p> |
| D.3 | Key risks specific and individual to the securities | <p>Investment in the Bonds is subject to a number of risk factors of which prospective investors should be aware. In the Issuer's opinion, the risk factors which are summed up below represent the most material risks involved in investing in the Bonds, but the Issuer gives no guarantee that the information on the risks associated with the Bonds is exhaustive.</p> <p>Investment in Bonds is associated with a number of risks, including:</p> <ul style="list-style-type: none"> - Credit risks - Market risks - Liquidity risks - Credit rating changes - Amended legislation - Foreign Account Tax Compliance Act (FATCA) and other withholding tax <p>Investors should also read the detailed information which is set out in this Base Prospectus and make their own assessment, if relevant in consultation with their own advisers, before deciding whether to invest.</p> |
| Section E – Offer | | |
| E.2b | Reasons for the offer and use of proceeds where not for generation of profit and/or covering of losses | <p>The proceeds from the issuance and sale of CBs serve to fund loans secured by the asset types listed in Article 129(1), paras (a)-(c) and (g), and (2) of the EU Capital Requirements Regulation (CRR), see Section 2d (1), first sentence, of the Act.</p> <p>The proceeds from the issuance and sale of SMBs serve to fund loans secured by vessels granted by the Issuer.</p> <p>Any surplus funds from the issuance and sale of CBs and SMBs may be invested as follows in accordance with Danish law:</p> |

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| | | <ol style="list-style-type: none"> 1. in low-risk and marketable securities (see the Executive Order on Bond Issuance as defined in Appendix 6); or 2. as deposits with credit institutions which qualify for quality step 2 or higher, subject to a notice period of up to 12 months. <p>The use of the proceeds from the issuance of Senior Secured Bonds is defined in the Act, and the proceeds may solely be used to meet an obligation to provide supplementary collateral or to increase the overcollateralisation in a capital centre.</p> <p>The proceeds from Senior Unsecured Debt will be used by the Issuer for general corporate purposes, including for the provision of supplementary collateral in capital centres through which CBs or SMBs are issued.</p> |
| E.3 | Terms and conditions of the offer | The terms and conditions of the offer for the specific ISIN code are set out in the Final Terms. |
| E.4 | Interests material to the issuance, including conflicting interests | Not applicable; the Issuer is not aware of any interests and/or conflicts of interest of importance to the issuance of Bonds under this Base Prospectus. |
| E.7 | Estimated expenses charged to the investor | <p>Not applicable; the buyer is only required to pay ordinary transaction costs (brokerage fees etc.).</p> <p>In case of a negative interest coupon on the Bonds at some point in the payment period, see the Final Terms, the Issuer will have a claim against the Bondholders equivalent to the absolute value of the negative interest coupon.</p> <p>In such case, the Issuer will be entitled, but not required, to redeem Bonds for settlement at par value, equivalent to a value of up to the nominal negative interest coupon. The negative interest coupon will be paid by the Bondholders by way of set-off against the redeemed Bonds.</p> <p>In case of extraordinary redemption as a result of the negative interest coupon, the redemption pool will be based on par value. In case of extraordinary redemption at par value, the nominal redemption amount may deviate from the amount that could have been obtained if the redeemed Bonds had been sold in the market.</p> |

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| | | <p>The proceeds from the redemption will fall due for payment to the Bondholders on the due date of the payment period.</p> <p>Any expenses charged to the investor by a financial intermediary are not known by the Issuer and are of no concern to the Issuer.</p> |
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