

Terms and Conditions for bonds eligible as collateral and issued on the basis of loans with individual government guarantees from the Financial Stability Company
(SPV bonds)

Danmarks Nationalbank has temporarily expanded the collateral basis for borrowing by monetary-policy counterparties from Danmarks Nationalbank to include SPV bonds issued on the basis of loans with individual government guarantees from the Financial Stability Company. The bonds must meet the following criteria to be eligible as collateral vis-à-vis Danmarks Nationalbank.

Approval: The bonds must be approved by Danmarks Nationalbank. Approval can only take place at the request of an account holder who assumes the responsibility of informing Danmarks Nationalbank of any changes in circumstances relating to the eligibility of the bonds as collateral vis-à-vis Danmarks Nationalbank.

Registration: The bonds must be registered with VP Securities A/S.

Currencies: The bonds must be issued in Danish kroner or euro.

Issuer: The issuer must be resident in Denmark or another EEA country.

Issuance: The bonds must be issued in Denmark or another EEA country.

Governing law: The bonds must be governed by the laws of Denmark or another EEA country.

Venue: The venue must be identical to the governing law.

Government guarantee: Loans granted by the issuer must be covered by individual government guarantees in accordance with the Financial Stability Act.

Transfer and ownership: The bonds must be freely transferable and negotiable, and ownership solely conditional upon registration with VP Securities A/S.

Redemption: The bonds must mature for redemption on 30 December 2013 at the latest.

Issuer's activities: The issuer's obligations in relation to the bonds are financed by servicing of loans granted by the issuer to Danish banks, Danish subsidiaries of foreign banks, and mortgage-credit institutes meeting the requirements of § 16b of the Financial Stability Act.

The issuer must not perform other activities than providing such loans and issuing bonds. The issuer's revenue from the loans granted must at least match the obligations relating to the bonds issued.

Legal opinions: The following must be supplied with a request for pledging of bonds:

- ◆ A legal opinion from a lawyer in the issuer's country of residence. Such legal opinion must as a minimum include confirmation that the SPV has been duly established, including that it has obtained all necessary authorisation, and has the required competence to undertake commitments in relation to the bonds issued.
- ◆ A legal opinion from a lawyer in the country whose law the bonds are governed by. Such legal opinion must as a minimum include confirmation that issuance of the bonds was lawful, and that all the terms and conditions agreed in relation to the bond are legally binding and can be enforced vis-à-vis the SPV.
- ◆ A legal opinion from a lawyer in the country where the bonds were issued. Such legal opinion must as a minimum include confirmation that all relevant requirements for issuance of bonds in that country were observed.

Danmarks Nationalbank may request further information about circumstances described in a legal opinion. All costs related to the submission of legal opinions shall be borne by the account holder asking for approval of the bonds as collateral.

The following must be submitted with all requests for pledging of specific bond issues in Danmarks Nationalbank:

- Detailed description of the construction for issuance of bonds
- Documentation of individual government guarantee for loans and confirmation from external lawyer that the loans granted by the SPV are legally binding for and can be enforced vis-à-vis the borrower.
- Legal opinions as outlined above.
- Copy of prospectus and/or other listing particulars prepared in connection with the issuance of the bonds (if relevant).
- All other significant legal documents documenting the issuance of the bonds.
- Documentation that the bonds are admitted for trading on a regulated market in an EEA country (if relevant).

- Further documentation, etc. as requested by Danmarks Nationalbank.