

Kingdom of Denmark
Ministry of Finance



GOVERNMENT BONDS

0.1 per cent inflation-linked loan 2030 (DGBi 2030)

GOVERNMENT BONDS

TRANSLATION

January 2018

Issue of a new inflation-linked government bond – the 0.1 per cent 2030 maturing on 15 November 2030, ISIN: DK0009923724 (the "Bonds") – will commence on 7 February 2018.

1. Redemption

(a) Maturity

The Bonds shall be redeemed in full at their Redemption Amount on 15 November 2030. The value of the principal on redemption ("Redemption Amount") will be indexed to the non-revised Consumer Price Index for Denmark calculated monthly by Statistics Denmark (the "Index") and published on its website, www.dst.dk.

(b) Redemption Amount

(i) The Redemption Amount shall be calculated as follows:

$$\text{Redemption Amount} = \text{Nominal Principal Amount} \times \text{Indexation Coefficient}_{15 \text{ November } 2030},$$

where the Indexation Coefficient for a given day is defined in part 4(b).

(ii) If the Indexation Coefficient is less than 1 (one) at maturity the Redemption Amount shall equal the nominal principal amount of the Bonds.

(c) The Bonds are irredeemable

The Bonds are irredeemable for the Kingdom of Denmark as well as for the holders of the Bonds.

2. Interest

(a) Interest Payment Date and Interest Period

The interest will be paid annually in arrears on 15 November. The first coupon will fall due on 15 November 2018. Like all subsequent coupons it covers an interest period of one year, adjustment being made on sale for accrued interest in accordance with the usual practice on the Danish bond market.

(b) Interest Amount

(i) The annual interest amount shall be calculated as follows:

$$\text{Interest Amount} = 0.1 \text{ per cent} \times \text{Nominal Principal Amount} \times \text{Indexation Coefficient}_{\text{Interest Payment Date}},$$

where the Indexation Coefficient is defined in part 4(b).

3. Payment

(a) Payment in Full

Payments of interest and principal shall take place in Danish kroner and will be conducted through VP SECURITIES A/S. Such payments by the Kingdom of Denmark shall constitute full discharge of the Kingdom of Denmark's obligations once VP SECURITIES A/S has instructed the payment to VP-participants' accounts at Danmarks Nationalbank.

(b) Payments on Business Days

If the due date for payment of interest or principal is not a business day in Copenhagen, payment will take place on the next succeeding business day in Copenhagen. Interest Amounts will not be adjusted to reflect any such delay.

4. Indexation

(a) Reference Index

The "Reference Index" for a given date shall be calculated as:

$$\text{Reference Index}_{\text{Date}} = \text{CPI}_{M-3} + \left(\frac{T-1}{D} \right) [\text{CPI}_{M-2} - \text{CPI}_{M-3}], \text{ where:}$$

CPI_{M-3} is the value of the Index for the calendar month falling three month prior to the calendar month in which the given date falls,

CPI_{M-2} is the value of the Index for the calendar month falling two month prior to the calendar month in which the given date falls,

D is the actual number of days in the calendar month in which the given date falls, and

T is the calendar day corresponding to the given date.

(b) Indexation Coefficient

The "Indexation Coefficient" for a given date shall be calculated as the Reference Index applicable to that date divided by the Reference Index applicable to 15 November 2017 (the "Base Index"), where both numerator and denominator are rounded to the nearest fifth decimal place:

$$\text{IndexationCoefficient}_{\text{Date}} = \frac{\text{Reference Index}_{\text{Date}}}{\text{Base Index}},$$

where the Indexation Coefficient is rounded to the nearest fifth decimal place.

Based on the current Index with base year 2015, the Base Index equals 101.74667. The value of the Base Index shall be revised in case of a Base Year Revision in accordance with part 5(a)(iii).

5. Revisions and Substitute Index

(a) Revisions to the Index

(i) If the Index was published on a provisional basis only, the Indexation Coefficient shall be calculated on the basis of such provisional value of the Index, and no adjustment of Indexation Coefficient, Interest Amounts or Redemption Amount shall be made upon publication of the definitive value of the Index.

(ii) If at any time the Index is corrected after its publication due to an error, the corrected Index shall apply in the determination of the Interest Amount and redemption Amount. Any such correction shall have no effect on any Interest Amounts or Redemption Amount which have previously been payable.

(iii) If the period for which the Index is set at 100 ("Base Year") is changed ("Base Year Revision"), then for the purpose of calculating the Indexation Coefficient for 1 March in the year following the new Base Year or later, only values of the Index calculated using the new Base Year (the "Revised Index") shall be used, and the Base Index for the Bonds shall be redefined by multiplying its previous value with an Index Rebasing Key. The "Index Rebasing Key" shall be calculated as:

$$\text{Index Rebasing Key} = \frac{100}{\overline{\text{CPI}}}, \text{ where}$$

$\overline{\text{CPI}}$ is the mean of the monthly values of the Index in the new Base Year calculated prior to the Base Year Revision.

The Index Rebasing Key shall not be rounded before it is multiplied with the previous value of the Base Index. The resulting revised Base Index shall be rounded to the nearest fifth decimal place. Any Base Year Revision shall have no effect on any Interest Amounts or Redemption Amount which have previously been payable.

For the purpose of calculating the Indexation Coefficient for dates prior to 1 March in the year following the new Base Year, only values of the Index and Base Index calculated prior to the Base Year Revision shall be used.

Should Statistics Denmark choose to use an alternative method to revise the Base Year not based on an average of monthly values of the Index for a full calendar year, the Kingdom of Denmark shall determine a revised Base Index which, in the opinion of the Kingdom of Denmark, ensures that the Indexation Coefficient after the Base Year Revision will be the same or substantially the same as in the case, where a Base Year Revision had not taken place.

(b) Substitute Index

If neither a provisional nor a definitive value of the Index exists, a substitute (the "Substitute Index") shall be estab-

lished and all references to the Index shall hereafter be taken as references to the Substitute Index.

Upon publication of a provisional or definitive value of the Index, such value shall apply as from the day following such publication, and the Substitute Index shall from then on cease to apply.

The Substitute Index shall be calculated in accordance with the following provisions:

(i) If the Index (1) is no longer calculated and published by Statistics Denmark but by a successor body ("Successor") or (2) has been replaced by Statistics Denmark or a Successor with a successor index, the calculation of which is based on the same or, in the opinion of the Kingdom of Denmark, substantially the same formula and method of calculation, the index so calculated and published shall be deemed to be the Substitute Index.

(ii) If the Index is no longer published and subsection (i) is not applicable, the Kingdom of Denmark shall determine an alternative consumer price index which, in the opinion of the Kingdom of Denmark, comes economically closest to the Index, and the index so determined shall then be deemed to be the Substitute Index.

(iii) If no Substitute Index pursuant to subsections (i) or (ii) has been determined, the Substitute Index shall be calculated as:

$$\text{SubstituteIndex}_M = \text{CPI}_{M-1} \left(\frac{\text{CPI}_{M-1}}{\text{CPI}_{M-13}} \right)^{\frac{1}{12}}$$

rounded to the nearest first decimal place, where

M is the month for which the value of the Index cannot be determined,

CPI_{M-1} is the value of the Index of the last preceding month during which the Index was published by Statistics Denmark, and

CPI_{M-13} is the value of the Index of the thirteenth preceding month during which the Index was published by Statistics Denmark.

6. Issue

The Bonds will be sold at market price by Danmarks Nationalbank on behalf of the Kingdom of Denmark to primary dealers in Danish government securities.

7. Book-entry

The Bonds will be registered with VP SECURITIES A/S. No physical certificates will be issued. The Bonds will be bearer bonds. There are no limitations to their transferability.

8. Calculation

NASDAQ Copenhagen shall be calculation agent for the Reference Index.

Calculation of Interest Amounts and Redemption Amount will be conducted by VP SECURITIES A/S.

9. Stock-Exchange Listing and Settlement

The Bonds will be listed on NASDAQ Copenhagen. Settlement will take place in accordance with the current Danish market convention, at present two business days from the trading day.

10. Legislative Basis

The Bonds are issued pursuant to Consolidation Act no. 849 of 22 June 2010 as amended on authorisation to float government loans. All legal disputes concerning the Bonds shall be settled according to Danish law, and the courts of Denmark shall have the exclusive jurisdiction in respect of legal proceedings with respect to the Bonds. Venue shall be Copenhagen.

11. Force Majeure

The Kingdom of Denmark shall not be liable for any damage or loss caused by a delay in payment of principal or interest on the Bonds arising from actual or imminent war, insurrection, civil commotion, terrorism, sabotage, fail-

ure of power supply or telecommunication or natural disasters. Nor shall the Kingdom of Denmark be liable for any damage or loss caused by a delay in payment of principal or interest on the Bonds arising from strikes, lockouts, boycotts or blockades, regardless of whether the Kingdom of Denmark itself is a party to the dispute, and notwithstanding that the dispute may affect only part of the Kingdom of Denmark's functions. Payment of any principal or interest on the Bonds delayed as a result of any of the events specified in this paragraph shall be made to the holders of the Bonds together with any accrued interest on such delayed payment when such event has ceased to be of effect.

12. Change in Terms of Borrowing

The Kingdom of Denmark can decide that issuing, registration, listing or settlement of the Bonds takes place in another way. The Kingdom of Denmark can designate a different calculation agent for the Reference Index.

13. Limitation

Claims for interest or principal will become void unless presented for payment within 3 or 10 years respectively.

14. Withholding Tax

Under current Danish law, withholding tax is not deducted from interest payments.

Further information can be obtained from:

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