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**Nykredit stands prepared to meet fiercer competition and expects
Jyske Bank to withdraw from Totalkredit partnership**

The Nykredit Group and its subsidiary Totalkredit, which offers home loans to Danish borrowers in partnership with around 70 Danish local and regional banks, stand prepared to meet the fiercer competition in the banking and mortgage market after the announcement of the forthcoming merger between Jyske Bank and BRFKredit.

Following the merger between Jyske Bank and BRFKredit, Nykredit expects that Jyske Bank will withdraw from the Totalkredit partnership, as the partnership agreement between Nykredit/Totalkredit and the individual partnership banks prevents the marketing and distribution of mortgage loans from more than one provider.

Jyske Bank has referred about 60,000 customers to Totalkredit, with total mortgage loans of about DKK 83bn, which corresponds to about 7% of the Nykredit Group's total lending of nearly DKK 1,200bn.

Under the partnership agreement, the customers affected are still customers of Totalkredit, and they need not do anything, as their loan agreements were concluded directly with Totalkredit, which also collects mortgage payments.

– We will take good and responsible care of the customers and ensure a continued strong and secure relationship with Totalkredit, says Michael Rasmussen, Group Chief Executive.

– We welcome the new competitive landscape that now arises. Nykredit and Totalkredit command a market share of more than 40% and will remain extremely competitive in terms of both products and prices. We stand prepared for the new market conditions, and we are able to offer our housing customers a full range of home loan products in 2014, including secured homeowner loans and every conventional mortgage loan, Michael Rasmussen adds.

The announcement by Jyske Bank does not affect Nykredit's forecast of 2014 core earnings after impairment losses, which is maintained at DKK 2.5bn-3.0bn.

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