

To NASDAQ OMX Copenhagen A/S  
and the press

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## **European stress test confirms Nykredit's strong capitalisation**

Nykredit has participated in the EU-wide stress test and Asset Quality Review (AQR) together with more than 100 other European credit institutions. The AQR is a comprehensive review of loan portfolios, credit and risk management, etc.

The purpose was to assess the level of Common Equity Tier 1 (CET1) capital after deductions in an adverse economic scenario.

With a CET1 capital ratio of 10.9%, the stress tests showed that Nykredit by far exceeded the EBA's lower threshold of 5.5%.

- The AQR and the stress test illustrate, as expected, Nykredit's strong capitalisation and generally effective credit management. The results were achieved in an adverse stress test scenario for our mortgage loan portfolio with significantly rising losses and elevated risk weights (+25%), which largely corresponds to the conditions in 1990-92 in the wake of a severe austerity programme, says Søren Holm, Group Managing Director.

- The results are evidence of Nykredit's significant strength as well as that of the Danish mortgage model in general. This will benefit Danish homeowners and support the Danish housing market and economy, says Søren Holm.

In Denmark the Danish Financial Supervisory Authority (FSA) was responsible for performing the AQRs. The report from the FSA as well as the results of Nykredit's stress test are available at [nykredit.dk](http://nykredit.dk).

## **Contacts**

*Questions may be addressed to Søren Holm, Group Managing Director, or Corporate Communications, tel +45 20 46 16 65.*