

To Nasdaq Copenhagen

21 April 2015

### **Nykredit's and Totalcredit's refinancing of loans as at 1 July 2015**

In the period 18-22 May 2015, Nykredit and Totalcredit will conduct refinancing auctions of approximately DKK 35bn. The auctions will comprise interest rate adjustment of DKK-denominated adjustable-rate mortgages (ARMs) as well as refinancing of Cibor6- and Euribor6-linked loans.

#### **ARMs**

Planned auction amounts:

- F1 SDO: DKK 22bn
- F3 SDO: DKK 0.5bn
- F5 SDO: DKK 0.2bn.

Due to major refinancing of particularly ARMs with 1-year interest reset for the rest of April, the amounts may be subject to significant changes.

#### **Cibor and Euribor loans**

Nykredit will conduct auctions of floating-rate covered bonds issued through Capital Centre D for the refinancing of Cibor6 and Euribor6 loans, which are primarily offered to corporate clients.

For the purpose of the refinancing, Nykredit will issue covered bonds with a maturity of 12 months and an embedded 0% interest rate floor.

The maturity of the bonds is shorter than usually intended by the Nykredit Group. The refinancing price spread will consequently be abandoned at the next refinancing. The shorter maturity facilitates customers faster refinancing of loans into covered bonds allowing for negative interest rates if this becomes a market standard. Moreover, Nykredit awaits the results of a working group of the Danish Ministry of Business and Growth on negative interest rates.

The Nykredit Group will conduct the refinancing auctions using the method that is considered to provide borrowers with the best possible terms under the market conditions right before the auctions. As a result, loans may be settled at a price above 100 at the refinancing effective as at 1 July 2015.

The Nykredit Group currently expects to sell bonds of approx. DKK 13bn, distributed as follows:

- Cibor6 RO: DKK 8.5bn
- Euribor6 RO: EUR 580m.

Detailed information on the refinancing auctions will be published at a later date.

**Contact**

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