

To Nasdaq Copenhagen

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Nykredit and Totalkredit adjust mortgage loan funding

Nykredit/Totalkredit will take a number of technical measures to simplify its bond offering and issues. The purpose is to obtain fewer but larger bond series.

These adjustments are a consequence of the so-called LCR rules that took effect last year. The LCR rules highlight the importance of having bond series with outstanding amounts of at least EUR 500m.

The specific adjustments are:

- Adjustable-rate mortgages (ARMs) with 5-year interest reset (F5) due for refinancing in October this year will change refinancing date from 1 October 2021 to 1 July 2021. This will increase the size of the bond series maturing on 1 July.
- The refinancing of ARMs as at 1 April and 1 October will gradually be phased out concurrently with the refinancing of the loan portfolio. The adjustments will take place over a number of years to ensure compliance with the requirements of the FSA Supervisory Diamond. In the long run, Nykredit/Totalkredit plans only to refinance ARMs on 1 January and 1 July. Nykredit will maintain the 1 April and 1 October refinancing dates of other products.
- Private residential loans will be refinanced out of Capital Centre G and into Capital Centre H as they are refinanced.
- The product offering in Capital Centre D will be reduced to build up volumes and support the pricing of two-tier mortgaging to business customers.
- The number of fixed-rate callable bonds will be adapted to customers' current demand.

Enquiries may be addressed to Morten Bækmand Nielsen, Head of Investor Relations, at tel +45 44 55 15 21.
