

NASDAQ Copenhagen

## **Company Announcement no 57 2016 – Nordea Kredit changes administration and reserve fees**

Nordea Kredit raises its administration and reserve fees effective from 1 October 2016.

There is a political decision that Danish mortgage institutions must meet requirements for a new debt buffer. The new legislation comes into force in mid-June this year and when fully phased in, Nordea Kredit will have to tie up DKK 7.7bn to meet requirements.

“Because of the new legislation Nordea Kredit will have to keep more capital in order to be able to issue mortgage loans to its customers. This makes it more expensive to offer mortgages, and therefore we adjust prices. For the individual customer these changes mean that the cost of a loan increases by between DKK 30 and DKK 228 per month after tax for a loan of DKK 1m calculated at a loan to value ratio (LTV) of 80%,” says Torben Laustsen, Deputy Head of Banking Denmark at Nordea.

Like today, fixed-rate mortgages will have the lowest administration and reserve fees, while interest-only loans with adjustable rates have higher fees. The administration and reserve fees reflect the risk and the costs of the different loan types. The increase also follows the authorities’ wish that more homeowners amortise their loans and that more homeowners choose fixed rates or loans with less frequent refinancing.

All affected customers will receive a letter with individual information concerning their loans, and general information is available at [www.nordea.dk/realkredit](http://www.nordea.dk/realkredit).

Administration and reserve fees on new loans are shown in the table below.

### **Discounts on remortgaging 2016**

In addition, affected customers are offered a discount of DKK 6,000 on their remortgaging costs if they switch to another type of loan with Nordea Kredit before the end of 2016.

### **More information**

Questions may be directed to Martin Kjærsgaard Nielsen, Chief Press Officer, tel +45 33 33 20 20.

## Administration and reserve fees, owner-occupied dwellings and holiday homes

(Effective 1 October 2016)

### Owner-occupied dwellings, annual percentage

LTV bracket	Fixed rate	Cita6M Kort Rente	ARM F5	ARM F3	ARM F1	Interest-only surcharge
0 – 40%	0.3750	0.5000	0.5000	0.7000	0.7500	0.1500
40 – 60%	0.8250	1.0250	1.0250	1.2250	1.3500	0.3000
60 – 80%	1.1250	1.3750	1.3750	1.5750	1.7500	0.7000
0 – 80%	0.6750	0.8500	0.8500	1.0500	1.1500	0.3250

### Holiday homes, annual percentage

LTV bracket	Fixed rate	Cita6M Kort Rente	ARM F5	ARM F3	ARM F1	Interest-only surcharge
0 – 30%	0.3750	0.5000	0.5000	0.7000	0.7500	0.1500
30 – 60%	0.8250	1.0250	1.0250	1.2250	1.3500	0.3000
0 – 60%	0.6000	0.7625	0.7625	0.9625	1.0500	0.2250