

To Nasdaq Copenhagen A/S
and the press



Totalkredit and competition authorities reach agreement about Totalkredit partnership

Totalkredit and Nykredit have entered into an agreement with the Danish Competition and Consumer Authority. In 2003 the Danish competition authorities approved the Totalkredit partnership. The agreement concerns the exit terms of the agreement behind the Totalkredit partnership.

Since October 2020, Totalkredit has been in continuous dialogue with the Danish Competition and Consumer Authority. Over the past almost four years, the authorities have carried out extensive market research and submitted two draft agreements to competitors and Totalkredit partner banks for consultation.

Totalkredit and the authorities have had constructive talks. Throughout the process, it has been essential for Totalkredit to make sure that – together with the Totalkredit partner banks – we can continue to offer the most attractive mortgage loans all over Denmark. It has also been crucial for Totalkredit to preserve a key characteristic of the Danish mortgage system: That all homeowners, in all parts of Denmark, pay the same price for their mortgage loans.

Based on the market research conducted and the continuous dialogue between the parties, Totalkredit and the Danish competition authorities have reached an agreement. The agreement includes the following amendments to the Totalkredit partnership agreement:

Going forward, in case the partner banks leave the Totalkredit partnership and enter into new partnerships, they can keep 100% of future commission payments for loans distributed by them against continuing to provide security for the loans. At the same time, the partner banks will be able to distribute mortgage loans to homeowners from non-vertically integrated mortgage loan providers, including new or existing small mortgage lenders. Also, the partner banks will remain free to partner up with providers other than Totalkredit on the funding of secured homeowner bank loans.

Michael Rasmussen, Chair of the Board of Directors of Totalkredit and Group Chief Executive of Nykredit, says:

- *"I am pleased that there is now clarity about the framework of the Totalkredit partnership. For Totalkredit, it has been imperative to reach an agreement that provides the best possible foundation for continuing our strong, long-term partnership with the Totalkredit partner banks so that we remain able to offer the best and most attractive loans in the market to Danish homeowners all over the country."*
- *"Totalkredit's product offering is highly competitive. We see that an increasing number of Danish homeowners opt for Totalkredit as their home finance provider. This can be attributed to our KundeKroner discounts that enable us to offer the most attractive mortgage loans in the market, and our partner banks that provide sound, local advisory services all over the country. This is in contrast to the largest banks in Denmark, which have in recent years closed branches and withdrawn from large parts of Denmark, especially outside the big cities."*

With the agreement, the Danish competition authorities have provided clarity about the framework of the Totalkredit partnership, and it is therefore natural that we will now, together with the Totalkredit partner banks, start looking at ways to modernise our partnership within the new framework.

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