

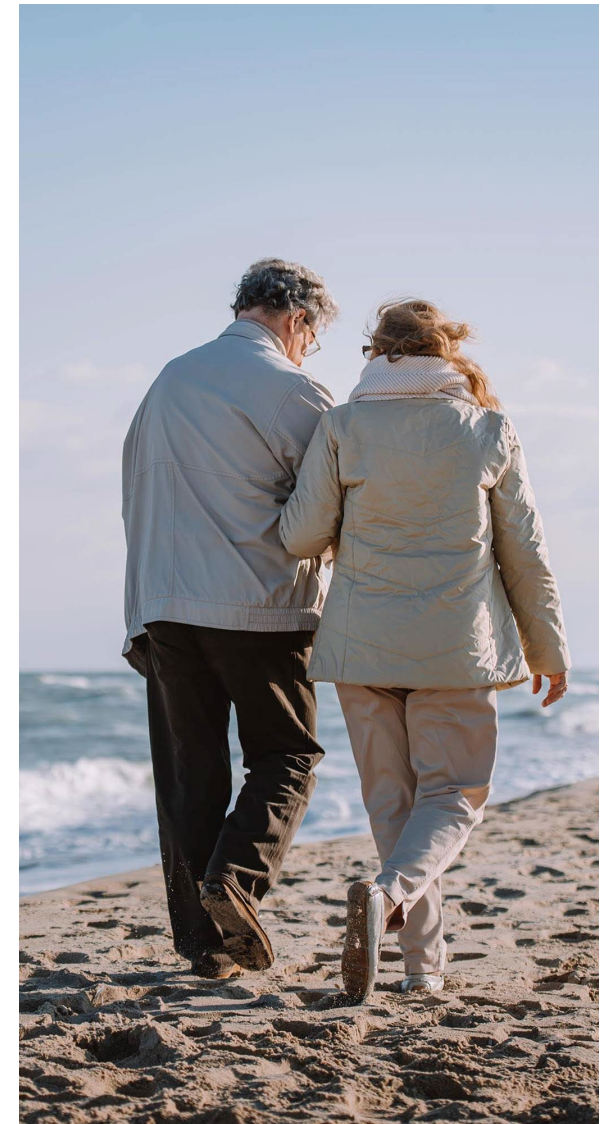


Nykredit Bank Group

H1 Interim Report 2024

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MANAGEMENT COMMENTARY



Financial review



Income
DKK **4,000** million
(H1/2023: DKK 3,891 million)



Costs
DKK **1,739** million
(H1/2023: DKK 1,633 million)



Profit before tax
DKK **2,501** million
(H1/2023: DKK 2,265 million)

DKK million

Nykredit Bank Group	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	H2/ 2023	2023
INCOME STATEMENT							
Net interest income	1,848	1,823	914	934	1,030	2,092	3,915
Net fee income	394	367	189	205	185	368	735
Wealth management income	1,342	1,197	674	668	614	1,171	2,368
Net interest from capitalisation	433	322	215	218	157	310	632
Net income relating to customer benefits programmes ¹	(25)	(47)	(16)	(9)	(21)	(49)	(96)
Trading, investment portfolio and other income	9	229	(159)	168	(68)	66	295
Income	4,000	3,891	1,816	2,185	1,897	3,958	7,849
Costs	1,739	1,633	885	854	805	1,729	3,362
Business profit before impairment charges	2,262	2,258	931	1,331	1,092	2,229	4,487
Impairment charges for loans and advances	(112)	24	(67)	(46)	73	38	62
Business profit	2,374	2,233	998	1,376	1,019	2,191	4,425
Legacy derivatives	127	32	76	52	43	27	59
Profit before tax	2,501	2,265	1,073	1,428	1,062	2,218	4,484
Tax	618	560	261	357	263	556	1,116
Profit for the period	1,883	1,705	812	1,071	799	1,662	3,367
Minority interest	37	28	18	19	13	37	65

¹ "Net income relating to customer benefits programmes" has been specified under "Alternative performance measures" on page 17.

Summary balance sheet



Profit as % of average equity (RoE)
9.8%
(2023: 9.4%)



Cost/income ratio **43.4%**
(H1/2023: 42.0%)



People (FTE)
1,020
(2023): 1,022

DKK million

SUMMARY BALANCE SHEET	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	2023
Assets						
Cash balances and receivables from credit institutions and central banks	42,914	33,950	42,914	36,979	33,950	40,276
Reverse repurchase lending	39,204	32,996	39,204	32,406	32,996	33,965
Loans, advances and other receivables at amortised cost	97,437	92,023	97,437	94,546	92,023	94,375
Bonds and equities etc	44,989	50,775	44,989	45,920	50,775	49,499
Remaining assets	17,960	15,427	17,960	17,502	15,427	18,452
Total assets	242,504	225,172	242,504	227,353	225,172	236,568
Liabilities and equity						
Payables to credit institutions and central banks	46,231	41,969	46,231	43,676	41,969	44,960
Repo deposits	4,401	5,068	4,401	4,006	5,068	5,618
Deposits and other payables	117,229	107,158	117,229	112,461	107,158	114,333
Bonds in issue at amortised cost	5,140	9,412	5,140	4,988	9,412	8,050
Other non-derivative financial liabilities at fair value	13,582	10,482	13,582	13,417	10,482	11,033
Remaining liabilities	16,437	15,221	16,437	10,103	15,221	14,870
Provisions	886	729	886	823	729	896
Equity	38,598	35,132	38,598	37,879	35,132	36,808
Total liabilities and equity	242,504	225,172	242,504	227,353	225,172	236,568
FINANCIAL RATIOS¹						
Profit for the period as % pa of average equity	9.8	9.8	8.3	11.3	9.1	9.4
Cost/income ratio (C/I), %	43.4	42.0	43.4	39.1	42.4	42.8
Total provisions for loan impairment and guarantees	3,360	3,508	3,360	3,426	3,508	3,536
Impairment charges for the period, %	(0.07)	0.02	(0.07)	0.0	0.05	0.04
Total capital ratio, %	27.1	26.6	27.1	28.0	26.6	27.4
Tier 1 capital ratio, %	27.1	26.1	27.1	27.9	26.1	27.4
Common Equity Tier 1 capital ratio, %	27.1	26.1	27.1	28.0	26.1	27.4
Average number of staff, full-time equivalent	1,020	1,013	1,020	1,019	1,011	1,022

¹ For definitions of financial ratios, see page 122 in the annual report 2023. Impairment charges for the year divided by loans, advances and guarantees.

Business overview

Nykredit Bank has two main business areas; Banking and Wealth Management.

Banking consists of Retail and Corporates & Institution.

Retail offers banking services tailored to Nykredit's personal customers and SMEs, including agricultural customers and residential rental customers. Retail also includes leasing activities.

Corporates & Institutions serves Nykredit's corporate and institutional clients, the public housing segment and large housing cooperatives. The division is also responsible for Nykredit's activities within securities trading and financial instruments.

Wealth Management is responsible for the Group's asset management propositions and activities as well as portfolio administration services to institutional clients, foundations, municipalities, businesses and high-net-worth clients.

Deposit rate

We have made it more attractive for customers to increase their savings for a new home or a green initiative, offering them an attractive interest rate on our home savings and green savings accounts as well as customers' current accounts.

Customer benefits

Being a mutual company, Nykredit has a unique opportunity to share its success with customers. To this end, Nykredit Bank's customer benefits programme includes a customer discount, a savings discount, a discount on bank home loans and a number of green benefits.

The **customer discount** is offered to full-service customers as a discount on some of the charges paid during the year, and in proportion to their business with Nykredit.

We offer a **savings discount** to full-service customers who invest through one of our wealth management proposition. The savings discount is 25% of the customer's direct investment management fee. **The home loan discount** is offered to customers who do everyday banking and home financing with Nykredit Bank.

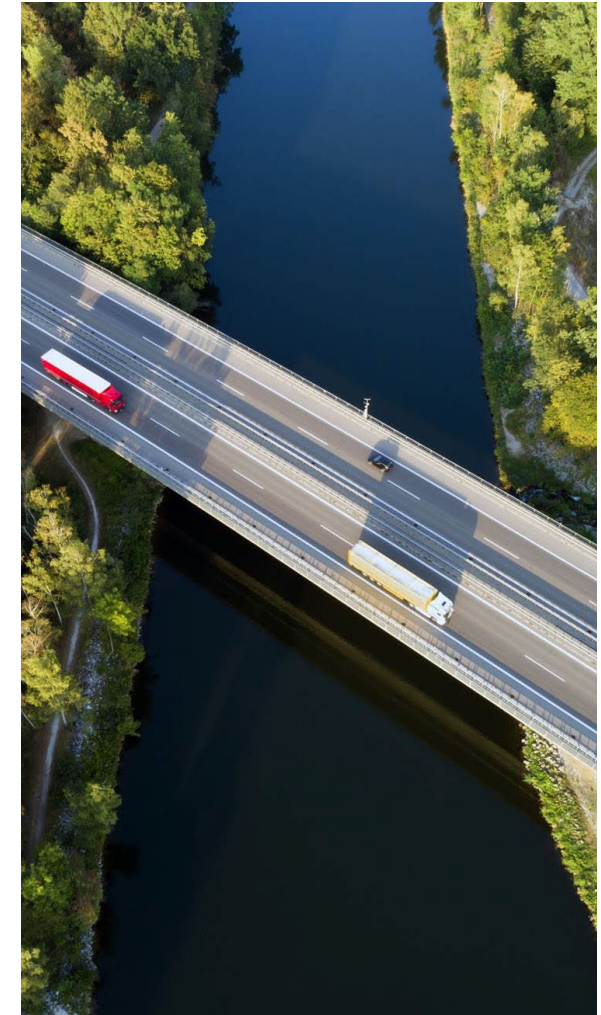
Nykredit wants to strengthen our position in relation to homeowners and first-time buyers. By lowering our homebuyer bank loan rates, we contribute to making it financially easier to enter the housing market. We have reduced our homebuyer bank loan rates to 4.45%; a change affecting all customer value propositions. This means that as from 6 May 2024 full-service customers will pay 4.25% after customer benefits.

Long-term value for customers and partner banks

Nykredit Bank is working to create long-term value for our customers and our partner banks, whilst also pursuing an ambition of being Denmark's responsible wealth manager. Focus is on enhancing digital investment solutions, incorporating sustainability

in advisory services and concepts and expanding our alternative investment propositions.

As a result, the high customer satisfaction among personal as well as business customers continued in 2024.



Financial performance

Nykredit Bank delivered a very satisfactory financial performance in H1/2024. Business profit came to DKK 2,374 million (H1/2023: DKK 2,233 million), and profit after tax for the period was DKK 1,883 million (H1/2023: DKK 1,705 million).

Our guidance for business profit after tax for 2024 presented in the Annual Report for 2023 was between DKK 3.5 - 4.0 billion.

Results were positively impacted by net fee income, increased wealth management activities and our customers' good credit quality.

Nykredit Bank recorded lending and customer growth in H1/2024, loans and advances were up by DKK 3 billion to DKK 97,4 billion, and deposits excluding repo deposits rose by DKK 2,9 billion to DKK 117,2 billion.

Income

Total income was DKK 4,000 million in H1/2024 (H1/2023: DKK 3,891 million). Net interest income amounted to DKK 1,848 million (H1/2023: DKK 1,823 million). Net interest income was positively impacted by increased deposits and lending.

Net fee income increased by DKK 27 million to a total of DKK 394 million (H1/2023: DKK 367 million). Net fee income was positively affected by the high activity level of corporate clients in the business area Corporates & Institutions as well as personal customers.

Wealth management income increased to DKK 1,342 million (H1/2023: DKK 1,197 million).

Net interest from capitalisation, which comprises the risk-free interest attributable to equity and net interest from subordinated debt, was a gain of DKK 433 million (H1/2023: charge of DKK 322 million). The increase compared to H1/2023 was due to higher interest rates.

Trading, investment portfolio and other income, including value adjustments of swaps currently offered is DKK 9 million (H1/2023: DKK 229 million).

Costs

Costs were DKK 1,739 million in H1/2024 (H1/2023: DKK 1,633 million). Pay rises, performance bonus and general price increases due to inflation has raised the costs across Nykredit Bank. Investments in digitisation and IT as well as costs of relocating to our new headquarters further increased total costs compared with H1/2023. Payroll cost and price rises have partially been mitigated by cost efficiencies.

The average number of full-time equivalent staff totalled 1,020 (H1/2023: 1,013).



Loan impairments

Impairment charges for loans and advances represented -0.07% of lending in H1/2024 (H1/2023: 0.02%). Impairment charges for loans and advances were a reversal of DKK 112 million (H1/2023: a charge of DKK 24 million).

Legacy derivatives

Income from legacy derivatives was DKK 127 million in H1/2024 (H1/2023: DKK 32 million). Legacy derivatives are derivatives that Nykredit no longer offers to customers. These value adjustments are not included in business profit.

Tax

Tax on profit for the period has been calculated at DKK 618 million (H1/2023: DKK 560 million). As a result of the new surtax imposed on companies in the financial sector, the tax rate increased from 22% to 25.2% in 2023, leading to an additional tax charge of DKK 139 million in 2023. In 2024, the tax rate will further increase to a total of 26%.

Development in H1/2024 relative to H2/2023

Profit after tax was DKK 1,883 million (H2/2023: DKK 1,662 million), corresponding to an increase of DKK 221 million. Business profit came to DKK 2,374 million in H1/2024 (H2/2023: DKK 2,191 million).

Income went up by DKK 42 million to DKK 4,000 million (H2/2023: DKK 3,958 million).

Costs amounted to DKK 1,739 million (H2/2023: DKK 1,729 million).

Impairment charges for loans and advances were a reversal of DKK 112 million (H2/2023: a charge of DKK 38 million).



Business profit H1/2024

DKK 2,374 million

(H2/2023: DKK 2,191 million)

Balance sheet

The balance sheet stood at DKK 242,504 billion in H1/2024 (end-2023: DKK 236,6 billion).

Receivables from credit institutions and cash balances etc increased to DKK 42.9 billion (end-2023: DKK 40.3 billion), and reverse repurchase lending increased by DKK 5.2 billion to DKK 39.2 billion (end-2023: DKK 34.0 billion).

Lending at amortised cost (excluding reverse repurchase lending) rose by DKK 3.0 billion relative to end-2023 to DKK 97.4 billion at H1/2024 (end-2023: DKK 94.4 billion).

In recent years, Nykredit Bank has transferred a number of secured homeowner loans to Totalkredit, which has reduced the Bank's balance sheet. In H1 2024, these loans amounted to DKK 11.4 billion (end-2023: DKK 10.7 billion). Loan balances including secured homeowner loans totalled DKK 108.9 billion (end-2023: DKK 105.0 billion)

Bond and equity portfolios totalled DKK 44.9 billion (end-2023: DKK 49.5 billion). The bond portfolio may fluctuate significantly from one reporting year to another, which should be seen in the context of the Bank's repo activities, trading positions and general liquidity management. The same applies to balances with credit institutions.

Remaining assets were DKK 18.0 billion (end-2023: DKK 18.5 billion). In 2024, DKK 5.2 billion was attributable to positive market values of derivatives (end-2023: DKK 6.4 billion). The positive market values related to the Bank's customer activities in derivatives and positions for hedging own risk. The Bank's interest rate risk is widely hedged through offsetting interest rate swaps.

Payables to credit institutions and central banks increased to DKK 46.2 billion (end-2023: DKK 45.0 billion), while repo deposits fell by DKK 1.2 billion to DKK 4.4 billion (end-2023: DKK 5.6 billion).

Deposits and other payables (excluding repo deposits) went up to DKK 117.2 billion (end-2023: DKK 114.3 billion).

Bonds in issue totalled DKK 5.1 billion (end-2023: DKK 8.1 billion). Nykredit Bank receives funding from its Parent, Nykredit Realkredit, by way of long-term intercompany loans. Nykredit Realkredit funds such loans through the issuance of debt instruments. Other non-derivative financial liabilities at fair value, which include negative bond portfolios, for which the Bank has a repurchase obligation, came to DKK 13.5 billion (end-2023: DKK 11.0 billion).

Remaining payables and provisions amounted to DKK 17.3 billion (end-2023: DKK 15.8 billion). The item mainly consisted of interest and commission payable and negative market values of derivative financial instruments.

Outlook and guidance for 2024

Nykredit Bank is guiding for a profit after tax of DKK 3.5-4.0 billion for 2024. Full-year guidance for profit after tax compared with 2023 is based on the following assumptions:

- The Nykredit Bank Group expects a rise in total income based on expectations of higher wealth management income, partly driven by an increase in assets under management and in net interest from capitalisation. Conversely, a lower net interest income is also expected.
- Costs are expected to increase due to general pay and price rises.
- Impairments are expected to be at the same level as in 2023.
- Our tax charge is expected to rise as a result of the surtax imposed on the financial sector in 2023, seeing an increase in taxation from 25.2% in 2023 to 26.0% in 2024.

The main uncertainties applying to our 2024 guidance are related to investment portfolio income due to legacy derivatives as well as impairment charges for loans and advances.

Special accounting circumstances

There have been no special accounting circumstances in H1/2024.

Other Changes to the Executive Board

Lotte Månsson, Executive Vice President, resigned from the board on 29 February 2024.

Nykredit Bank's Executive Board will subsequently consist of Dan Sørensen, Lars Moesgaard and Søren Kviesgaard.

Changes to the Board of Directors

On 21 March 2024, Pernille Sindby was elected new member of the Board of Directors.

The Board of Directors now consists of Michael Rasmussen (Chair), Anders Jensen (Deputy Chair), Tonny Thierry Andersen, David Hellemann, Pernille Sindby, Susanne Møller Nielsen and Kathrin Hattens.

Uncertainty as to recognition and measurement

Measurement of certain assets and liabilities is based on accounting estimates made by Management.

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment and unlisted financial instruments see note 1, accounting policies, to which reference is made.

Events since the balance sheet date

No events have occurred in the period up to the presentation of the H1/2024 Interim Report which materially affect the Group's financial position.



Capital



CET1 capital ratio
27.1%
(2023: 27.4%)



Total capital ratio
27.1%
(2023: 27.4%)



Internal capital adequacy requirement
10.6%
(2023: 10.8%)

Equity and own funds

Equity carried for accounting purposes totalled DKK 38,5 billion at end-June 2024 in the Nykredit Bank Group (end-2023: DKK 36.8 billion).

Nykredit Bank has its own capital policy and capital management. To ensure the Nykredit Realkredit Group's flexibility and responsiveness, capital resources are primarily concentrated in the Parent, Nykredit Realkredit A/S. A central element of the Nykredit Realkredit Group's capital policy is that the subsidiaries can receive capital as required. Adequate capitalisation of Nykredit Bank within the Nykredit Realkredit Group is continuously ensured.

Capital

The Nykredit Bank Group's own funds consist of CET1 capital. No AT1 capital and Tier 2 capital have been issued at this time.

In 2024, the Nykredit Bank Group's risk exposure amount (REA) totalled DKK 134.2 billion (end-2023: DKK 126.2 billion). With own funds at DKK 36,5 billion, this corresponds to a total capital ratio of 27,1% (end-2023: 27.4%). The CET1 capital ratio was 27,1% (end-2023: 27.4%).

REA for credit risk increased to DKK 108,1 billion in H1/2024 in the Nykredit Bank Group. REA for credit risk increased to DKK 108,1 billion in H1/2024 in the Nykredit Bank Group. The increase in REA for credit risk was mainly caused by increased credit risk exposure. REA for market risk increased to DKK 12,7 billion in H1/2024 due to increased positions in callable mortgage bonds, and REA for operational risk rose to DKK 13,2 billion.

	DKK million	
	30.06.2024	31.12.2023
Nykredit Bank Group		
Capital and capital adequacy		
Equity	38,598	36,808
Minority interests, not included	(77)	(112)
Prudent valuation adjustment	(27)	(34)
Intangible assets and deferred tax assets	(1,834)	(1,847)
Other regulatory adjustment +/-	38	52
Deduction for non-performing exposures	(205)	(227)
Common Equity Tier 1 capital	36,494	34,639
Minority interests	6	9
Tier 1 capital	36,500	34,648
Minority interest	8	12
Own funds	36,507	34,659
CET1 capital ratio, %	27.1	27.4
Tier 1 capital ratio, %	27.1	27.4
Total capital ratio, %	27.1	27.4
Internal capital adequacy requirement (Pillar I and Pillar II), %	10.6	10.8
Credit risk	108,183	102,629
Market risk	12,765	11,859
Operational risk	13,284	11,667
Total risk exposure amount	134,232	126,155

Common Equity Tier 1 (CET1) capital is the most important capital concept in the determination of capital, as this is the type of capital required to comply with most of the regulatory capital requirements. The Bank's CET1 capital amounted to DKK 36,5 billion (end-2023: DKK 34.6 billion).

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors and the Executive Board to ensure that Nykredit Bank has the required own funds. The required own funds are the minimum capital required, in Management's judgement, to cover all significant risks. This is estimated as 10,6% of the Nykredit Bank Group's risk exposure amount at end-June 2024.

Credit ratings

Nykredit Realkredit and Nykredit Bank have rating relationships with the international credit rating agencies S&P Global Ratings (S&P) and Fitch Ratings regarding the credit ratings of the companies and their funding.

ESG ratings

ESG (Environmental, Social and Governance) ratings are a tool used by investors and other stakeholders to assess a company's position relative to sustainability, corporate responsibility and governance. Nykredit focuses its efforts in part on ESG rating agencies MSCI and Sustainalytics, which consider all ESG factors, and in part on the CDP (formerly Carbon Disclosure Project), which reflects environmental impact.

Supervisory diamond for banks

The Supervisory Diamond sets out benchmark limits for four key ratios that indicate when a bank is operating at an elevated risk.

Nykredit Bank complied with all benchmark limits of the Supervisory Diamond model for banks at 30 June 2024.

The Bank's property exposure was 11,0 % (end-2023: 11,2%).

Nykredit Bank A/S		
Supervisory Diamond	30.06.2024	31.12.2023
Large exposures (limit value <175%)	109.1%	108.3%
Lending growth (limit value <20%)	6.0%	9.0%
Property exposure (limit value <25%)	11.0%	11.2%
Liquidity benchmark (limit value >100%)	239.2%	223.3%

ESG rating agency	Nykredit's rating
MSCI	AAA
Sustainalytics	Low risk
CDP	A-

A summary of Nykredit's credit ratings with S&P and Fitch Ratings is available at nykredit.com/rating

Issuer	S&P Global Ratings			Fitch Ratings		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Nykredit Bank A/S						
Resolution Counterparty Rating	AA-	A-1+				
Issuer Credit Rating	A+	A-1	Stable	A	F1	Stable
Senior preferred debt	A+	A-1		A+	F1	

Impairments and lending

Impairment charges for loans and advances were a reversal of DKK 112 million (H1/2023: a charge of DKK 24 million).

Geopolitical tensions

Geopolitical tensions are expected to affect the credit quality. The macroeconomic landscape is returning to normal levels but uncertainty remains. Lagged effects of rising energy prices, interest rate conditions, house price trends, and supply chain disruptions might have an impact on certain customers.

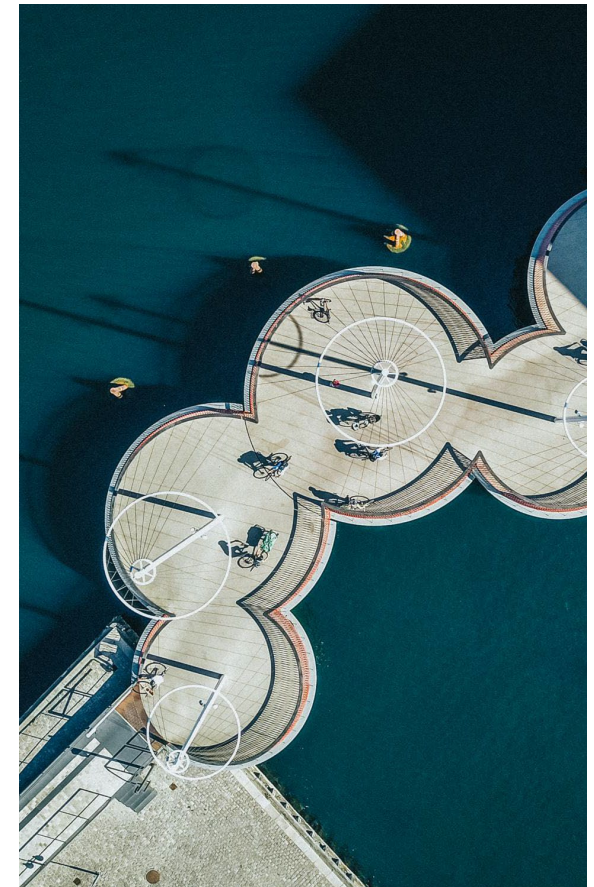
Provisions related to geopolitical tensions are based on stress test calculations of three factors. Firstly, stress simulations have been performed for stage 1 and stage 2 personal and business customers. We expect a drop in personal customers' discretionary incomes as a consequence of increased inflation and higher energy prices. Provisions of DKK 0.074 billion have been made to counter such risk. Secondly, business customers in the construction, retail, wholesale, commercial rental, production and manufacturing sectors are also expected to be affected due to macroeconomic uncertainty. Thirdly, the property values of customers in stage 3 have been stressed to simulate a reduction in collateral values. We have taken provisions of DKK 0.666 billion for exposed sectors, and total provisions to manage the increased risk now amount to DKK 0.740 billion.

For further information about the impacts of geopolitical tensions and macroeconomic trends, please refer to our Fact Book 2024, which is available at nykredit.com/filarkiv

Expectations for macroeconomic models

Nykredit's impairment model calculations include forward-looking macroeconomic scenarios. The scenarios reflect uncertainties relating to the economy and include both improved and deteriorating outlooks. The scenarios were updated at end-H1/2024 to reflect updated macroeconomic conditions and other resulting market conditions that are expected to impact, and partly already have impacted, the economy. The main scenario carries a 60%

weighting. The main scenario used for the impairment models implies expected GDP growth of 3.2% and house price rises of 4.4% in 2024. At end-2023, the main scenario implied expected GDP growth of 2.7% and house price decreases of 1.8%. The adverse scenario was included in the models with a weighting of 30%. This scenario implies expected GDP growth of 2.8% and house price increases of 1.2% in 2024. The improved scenario carries a 10% weighting and is based on the macroeconomic conditions observed at the date of this report.



Post-model adjustments

Corrections and changes to assumptions in the impairment models are based on management judgement. In H1/2024, such post-model adjustments totalled DKK 731 million. The underlying reasons, for example changes in agricultural output prices due to changed economic trends and/or changed export potential as well as financial and legal conditions in the real estate sector, may generally affect credit risk beyond the outcome derived on the basis of model-based impairments.

Local geographical conditions, internal process risk and ongoing monitoring of the loan portfolio may also reflect conditions which macroeconomic projections cannot capture. The estimates are adjusted and evaluated on a regular basis, and it is decided on an individual basis whether to phase out or incorporate an estimate into the models, if necessary. The chart outlines the post-model adjustments made.

	DKK million	
Nykredit Bank Group	30.06.2024	31.12.2023
Specific macroeconomic risks and process-related circumstances		
Agriculture	14	19
Geopolitical tensions	90	116
Concentration risks in loan portfolios	206	97
Total macroeconomic risks	310	232
Process-related	63	57
Model changes	0	-
ESG	111	72
Haircuts	26	33
Other (results of controlling, haircuts etc)	221	256
Total process-related circumstances	421	418
Total post-model adjustments	731	650

Note: As at Q2, an additional DKK 650 million was incorporated into the impairment models as in-model adjustments, where exposed sectors due to geopolitical tensions are stressed, resulting in a change of stage (Q2/2023: DKK 498 million).



Total provisions

Total provisions decreased to DKK 3,360 million in H1/2024 (end-2023: DKK 3,536 million).

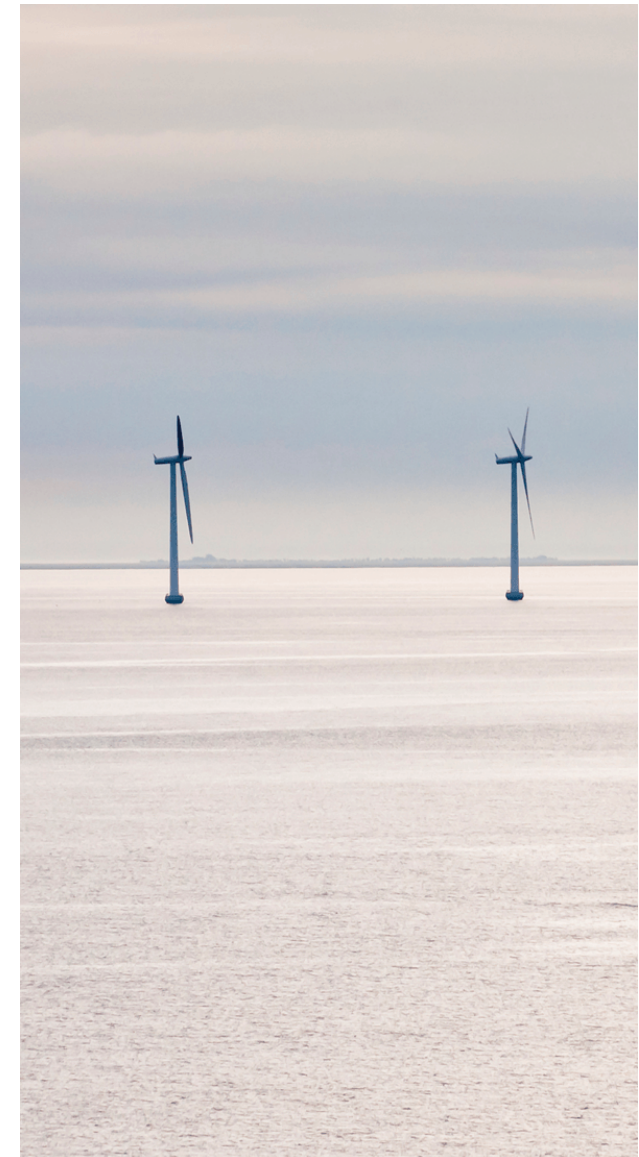
Provisions for guarantees and loan commitments amounted to DKK 376 million (end-2023: DKK 328 million).

Relative to total loans, advances and guarantees, provisions amounted to 2,1% (end-2023: 2.3%).

Earnings impact

Impairment charges for loans and advances amounted to a reversal of DKK 112 million in H1/2024 (H1/2023: a charge of DKK 24 million). Of this amount, loan impairments etc represented a positive DKK 122 million (H1/2023: DKK 43 million), and recoveries on loans and advances previously written off represented a positive DKK 10 million (H1/2023: DKK 19 million).

	DKK million	
	30.06.2024	31.12.2023
Nykredit Bank Group		
Provisions for loan impairment and guarantees		
Impairment provisions, beginning of period	3,208	3,135
Impairment provisions and reversals	(223)	73
Impairment provisions, end of period	2,984	3,208
- of which impairment provisions for loans and advances etc	2,983	3,207
- of which impairment provisions for loans and advances to banks	1	1
Provisions for guarantees and loan commitments		
Provisions, beginning of period	328	340
Provisions, end of period	376	328
Total provisions	3,360	3,536
Earnings impact		
New impairment provisions and write-offs for the period, net	(150)	110
Recoveries on loans and advances previously written off	(10)	36
Total	(160)	74
Provisions for guarantees and loan commitments	47	(12)
Total earnings impact	(112)	62



Loans, advances and guarantees by sector

The carrying amount of loans, advances and guarantees was DKK 158.0 billion (end-2023: DKK 151.4 billion).

Finance and insurance remained the largest single sector exposure at DKK 44.0 billion (end-2023: DKK 42.0 billion). The exposure comprised reverse repurchase lending with bonds serving as security.

The total lending for business customers increased by DKK 7.8 billion to DKK 133.0 billion (end-2023: DKK 125.2 billion).

The total lending for personal customers decreased by DKK 1.1 billion to DKK 24.5 billion (end-2023: DKK 25.6 billion).

Nykredit Bank Group

Credit exposures in terms of bank lending, reverse repurchase lending and guarantees by sector¹

DKK million

	30.06.2024			31.12.2023		
	Lending, end of period	Total impairment provisions	Earnings impact	Lending, end of period	Total impairment provisions	Earnings impact
Public sector	481	0	0	466	0	0
Agriculture, hunting, forestry and fishing	4,182	239	18	4,337	225	(21)
Manufacturing, mining and quarrying	19,058	782	38	14,803	731	207
Energy supply	4,553	41	15	5,059	19	(77)
Construction	3,265	140	(27)	3,375	271	(119)
Trade	15,235	717	(138)	14,454	860	210
Transport, accommodation and food service activities	7,128	297	23	6,127	245	129
Information and communication	6,108	51	(5)	5,670	58	(38)
Finance and insurance	44,017	55	(7)	41,986	61	(15)
Real estate	16,793	386	92	16,376	294	(177)
Other	12,760	219	(12)	13,042	225	(47)
Total business customers	133,097	2,927	(2)	125,229	2,990	52
Personal customers	24,496	432	(110)	25,666	545	11
Total	158,075	3,359	(112)	151,360	3,535	64
- of which provisions for losses under guarantees		376	47		328	(12)
Impairment provisions for credit institutions		1	0		1	(2)

¹As the breakdown is based on public sector statistics, it is not directly comparable with the Bank's business areas.

Alternative performance measures

In the opinion of Management, the Management Commentary should be based on the internal management and business division reporting, which also forms part of Nykredit's financial governance. This will provide readers of the financial reports with information that is relevant to their assessment of Nykredit's financial performance.

The income statement format of the financial highlights on page 4 - reflects the internal management reporting.

In certain respects, the presentation of the financial highlights differs from the format of the Financial Statements prepared under the International Financial Reporting Standards (IFRS). No correcting entries have been made, which means that the profit for the year is the same in the financial highlights and in the IFRS-based Financial Statements.

The reclassification in note 4 shows the reconciliation between the presentation in the financial highlights table of the Management Commentary and the presentation in the Consolidated Financial Statements prepared according to the IFRS and includes:

"Net interest income" comprising interest income from bank lending and deposits, The corresponding item in the income statement includes all interest.

"Net fee income" comprising income from bank lending, service fees, provision of guarantees and leasing business etc.

"Wealth management income" comprising asset management and administration fees etc. This item pertains to business with customers conducted through the Group's entities Nykredit Markets, Nykredit Asset Management, Nykredit Portefølje Administration A/S and Sparinvest but where income is ascribed to the business divisions serving the customers.

"Net interest from capitalisation" comprising the risk-free interest attributable to equity and net interest from subordinated debt.

"Trading, investment portfolio and other income" comprising income from swaps and derivatives transactions currently offered. Nykredit Markets activities, repo deposits and lending, debt capital markets activities as well as other income and expenses not allocated to the business divisions.

"Net income relating to customer benefits programmes" comprising discounts etc such as mutual benefits granted to the customers, The amount includes contributions received.

"Costs" includes the following income statement items "Staff and administrative expenses", "Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets" and "Other operating expenses".

Supplementary financial ratios etc

In relation to the internal presentation of income, a number of supplementary financial ratios are included in the Management Commentary.

Profit (loss) for the year as % pa of average equity, Average equity is calculated on the basis of the value at the beginning of the year and at the end of all quarters of the year.

Costs/income ratio is calculated as the ratio of "Costs" to "Income".

Impairment charges for the year, %, Impairment charges are calculated based on impairment charges for loans and advances relative to loans and advances.

Management statement

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for 1 January – 30 June 2024 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU. The interim Report and the Management Commentary have been prepared in accordance with statutory requirements, including the Danish Financial Business Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the Group's and the Parent's assets, liabilities, equity and financial position at 30 June 2024 and of the results of the Group's and the Parent's operations and the Group's cash flows for the financial period 1 January – 30 June 2024.

Further, in our opinion, the Management Commentary gives a fair review of the development in the operations and financial circumstances of the Group and the Parent as well as a description of the material risk and uncertainty factors which may affect the Group and the Parent.

The Interim Report has not been subject to audit or review.

Copenhagen, 14 August 2024

Executive Board

Søren Kviesgaard

Lars Moesgaard

Dan Sørensen

Board of Directors

Michael Rasmussen
Chair

Anders Jensen
Deputy Chair

Tonny Thierry Andersen

David Hellemann

Pernille Sindby

Kathrin Hattens*

Susanne Møller Nielsen*

* Staff-elected member

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

		DKK million			
		Nykredit Bank Group			
	Note	H1/2024	H1/2023	Q2/2024	Q2/2023
INCOME STATEMENT					
Interest income based on the effective interest method		4,313	3,252	2,130	1,799
Other interest income		417	410	171	235
Interest expenses		2,515	1,617	1,278	944
Net interest income	6	2,215	2,044	1,023	1,089
Dividend on equities etc		5	3	1	1
Fee and commission income	5	1,940	1,780	946	908
Fee and commission expenses		589	444	309	242
Net interest and fee income		3,570	3,384	1,661	1,756
Value adjustments	6, 7	423	476	163	153
Other operating income		131	60	67	29
Staff and administrative expenses		1,700	1,596	866	788
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets		20	20	10	10
Other operating expenses		18	17	9	7
Impairment charges for loans, advances and receivables etc	8	(112)	24	(67)	73
Profit from investments in associates and Group enterprises	10	3	3	1	2
Profit before tax		2,501	2,266	1,073	1,062
Tax		618	560	261	263
Profit for the period		1,883	1,705	812	799
Proposal for the distribution of profit					
Minority interests calculated		37	28	18	13
Retained earnings		1,846	1,677	795	786
Profit for the period		1,883	1,705	812	799
COMPREHENSIVE INCOME					
Profit for the period		1,883	1,705	812	799
Other comprehensive income		-	-	-	-
Comprehensive income for the period		1,883	1,705	812	799
Distribution of comprehensive income					
Nykredit Bank		1,846	1,677	795	786
Minority interests calculated		37	28	18	13
Comprehensive income for the period		1,883	1,705	812	799

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

DKK million

Nykredit Bank A/S

		H1/2024	H1/2023	Q2/2024	Q2/2023
INCOME STATEMENT					
Interest income based on the effective interest method		4,174	3,117	2,061	1,727
Other interest income		401	398	164	231
Interest expenses		2,475	1,582	1,258	924
Net interest income		2,100	1,933	967	1,033
Dividend on equities etc		4	3	1	0
Fee and commission income		1,177	1,125	555	580
Fee and commission expenses		516	364	272	203
Net interest and fee income		2,765	2,697	1,252	1,410
Value adjustments	7	422	475	162	154
Other operating income		140	51	70	25
Staff and administrative expenses		1,402	1,324	716	656
Other operating expenses		16	16	7	7
Impairment charges for loans, advances and receivables etc	9	(132)	24	(77)	66
Profit from investments in associates and Group enterprises	10	308	276	159	137
Profit before tax		2,348	2,135	996	997
Tax		502	457	202	211
Profit for the period		1,846	1,677	795	786
Proposal for the distribution of profit					
Statutory reserves		308	276	159	137
Retained earnings		1,538	1,402	636	649
Profit for the period		1,846	1,677	795	786
COMPREHENSIVE INCOME					
Profit for the period		1,846	1,677	795	786
Other comprehensive income		-	-	-	-
Comprehensive income for the period		1,846	1,677	795	786

BALANCE SHEETS

DKK million

Nykredit Bank A/S		Nykredit Bank Group		
End-2023	H1/2024		H1/2024	End-2023
ASSETS				
27,682	32,891	Cash balances and demand deposits with central banks	32,891	27,682
12,556	9,991	Receivables from credit institutions and central banks	10,023	12,594
124,387	132,611	Loans, advances and other receivables at amortised cost	11 136,641	128,340
48,586	44,260	Bonds at fair value	12 44,888	49,439
48	87	Equities etc	100	60
17	17	Investments in associates	17	17
2,620	2,436	Investments in Group enterprises	-	-
4,173	6,485	Assets in pooled schemes	13 6,485	4,173
1,770	1,770	Intangible assets	1,857	1,873
LAND AND BUILDINGS				
-	-	Leased properties	18	19
-	-	Total leased properties	18	19
-	-	Equipment	1	2
27	0	Current tax assets	10	43
161	161	Deferred tax assets	162	162
11,927	9,162	Other assets	9,304	12,074
78	84	Prepayments	105	89
234,031	239,956	Total assets	242,504	236,568

BALANCE SHEETS

DKK million

Nykredit Bank A/S		Nykredit Bank Group		
End-2023	H1/2024		H1/2024	End-2023
LIABILITIES AND EQUITY				
44,960	46,231	Payables to credit institutions and central banks	14	44,960
120,530	122,117	Deposits and other payables	15	119,951
4,173	6,485	Deposits in pooled schemes		4,173
5,925	3,015	Bonds in issue at amortised cost	16	8,050
11,036	13,607	Other non-derivative financial liabilities at fair value	17	11,033
-	353	Current tax liabilities		76
10,093	9,020	Other liabilities		10,617
0	0	Deferred income		4
196,717	200,828	Total payables		198,864
PROVISIONS				
-	-	Provisions for deferred tax		277
328	376	Provisions for losses under guarantees		328
290	231	Other provisions		291
618	607	Total provisions		896
Equity				
12,045	12,045	Share capital		12,045
Other reserves				
1,849	1,683	- statutory reserves		-
22,802	24,794	- retained earnings		24,651
36,696	38,522	Shareholder of Nykredit Bank A/S		36,696
-	-	Minority interests		112
36,696	38,522	Total equity		36,808
234,031	239,956	Total liabilities and equity		236,568
OFF-BALANCE SHEET ITEMS				
23,020	21,426	Contingent liabilities		23,020
12,445	11,773	Other commitments		12,955
35,465	33,199	Total		35,975

STATEMENT OF CHANGES IN EQUITY

DKK million

Nykredit Bank Group

	Share capital ¹	Retained earnings	Nykredit Bank Group's equity	Minority interests	Total equity
2024					
Equity, 1 January	12,045	24,651	36,696	112	36,808
Profit for the period	-	1,846	1,846	37	1,883
Total comprehensive income	-	1,846	1,846	37	1,883
Premiums relating to acquisition of minority interest	-	(20)	(20)	-	(20)
Distributed dividend and other adjustments	-	-	-	(72)	(72)
Total changes in equity	-	1,826	1,826	(35)	1,791
Equity, 30 June	12,045	26,477	38,522	77	38,598
2023					
Equity, 1 January	12,045	21,359	33,404	114	33,518
Profit for the period	-	1,677	1,677	28	1,705
Total comprehensive income	-	1,677	1,677	28	1,705
Subsequent adjustment of purchase price allocation	-	(21)	(21)	-	(21)
Distributed dividend and other adjustments	-	-	-	(70)	(70)
Total changes in equity	-	1,656	1,656	(42)	1,614
Equity, 30 June	12,045	23,015	35,060	72	35,132

¹ The share capital is divided into 21 shares in multiples of DKK 5 million. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark. Nykredit Bank is included in the Consolidated Financial Statements of this company and the Consolidated Financial Statements of the association Forenet Kredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 78.9% of Nykredit Realkredit A/S. The Financial Statements (in Danish) of Forenet Kredit f.m.b.a. may be obtained from the association.

STATEMENT OF CHANGES IN EQUITY

DKK million

Nykredit Bank A/S

	Share capital ¹	Statutory reserves	Retained earnings	Total equity
2024				
Equity, 1 January	12,045	1,849	22,801	36,695
Profit for the period	-	308	1,538	1,846
Total comprehensive income	-	308	1,538	1,846
Premium paid on acquisition of shares in subsidiary	-	-	(20)	(20)
Dividend received from subsidiaries	-	(472)	472	-
Total changes in equity	-	(164)	1,990	1,826
Equity, 30 June	12,045	1,685	24,791	38,522
2023				
Equity, 1 January	12,045	1,950	19,409	33,404
Profit for the period	-	276	1,402	1,677
Total comprehensive income	-	276	1,402	1,677
Premium paid on acquisition of shares in subsidiary	-	-	(21)	(21)
Dividend received from subsidiaries	-	(644)	644	-
Total changes in equity	-	(368)	2,024	1,656
Equity, 30 June	12,045	1,581	21,433	35,060

¹ The share capital is divided into 21 shares in multiples of DKK 5 million. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark. Nykredit Bank is included in the Consolidated Financial Statements of this company and the Consolidated Financial Statements of the association Forenet Kredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 78.9% of Nykredit Realkredit A/S. The Financial Statements (in Danish) of Forenet Kredit f.m.b.a. may be obtained from the association.

CASH FLOW STATEMENT

DKK million

Nykredit Bank Group	H1/2024	H1/2023
PROFIT FOR THE PERIOD	1,883	1,705
Adjustments		
Net interest income	(2,215)	(2,044)
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	20	20
Profit from investments in associates	(3)	(3)
Prepayments/deferred income, net	(95)	(27)
Impairment charges for loans, advances and receivables etc	(16)	36
Tax on profit for the period	618	560
Other adjustments	(240)	434
Total	(46)	682
Change in operating capital		
Loans, advances and other receivables	(8,206)	(351)
Deposits and payables to credit institutions	2,949	(10,156)
Other operating capital	3,409	(1,580)
Total	(1,894)	(11,406)
Interest income received	4,947	3,107
Interest expenses paid	(1,938)	(1,308)
Corporation tax paid, net	(149)	(173)
Cash flows from the above operating activities	965	(9,779)
Cash flows from investing activities		
Dividend received from associates	2	4
Purchase of associates	0	(3)
Purchase and sale of bonds and equities, net	4,484	6,997
Purchase of intangible assets*	(2)	(23)
Purchase of property, plant and equipment	(0)	-
Total	4,483	6,975
Cash flows from financing activities		
Bonds in issue	(2,910)	(2,258)
Distributed dividend	-	(70)
Payment of lease liabilities	-	(4)
Total	(2,910)	(2,332)
Total cash flows for the period	2,539	(5,136)
Cash and cash equivalents, beginning of period:	40,276	39,473
Foreign currency translation adjustment of cash	100	(387)
Total cash flows for the period	2,539	(5,136)
Cash and cash equivalents, end of period	42,914	33,950
Cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	32,891	23,949
Receivables from credit institutions and central banks	10,023	10,002
Total	42,914	33,950

* Purchase of intangible assets includes added value from purchase of shares from minority interests.

NOTES

Nykredit Bank Group

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NOTES

Nykredit Bank Group

1. ACCOUNTING POLICIES

General

The Parent Interim Financial Statements for H1/2024 have been prepared in accordance with statutory requirements, including the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (the Danish Executive Order on Financial Reports) issued by the Danish Financial Supervisory Authority (FSA).

The Consolidated Financial Statements for H1/2024 have also been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS but also a less detailed presentation relative to the Annual Report.

As at 1 January 2024, the following new or amended reporting standards and/or interpretations, which have not impacted the financial reporting, have been implemented:

- IAS 1 (Presentation of liabilities)
- IAS 7 and IFRS 7 (Supplier finance arrangements)
- IFRS 16 (Lease liability in a sale and leaseback)

The accounting policies are unchanged compared with the Annual Report for 2023. Full accounting policies as well as a description of the Company's and the Group's material risks appear from the Annual Report for 2023 (notes 1 and 3).

All figures in the Interim Report are rounded to the nearest million Danish kroner (DKK), unless otherwise specified. The totals stated are calculated on the basis of actual figures prior to rounding. Due to the rounding-off to the nearest whole million Danish kroner, the sum of individual figures and the stated totals may differ slightly.

Significant accounting estimates and assessments

The preparation of the Financial Statements involves the use of qualified accounting estimates and assessments. These estimates and assessments are made by Nykredit's Management in accordance with accounting policies and based on past experience and an assessment of future conditions.

Significant assessments of particular emphasis are assessments of the time of recognition and derecognition of financial instruments as well as assessments of the business models which form the basis for classification of financial assets, including whether the contractual cash flows of a financial asset represent solely payments of principal and interest.

Accounting estimates are tested and assessed regularly. The estimates and assessments applied are based on assumptions which Management considers reasonable and realistic, but which to some extent involves significant uncertainty and unpredictability. Compared with 2023, there have been no fundamental changes to the estimates used.

Areas implying a high degree of assessment or complexity or areas in which assumptions and estimates are material to the Financial Statements include provisions for loan and receivable impairment as well as valuation of unlisted financial instruments, including swaps, see notes 2 and 3 to the Annual Report for 2023 to which reference is made.

NOTES

		DKK million		
Nykredit Bank A/S		Nykredit Bank Group		
End-2023	H1/2024		H1/2024	End-2023
2. CAPITAL AND CAPITAL ADEQUACY				
36,696	38,522	Equity for accounting purposes	38,598	36,808
-	-	Minority interests not included	(77)	(112)
36,696	38,522	Equity excluding Additional Tier 1 capital and minority interests	38,522	36,696
(34)	(27)	Prudent valuation adjustment	(27)	(34)
(1,770)	(1,770)	Intangible assets excluding deferred tax liabilities	(1,834)	(1,847)
(2)	-	Other regulatory adjustments	38	52
(227)	(205)	Deduction for non-performing exposures	(205)	(227)
(2,033)	(2,002)	Common Equity Tier 1 regulatory deductions	(2,028)	(2,056)
34,662	36,520	Common Equity Tier 1 capital	36,494	34,639
-	-	Minority interests	6	9
-	-	Total Additional Tier 1 capital after regulatory deductions	6	9
34,662	36,520	Tier 1 capital	36,500	34,648
-	-	Minority interests	8	12
34,662	36,520	Own funds	36,507	34,659
110,289	115,240	Credit risk	108,183	102,629
11,729	12,680	Market risk	12,765	11,859
9,384	10,762	Operational risk	13,284	11,667
131,403	138,683	Total risk exposure amount	134,232	126,155
Financial ratios				
26.3	26.3	Common Equity Tier 1 capital ratio, %	27.1	27.4
26.3	26.3	Tier 1 capital ratio, %	27.1	27.4
26.3	26.3	Total capital ratio, %	27.1	27.4

Capital and capital adequacy have been determined in accordance with the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) of the European Parliament and of the Council as incorporated into Danish legislation.

Nykredit has been designated as a systemically important financial institution (SIFI) by the Danish authorities. As a result, a special SIFI CET1 capital buffer requirement of 2% applies to the Nykredit Realkredit Group. To this should be added the permanent buffer requirement of 2.5% in Denmark which must also be met with Common Equity Tier 1 capital. The countercyclical capital buffer is currently at 2.5% and thereby fully phased-in. Moreover, upon recommendation from the Danish Systemic Risk Council, as at 30 June 2024 the Danish government has activated a sector-specific systemic risk buffer requirement of 7% of exposures to property companies in Denmark to be fulfilled using CET1 capital.

NOTES

DKK million

Nykredit Bank Group

3. BUSINESS AREAS

The business areas reflect Nykredit's organisation and internal reporting. Banking includes: Retail, which serves personal customers and SMEs (small and medium-sized enterprises). It also includes Corporates & Institutions, comprising activities with corporate and institutional clients, securities trading and derivatives trading. Wealth Management comprises wealth and asset management activities. Please refer to the Management Commentary.

	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Wealth Management	Group Items	Total
Results								
H1/2024								
Results by business area								
Net interest income	561	669	1,230	469	1,700	141	7	1,848
Net fee income	107	102	209	182	391	8	(5)	394
Wealth management income	256	69	325	101	426	899	17	1,342
Net interest from capitalisation	49	129	179	194	372	23	37	433
Net income relating to customer benefits programmes ¹	-	-	-	-	-	-	(25)	(25)
Trading, investment portfolio and other income	(32)	(91)	(123)	233	110	74	(174)	9
Income	942	879	1,820	1,178	2,999	1,145	(143)	4,000
Costs	572	251	823	321	1,144	525	70	1,739
Business profit before impairment charges	369	628	997	858	1,855	620	(214)	2,262
Impairment charges for loans and advances	(147)	(68)	(215)	121	(94)	(17)	(2)	(112)
Business profit (loss)	516	696	1,212	736	1,949	637	(212)	2,374
Legacy derivatives	3	66	69	58	127	-	-	127
Profit (loss) before tax	519	762	1,281	795	2,076	637	(212)	2,501
BALANCE SHEET								
Assets								
Reverse repurchase lending at amortised cost	-	-	-	-	-	-	39,204	39,204
Loans and advances at amortised cost	14,450	32,128	46,578	45,263	91,841	5,538	58	97,437
Assets by business area	14,450	32,128	46,578	45,263	91,841	5,538	39,262	136,641
Unallocated assets								105,863
Total assets								242,504
Liabilities and equity								
Repo deposits at amortised cost	-	-	-	-	-	-	4,401	4,401
Deposits and other payables at amortised cost	50,028	30,128	80,155	14,956	95,111	17,012	5,106	117,229
Liabilities by business area	50,028	30,128	80,155	14,956	95,111	17,012	9,507	121,630
Unallocated liabilities								82,276
Equity								38,598
Total liabilities and equity								242,504

¹ The item comprises contributions and discounts relating to Nykredit's benefits programmes, see "Alternative performance measures".

NOTES

DKK million

Nykredit Bank Group

3. BUSINESS AREAS (CONTINUED)

Results H1/2023	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Banking	Wealth Management	Group Items	Total
Results by business area								
Net interest income	628	606	1,234	409	1,644	181	(2)	1,823
Net fee income	122	80	202	163	365	9	(6)	367
Wealth management income	228	62	290	78	368	815	13	1,197
Net interest from capitalisation	40	90	130	132	262	21	38	322
Net income relating to customer benefits programmes ¹	-	-	-	-	-	-	(47)	(47)
Trading, investment portfolio and other income	34	(58)	(24)	339	315	33	(119)	229
Income	1,052	780	1,832	1,121	2,953	1,060	(122)	3,891
Costs	521	271	792	297	1,089	487	57	1,633
Business profit before impairment charges	532	509	1,040	824	1,865	572	(179)	2,258
Impairment charges for loans and advances	(43)	(26)	(69)	79	10	15	0	24
Business profit (loss)	575	535	1,110	745	1,855	558	(179)	2,233
Legacy derivatives	3	7	9	23	32	(0)	-	32
Profit before tax	577	541	1,119	768	1,887	558	(179)	2,266

BALANCE SHEET

Assets

Reverse repurchase lending at amortised cost	-	-	-	-	-	-	32,996	32,996
Loans and advances at amortised cost	12,698	30,334	43,032	43,218	86,250	5,473	301	92,023
Assets by business area	12,698	30,334	43,032	43,218	86,250	5,473	33,297	125,019
Unallocated assets								100,152
Total assets								225,172

Liabilities and equity

Repo deposit at amortised cost	-	-	-	-	-	-	5,068	5,068
Deposits and other payables at amortised cost	46,245	28,054	74,299	11,138	85,437	17,442	4,280	107,158
Liabilities by business area	46,245	28,054	74,299	11,138	85,437	17,442	9,348	112,226
Unallocated liabilities								77,814
Equity								35,132
Total liabilities and equity								225,172

¹ The item comprises contributions and discounts relating to Nykredit's benefits programmes, see "Alternative performance measures".

NOTES

DKK million

Nykredit Bank Group

4. RECONCILIATION OF INTERNAL AND REGULATORY INCOME STATEMENT

	H1/2024			H1/2023		
	Earnings presentation in Management Commentary	Reclassification	Income statement	Earnings presentation in Management Commentary	Reclassification	Income statement
Net interest income	1,848	367	2,215	1,823	221	2,044
Dividend on equities etc		5	5		3	3
Fee and commission income, net	394	956	1,350	367	969	1,336
Net interest and fee income		1,328	3,570		1,193	3,384
Wealth management income	1,342	(1,342)	-	1,197	(1,197)	-
Net interest from capitalisation	433	(433)	-	322	(322)	-
Net income relating to customer benefits programmes	(25)	25	-	(47)	47	-
Trading, investment portfolio and other income	9	(9)	-	229	(229)	-
Value adjustments		423	423		476	476
Other operating income		131	131		60	60
Total income	4,000			3,891		
Costs	1,739	-	1,739	1,633	0	1,633
Business profit before impairment charges	2,262			2,258		
Impairment charges for loans and advances etc	(112)	-	(112)	24	0	24
Profit from investments in associates		3	3		3	3
Business profit	2,374			2,233		
Legacy derivatives	127	(127)	-	32	(32)	-
Profit before tax	2,501	-	2,501	2,266	-	2,266

Note 4 combines the earnings presentation in the Management Commentary (internal presentation), including the presentation of the financial highlights and the business areas, and the formal income statement of the Financial Statements.

The most important difference is that all income is recognised in two main items in the internal presentation: "Income", including sub-items, and "Legacy derivatives". The sum of these two items corresponds to "Net interest and fee income", "Value adjustments", "Other operating income" and "Profit from investments in associates" in the income statement of the Financial Statements. The column "Reclassification" thus comprises only differences between the internal presentation and the income statement with respect to these items.

"Costs" in the internal presentation corresponds to total costs recognised in the Financial Statements: "Staff and administrative expenses", "Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets" and "Other operating expenses".

"Impairment charges for loans and advances etc" corresponds to the presentation in the income statement.

The internal presentation is based on the same recognition and measurement principles as the IFRS-based Financial Statements. Thus, "profit before tax" is unchanged.

NOTES

DKK million

Nykredit Bank Group	H1/2024	H1/2023
5. FEE AND COMMISSION INCOME		
Revenue from contracts with customers (IFRS 15) by business area		
Retail	288	288
Corporates & Institutions	197	200
Wealth Management	1,391	1,221
Group Items	24	26
Total	1,900	1,734
Total including income from financial guarantees	1,940	1,780

The allocation of fees to business areas shows the business areas where fees are included on initial recognition. These fees, together with other income, are subsequently reallocated to the business areas serving the customers on a net basis, see note 3.

Nykredit's revenue primarily consists of net income recognised in items governed by the accounting standards IFRS 9 "Financial Instruments" and IFRS 16 "Leases". Fees, including transaction costs, that are integral to the effective interest rate of an instrument as well as fees from financial guarantees are covered by IFRS 9.

Revenue recognised according to IFRS 15 partly includes fees from guarantees and other commitments (off-balance sheet items) as well as net revenue from Nykredit Markets, Asset Management and custody transactions, where revenue is recognised pursuant to the contractual provisions of the underlying agreements or price lists. Generally, business activities do not imply contract assets or liabilities for accounting purposes.

Revenue comprised by IFRS 15 mainly relates to:

Custody fees are based on a percentage of the size of the individual custody account balance and/or fixed fees. Fees are recognised at fixed payment dates in accordance with contractual provisions or price lists.

Revenue from Nykredit Markets activities comprises trading in financial instruments and is recognised simultaneously with the transaction. Revenue in connection with eg Capital Markets transactions is recognised at the time of delivery of the service and when Nykredit's obligation has been settled.

Revenue from wealth management activities comprises Nykredit's business within asset and wealth management, including private banking and pension activities. Revenue is recognised as the services are performed and delivered to the customers. Revenue is determined as a percentage of assets under management and administration or in the form of transaction fees.

Revenue from specific custody and asset management activities is determined based on the price movements of the underlying contracts, and therefore earnings cannot be finally calculated until at a specified, agreed date, but not later than at the end of the financial year.

Recognition of revenue is not impacted by special conditions which may significantly impact the size thereof or cash flows. Nykredit has no IFRS 15 obligations in the form of buybacks or guarantees etc.

NOTES

DKK million

Nykredit Bank Group

6. NET INTEREST INCOME ETC AND VALUE ADJUSTMENTS

H1/2024	Interest income	Interest expenses	Net interest income	Dividend on equities	Value adjustments	Total
Financial portfolios at amortised cost						
Receivables from and payables to credit institutions and central banks	374	883	(509)	-	-	(509)
Lending and deposits	2,885	1,285	1,600	-	(2)	1,598
Repo transactions and reverse repurchase lending	988	266	722	-	-	722
Bonds in issue at amortised cost	-	71	(71)	-	-	(71)
Other financial instruments	66	9	56	-	-	56
Total	4,313	2,515	1,798	-	(2)	1,796
Financial portfolios at fair value and financial instruments at fair value						
Bonds	503	-	503	-	97	601
Equities etc	-	-	-	5	19	24
Derivative financial instruments	(86)	-	(86)	-	176	90
Total	417	-	417	5	293	714
Foreign currency translation adjustment					133	133
Net interest income etc and value adjustments	4,730	2,515	2,215	5	423	2,643
H1/2023						
Financial portfolios at amortised cost						
Receivables from and payables to credit institutions and central banks	151	551	(400)	-	-	(400)
Lending and deposits	2,335	639	1,696	-	(4)	1,692
Repo transactions and reverse repurchase lending	669	235	434	-	-	434
Bonds in issue at amortised cost	-	135	(135)	-	-	(135)
Other financial instruments	70	31	39	-	-	39
Total	3,225	1,591	1,634	-	(4)	1,630
Financial portfolios at fair value and financial instruments at fair value						
Bonds	558	-	558	-	152	711
Equities etc	-	-	-	3	14	17
Derivative financial instruments	(148)	-	(148)	-	242	93
Total	410	-	410	3	408	821
Foreign currency translation adjustment					72	72
Net interest income etc and value adjustments	3,635	1,591	2,044	3	476	2,523
Negative interest income	2	2	-			
Positive interest expenses	25	25	-			
Total	3,662	1,618	2,044			

NOTES

DKK million

Nycredit Bank A/S		Nycredit Bank Group	
H1/2023	H1/2024	H1/2024	H1/2023
7. VALUE ADJUSTMENT			
Assets measured at fair value through profit or loss			
(4)	(2)	(2)	(4)
150	97	97	152
14	18	19	14
73	133	133	72
242	176	176	242
76	299	299	76
(76)	(299)	(299)	(76)
475	422	423	476

NOTES

DKK million

Nykredit Bank Group

8. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC, GROUP

8 a. Impairment charges for loans, advances and receivables etc

	Loans and advances at amortised cost	Loans and advances at amortised cost	Credit institutions and other	Credit institutions and other	Guarantees etc ¹	Guarantees etc ¹	Total	Total
Total impairment provisions	2024	2023	2024	2023	2024	2023	2024	2023
Balance, beginning of period	3,207	3,132	1	3	328	340	3,536	3,475
New impairment provisions as a result of additions and change in credit risk	771	1,037	0	0	228	138	999	1,174
Releases as a result of redemptions and change in credit risk	927	993	0	2	180	148	1,108	1,142
Impairment provisions written off	101	29	-	-	-	-	101	29
Interest on impaired facilities	34	31	-	-	-	-	34	31
Total impairment provisions, end of period	2,983	3,178	1	1	376	330	3,360	3,509
Earnings impact								
Change in impairment provisions for loans and advances (stages 1-3)	(156)	44	(0)	(1)	47	(11)	(109)	32
Write-offs for the period, not previously written down for impairment	13	4	-	-	-	-	13	4
Recoveries on claims previously written off	(10)	(19)	-	-	-	-	(10)	(19)
Total	(154)	30	(0)	(1)	47	(11)	(106)	18
Value adjustment of claims previously written off	(6)	7	-	-	-	-	(6)	7
Earnings impact, H1/2024	(160)	37	(0)	(1)	47	(11)	(112)	24

¹ "Guarantees etc" comprises off-balance sheet items in the form of guarantees and other commitments, including loan commitments.

NOTES

DKK million

Nykredit Bank Group

8. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC, GROUP (CONTINUED)

8 b. Total impairment provisions by stage 2024	Loans, advances and receivables at amortised cost			Guarantees			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2024	404	1,102	1,702	67	186	75	3,536
Transfer to stage 1	125	(117)	(8)	34	(34)	(0)	-
Transfer to stage 2	(21)	80	(59)	(4)	9	(6)	-
Transfer to stage 3	(7)	(57)	64	(0)	(11)	12	(0)
Impairment provisions for new loans and advances (additions)	50	113	32	13	43	7	257
Additions as a result of change in credit risk	101	244	232	4	31	129	742
Releases as a result of change in credit risk	225	370	332	67	81	33	1,108
Previously written down for impairment, now written off	0	0	101	-	-	-	101
Interest on impaired facilities	-	-	34	-	-	-	34
Total impairment provisions, end of period	425	996	1,563	47	145	184	3,360
Total		2,984			376		3,360
Impairment provisions, end of period, are moreover attributable to:							
Credit institutions	1	-	-				1
Earnings impact, H1/2024	(75)	(13)	(68)	(49)	(6)	103	(109)

2023	Loans, advances and receivables at amortised cost			Guarantees			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2023	383	914	1,837	75	190	75	3,475
Transfer to stage 1	214	(202)	(11)	43	(42)	(0)	0
Transfer to stage 2	(56)	94	(37)	(6)	9	(3)	0
Transfer to stage 3	(1)	(98)	100	(0)	(4)	4	0
Impairment provisions for new loans and advances (additions)	93	140	49	14	22	8	325
Additions as a result of change in credit risk	161	357	238	13	68	13	849
Releases as a result of change in credit risk	299	254	441	59	75	15	1,142
Previously written down for impairment, now written off	0	0	29	-	-	-	29
Interest on impaired facilities	-	-	31	-	-	-	31
Total impairment provisions, end of period	493	951	1,736	80	168	82	3,509
Total		3,179			330		3,509
Impairment provisions, end of period, are moreover attributable to:							
Credit institutions	1	-	-				1
Earnings impact, H1/2023	(46)	243	(155)	(32)	15	6	32

The principles of impairment are described in detail in the accounting policies (note 1) of the Annual Report 2023.

NOTES

DKK million

Nykredit Bank Group

8. IMPARMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC, GROUP (CONTINUED)

8 c. Loans, advances and guarantees etc by stage

30 June 2024	Stage 1	Stage 2	Stage 3	Total
Loans and advances at amortised cost etc, gross				
Loans and advances at amortised cost etc, gross	112,935	23,618	3,071	139,624
Total impairment provisions, end of period	424	996	1,563	2,983
Loans and advances, carrying amount	112,511	22,622	1,508	136,641
Guarantees and loan commitments				
Guarantees etc	44,806	3,084	299	48,188
Total impairment provisions, end of period	47	145	184	376
Guarantees and loan commitments, carrying amount	44,758	2,939	115	47,813
End-2023				
	Stage 1	Stage 2	Stage 3	Total
Loans and advances at amortised cost etc, gross				
Loans and advances at amortised cost etc, gross	107,879	21,276	2,392	131,547
Total impairment provisions, end of period	402	1,102	1,702	3,207
Loans and advances, carrying amount	107,476	20,173	690	128,340
Guarantees and loan commitments				
Guarantees etc	45,495	2,539	375	48,409
Total impairment provisions, end of period	67	186	75	328
Guarantees and loan commitments, carrying amount	45,428	2,353	300	48,080

NOTES

DKK million

Nykredit Bank A/S

9. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC, PARENT

9 a. Impairment charges for loans, advances and receivables etc

	Loans and advances at amortised cost	Loans and advances at amortised cost	Credit institutions and other	Credit institutions and other	Guarantees etc ¹	Guarantees etc ¹	Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023
Total impairment provisions								
Balance, beginning of year	3,049	2,972	1	3	328	340	3,379	3,315
New impairment provisions as a result of additions and change in credit risk	722	989	0	0	228	138	950	1,127
Releases as a result of redemptions and change in credit risk	893	947	0	2	180	148	1,073	1,096
Impairment provisions written off	100	27	-	-	-	-	100	27
Interest on impaired facilities	34	31	-	-	-	-	34	31
Total impairment provisions, end of period	2,814	3,019	1	1	376	330	3,191	3,350
Earnings impact								
Change in impairment provisions for loans and advances (stages 1-3)	(170)	42	(0)	(1)	47	(11)	(123)	30
Write-offs for the period, not previously written down for impairment	7	3	-	-	-	-	7	3
Recoveries on claims previously written off	(9)	(17)	-	-	-	-	(9)	(17)
Total	(173)	29	(0)	(1)	47	(11)	(125)	17
Value adjustment of claims previously written off	(6)	7	-	-	-	-	(6)	7
Total earnings impact, H1	(179)	36	(0)	(1)	47	(11)	(132)	24

¹ "Guarantees etc" comprises off-balance sheet items in the form of guarantees and other commitments, including loan commitments.

NOTES

DKK million

Nykredit Bank A/S

9. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC, PARENT (CONTINUED)

9 b. Total impairment provisions by stage

2024	Loans, advances and receivables at amortised cost			Guarantees			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2024	391	1,100	1,559	67	186	75	3,379
Transfer to stage 1	120	(116)	(4)	34	(34)	(0)	-
Transfer to stage 2	(21)	76	(55)	(4)	9	(6)	-
Transfer to stage 3	(7)	(57)	64	(0)	(11)	12	-
Impairment provisions for new loans and advances (additions)	46	112	26	13	43	7	248
Additions as a result of change in credit risk	98	243	197	4	31	129	702
Releases as a result of change in credit risk	220	366	308	67	81	33	1,073
Previously written down for impairment, now written off	-	-	100	-	-	-	100
Interest on impaired facilities	-	-	34	-	-	-	34
Total impairment provisions	408	993	1,414	47	145	184	3,191
Total impairment provisions, end of period		2,815			376		3,191
Impairment provisions, end of period, are attributable to:							
Credit institutions	1	-	-				1
Earnings impact, H1/2024	(76)	(10)	(85)	(49)	(6)	103	(123)
2023							
2023	Loans, advances and receivables at amortised cost			Guarantees			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2023	363	910	1,702	75	190	75	3,315
Transfer to stage 1	206	(202)	(4)	43	(42)	(0)	0
Transfer to stage 2	(56)	90	(34)	(6)	9	(3)	(0)
Transfer to stage 3	(1)	(98)	99	(0)	(4)	4	0
Impairment provisions for new loans and advances (additions)	91	140	45	14	22	8	319
Additions as a result of change in credit risk	161	356	197	13	68	13	808
Releases as a result of change in credit risk	282	248	418	59	75	15	1,096
Previously written down for impairment, now written off	-	-	27	-	-	-	27
Interest on impaired facilities	-	-	31	-	-	-	31
Total impairment provisions	481	948	1,592	80	168	82	3,350
Total impairment provisions, end of period		3,021			330		3,350
Impairment provisions, end of period, are attributable to:							
Credit institutions	1	-	-				1
Earnings impact, H1/2023	(31)	248	(176)	(32)	15	6	30

NOTES

Nykredit Bank A/S				DKK million	
				Nykredit Bank Group	
H1/2023	H1/2024			H1/2024	H1/2023
		10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
3	3		Profit from investments in associates	3	3
272	305		Profit from investments in Group enterprises	-	-
276	308		Total	3	3

NOTES

Nykredit Bank A/S		DKK million		
		Nykredit Bank Group		
End-2023	H1/2024		H1/2024	End-2023
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
93,472	96,221	Bank loans and advances	100,420	97,582
33,965	39,204	Reverse repurchase lending	39,204	33,965
127,437	135,425	Balance, end of period	139,624	131,547
Adjustment for credit risk				
3,049	2,814	Impairment provisions	2,983	3,207
124,387	132,611	Balance after impairment, end of period	136,641	128,340
For Nykredit Bank group, the fair value of loans, advances and other receivables at amortised cost amounted to DKK 137 billion (end-2023: DKK 129 billion)				
12. BONDS AT FAIR VALUE				
46,177	42,650	Covered bonds	43,278	47,030
1,864	976	Government bonds	976	1,864
545	635	Other bonds etc	635	545
48,586	44,260	Total	44,888	49,439
The effect of fair value adjustment is recognised in the income statement.				
362	5,492	Of which redeemed bonds	5,495	365
12,028	8,375	Assets sold as part of genuine sale and repurchase transactions	8,375	12,028
13. ASSETS IN POOLED SCHEMES				
208	466	Cash deposits	466	208
4,041	6,054	Investment fund units	6,054	4,041
(77)	(34)	Other items	(34)	(77)
4,173	6,485	Total	6,485	4,173

NOTES

Nykredit Bank A/S		DKK million	
End-2023	H1/2024		Nykredit Bank Group
			H1/2024 End-2023
14. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS			
37,819	40,095	Payables to credit institutions	40,095 37,819
606	-	Payables to central banks	- 606
6,509	5,641	Repo transactions with credit institutions	5,641 6,509
27	495	Repo transactions with central banks	495 27
44,960	46,231	Total	46,231 44,960
Of total balances with banks, DKK 29 billion relates to a deposit from the Parent Nykredit Realkredit. The amount is used to meet the Danish FSA's minimum requirement for own funds and eligible liabilities (MREL requirement) of Nykredit Bank A/S at individual level.			
15. DEPOSITS AND OTHER PAYABLES			
93,264	94,927	On demand	94,440 92,685
18,672	19,825	Time deposits	19,825 18,672
2,977	2,964	Special deposits	2,964 2,977
5,618	4,401	Repo deposits	4,401 5,618
120,530	122,117	Total	121,630 119,951
16. BONDS IN ISSUE AT AMORTISED COST			
5,925	3,015	Bonds in issue	5,140 8,050
5,925	3,015	Total	5,140 8,050
Issues			
5,925	3,015	ECP issues	3,015 5,925
-	-	Other issues	2,125 2,125
5,925	3,015	Total	5,140 8,050
17. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE			
11,036	13,607	Negative securities portfolios	13,582 11,033
11,036	13,607	Total	13,582 11,033

NOTES

Nykredit Bank Group

18. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Nykredit Realkredit, its parent as well as Group enterprises and associates are regarded as related parties. In addition, Nykredit Bank's Group enterprises and associates as stated in the Group structure are included as well as the Bank's Board of Directors, its Executive Board and related parties thereof.

No unusual related party transactions occurred in H1/2024 and 2023.

The companies have entered into various intercompany agreements as a natural part of the Group's day-to-day operations. The agreements typically involve financing, provision of guarantees, insurance, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks.

Intercompany trading in goods and services took place on an arm's length, cost reimbursement or profit split basis.

Agreements between Nykredit Realkredit A/S and Nykredit Bank A/S

Framework agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas etc. Transactions in financial instruments are covered by master netting agreements involving an on-going exchange of collateral in the form of cash and bonds.

Nykredit Realkredit has a deposit with Nykredit Bank to cover the Bank's MREL requirement.

Agreements between Totalkredit A/S and Nykredit Bank A/S

Nykredit Bank may transfer secured homeowner loans to Totalkredit A/S.

Agreements between Forenet Kredit and Group companies

Forenet Kredit annually distributes an amount to the Group companies which use the contribution to offer the Group's customers benefits in the form of discounts and green solutions.

19. FAIR VALUE DISCLOSURES

Listed prices

The Group's assets and liabilities at fair value are to the widest extent possible recognised at listed prices or prices quoted in an active market or authorised marketplace.

Bonds at fair value are recognised at listed prices if external prices have been updated within the past two trading days prior to the balance sheet date. If no listed prices have been observed during this time span, the portfolio is recognised at observable inputs.

Observable inputs

When an instrument is not traded in an active market, measurement is based on the most recent listed price in an inactive market, the price of comparable transactions or generally accepted valuation techniques based on, for instance, discounted cash flows and option models.

Observable inputs are typically yield curves, volatilities and market prices of similar instruments, which are usually obtained through ordinary providers such as Reuters, Bloomberg and market makers. If the fair value is based on transactions in similar instruments, measurement is exclusively based on transactions at arm's length. Unlisted derivatives generally belong to this category.

Bonds not traded in the past two trading days belong to this category. The valuation is based on the most recent observed price, and adjustments are made for subsequent changes in market conditions, eg by including transactions in similar instruments (matrix pricing). Redeemed bonds are transferred to this category, as there is no access to official prices in active markets.

Further, the valuation of derivatives implies the use of Credit Valuation Adjustment (CVA), thus including counterparty credit risk in the valuation. The CVA of derivatives with positive market value is primarily based on external credit curves such as Itraxx Main, but also on internal data as regards customers without impairment in the lowest rating categories, as there are no external curves suitable for the calculation of credit risk on these customers. Finally, calculations are made to simulate future exposures to interest rate swaps. Calculations entailing increased CVA are included in the value adjustment.

Furthermore, Funding Valuation Adjustment (FVA) is used for the valuation of derivatives. FVA allows for Nykredit's future funding costs incurred by derivatives transactions where clients have not provided sufficient collateral. Nykredit has used a funding curve for this calculation, which is assessed on the basis of objective prices of Danish SIFI banks' traded bonds. This calculation is made on the basis of a discount curve method.

FVA may involve both a funding benefit and a funding cost, but for Nykredit, the net FVA adjustment in 2024 will be a funding benefit. Debit Valuation Adjustment (DVA) is now a sub-element of the FVA adjustment.

Net value adjustment due to CVA, DVA and FVA amounted to DKK -58 million at 30 June 2024 against DKK -92 million at end-2023.

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Nykredit Bank Group

19. FAIR VALUE DISCLOSURES (CONTINUED)

Upon entering into derivatives contracts, further provisions are made in the form of a so-called minimum margin for liquidity and credit risk and return on capital etc. The minimum margin is amortised at the valuation of derivatives over their times-to-maturity. At 30 June 2024, the non-amortised minimum margin amounted to DKK 112 million (end-2023: DKK 105 million). With regard to liquidity and credit risk, these amounts have been included above in the net adjustment of FVA and CVA; DKK 138 million at end-June 2024 (end-2023: DKK 131 million). Finally, in some instances further value adjustment based on management judgement is made if the models are not deemed to take into account all known risks, including eg legal risks.

In some cases, markets, eg the bond market, have become inactive and illiquid. When assessing market transactions, it may therefore be difficult to conclude whether the transactions were executed at arm's length or were forced sales. If measurement is based on recent transactions, the transaction price is compared with a price based on relevant yield curves and discounting techniques.

Unobservable inputs

When it is not possible to measure financial instruments at fair value based on prices in active markets or observable inputs, measurement is based on own assumptions and extrapolations etc. Where possible and appropriate, measurement is based on actual transactions adjusted for differences in eg the liquidity, credit spreads and maturities etc of the instruments. The Group's unlisted equities are generally classified under this heading, and valuation is based on the IPEV Valuation Guidelines.

The positive market values of a number of interest rate swaps with customers in the lowest rating categories have been adjusted for increased credit risk based on additional CVA. The adjustment uses for instance the statistical data applied by Nykredit to calculate expected credit losses on loans and advances at amortised cost. Interest rate swaps which have been fair value adjusted to DKK 0 (after deduction for collateral) due to the creditworthiness of the counterparty are also included in the category "Unobservable inputs".

Following value adjustment, the fair value came to DKK 17 million at 30 June 2024 (end-2023: DKK 275 million). Credit value adjustments came to DKK 177 million at 30 June 2024 (end-2023: DKK 263 million).

The interest rate risk on these interest rate swaps is hedged in all material respects. However, interest rate fluctuations may impact results to the extent that the market value must be adjusted due to increased counterparty credit risk. A 0.1 percentage point change in interest rate levels will impact the fair value by +/- DKK 9 million.

However, financial assets measured on the basis of unobservable inputs account for a very limited part of total financial assets at fair value. At 30 June 2024, the proportion was thus 0.04% (end-2023: 0.47%). The proportion of financial liabilities was 0.0% (end-2023: 0.0%).

Valuation, notably of instruments classified as unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 24 million (end-2023: DKK 282 million) belonged to this category.

Assuming that an actual market price will deviate by +/- 10% from the calculated fair value, the earnings impact will be DKK 2 million at 30 June 2024 (0.01% of equity at 30 June 2024). The earnings impact at 31 December 2023 was estimated at DKK 28 million (0.08% of equity at 31 December 2023).

Transfers between categories

Transfers between the categories Listed prices and Observable inputs mainly result from bonds that are reclassified either due to traded volume or the number of days between last transaction and the time of determination. As at 30 June 2024, financial assets of DKK 4.3 billion (end-2023: DKK 0.1 billion) have been transferred from Listed prices to Observable inputs and DKK 0.8 billion (end-2023: DKK 6.8 billion) from Observable inputs to Listed prices. Financial liabilities of DKK 0.4 billion (end-2023: DKK 1.5 billion) were transferred from Listed prices to Observable inputs and DKK 0.3 billion (end-2023: DKK 0.1 billion) from Observable inputs to Listed prices.

Redeemed bonds (usually comprised by Listed prices) are transferred to Observable inputs on the last day before the coupon date, as there is no access to official prices in active markets. At 30 June 2024 the amount was DKK 5.4 billion (end-2023: DKK 0.4 billion).

No transfers were made between the categories Listed prices and Unobservable inputs.

Fair value disclosures of assets and liabilities recognised at amortised cost

Balances with credit institutions as well as bank lending and deposits are measured largely at amortised cost. For financial assets and liabilities carrying a floating interest rate and entered into on standard credit terms, the carrying amounts are, in all material respects, estimated to correspond to the fair values.

For financial assets which are subject to some differences between carrying amount and fair value, please refer to note 11.

NOTES

DKK million

Nykkredit Bank Group

19. FAIR VALUE DISCLOSURES (CONTINUED)

Fair value of assets and liabilities recognised at fair value (IFRS hierarchy)

30 June 2024

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
Financial assets:				
- bonds at fair value	2,145	42,743	-	44,888
- equities measured at fair value through profit or loss	93	-	7	100
- positive fair value of derivative financial instruments	38	5,230	17	5,285
- assets in pooled schemes	6,054	431	-	6,485
Total	8,331	48,404	24	56,759
Percentage	14.7	85.3	0.0	100.0
Financial liabilities:				
- deposits in pooled schemes	-	6,485	-	6,485
- other non-derivative financial liabilities at fair value	1,684	11,897	-	13,582
- negative fair value of derivative financial instruments	125	5,893	-	6,017
Total	1,809	24,275	-	26,084
Percentage	6.9	93.1	-	100.0
Assets measured on the basis of unobservable inputs				
		Equities	Derivatives	Total
Fair value, beginning of period, assets		8	275	282
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement		(0)	74	74
Sales for the period		(0)	(3)	(3)
Transferred from Listed prices and Observable inputs ¹		-	2	2
Transferred to Listed prices and Observable inputs ²		-	(331)	(331)
Fair value, end of period, assets		7	17	24

¹ Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps individually adjusted for increased credit risk.

² Transfers to Observable inputs from Unobservable inputs principally consist of interest rate swaps for which individual adjustment for increased credit risk is no longer required.

NOTES

DKK million

Nykredit Bank Group

19. FAIR VALUE DISCLOSURES (CONTINUED)

Fair value of assets and liabilities recognised at fair value (IFRS hierarchy)

31 December 2023

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
Financial assets:				
- bonds at fair value	8,770	40,669	-	49,439
- equities measured at fair value through profit or loss	53	-	8	60
- positive fair value of derivative financial instruments	155	5,990	275	6,419
- assets in pooled schemes	4,041	131	-	4,173
Total	13,019	46,790	282	60,091
Percentage	21.7	77.9	0.5	100.0
Financial liabilities:				
- deposits in pooled schemes	-	4,173	-	4,173
- other non-derivative financial liabilities at fair value	797	10,237	-	11,033
- negative fair value of derivative financial instruments	144	8,027	-	8,171
Total	940	22,436	-	23,377
Percentage	4.0	96.0	-	100.0

Assets measured on the basis of unobservable inputs

	Equities	Derivatives	Total
Fair value, beginning of period, assets	15	201	215
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement	(1)	167	166
Purchases for the period	0	-	0
Sales for the period	(6)	(15)	(21)
Transferred from Listed prices and Observable inputs ¹	-	48	48
Transferred to Listed prices and Observable inputs ²	-	(126)	(126)
Fair value, end of period, assets	8	275	282

¹ Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps individually adjusted for increased credit risk.

² Transfers to Observable inputs from Unobservable inputs principally consist of interest rate swaps for which individual adjustment for increased credit risk is no longer required.

NOTES

DKK million

Nykredit Bank Group	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
20. FIVE-YEAR FINANCIAL HIGHLIGHTS					
SUMMARY INCOME STATEMENT					
Net interest income	2,215	2,044	841	740	795
Net fee income etc	1,355	1,340	1,387	1,368	1,162
Net interest and fee income	3,570	3,384	2,229	2,108	1,957
Value adjustments	423	476	1,198	852	135
Other operating income	131	60	40	46	173
Staff and administrative expenses	1,700	1,596	1,490	1,367	1,258
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	20	20	19	15	19
Other operating expenses	18	17	16	10	28
Impairment charges for loans, advances and receivables etc	(112)	24	237	28	309
Profit from investments in associates and Group enterprises	3	3	4	3	3
Profit before tax	2,501	2,266	1,708	1,590	656
Tax	618	560	369	338	114
Profit for the period	1,883	1,705	1,339	1,252	542
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
Assets					
Cash balances and receivables from credit institutions and central banks	42,914	33,950	28,836	25,684	17,040
Loans, advances and other receivables at amortised cost	136,641	125,019	122,852	115,073	102,859
Bonds and equities etc	44,989	50,775	53,304	42,705	45,679
Remaining assets	17,960	15,427	15,971	23,906	29,340
Total assets	242,504	225,172	220,963	207,368	194,919
Liabilities and equity					
Payables to credit institutions and central banks	46,231	41,969	51,883	52,126	50,499
Deposits and other payables	121,630	112,226	102,829	98,565	87,110
Bonds in issue at amortised cost	5,140	9,412	7,382	925	4,492
Other non-derivative financial liabilities at fair value	13,582	10,482	15,165	15,144	11,771
Remaining liabilities	16,437	15,221	10,914	10,692	13,432
Provisions	886	729	678	611	622
Subordinated debt	-	-	-	2,000	2,000
Equity	38,598	35,132	32,111	27,305	24,994
Total liabilities and equity	242,504	225,172	220,963	207,368	194,919
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	21,433	26,199	35,160	31,287	23,994
Other commitments	12,703	13,228	10,539	10,129	13,533

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Nykredit Bank Group	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
20. FIVE-YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
FINANCIAL RATIOS¹					
Total capital ratio, %	27.1	26.6	23.7	20.2	21.5
Tier 1 capital ratio, %	27.1	26.1	23.3	18.3	19.3
Return on equity before tax, %	6.6	6.6	5.5	6.0	2.7
Return on equity after tax, %	5.0	5.0	4.3	4.7	2.2
Income/cost ratio	2.54	2.37	1.98	2.13	1.40
Foreign exchange position, %	0.0	0.0	0.0	0.3	0.3
Loans and advances/equity (loan gearing)	3.5	3.6	3.8	4.2	4.1
Growth in loans and advances for the period, excluding repo transactions, %	3.2	6.1	15.4	(0.4)	2.4
Impairment charges for the period, %	(0.1)	0.0	0.2	0.0	0.2
Return on capital employed, %	0.8	0.8	0.6	0.6	0.3
Average number of staff, full-time equivalent	1,020	1,013	1,016	944	958

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 52 in the Annual Report 2023.

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	DKK million				
Nykredit Bank A/S	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
20. FIVE YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
SUMMARY INCOME STATEMENT					
Net interest income	2,100	1,933	763	655	708
Net fee income etc	665	764	829	877	716
Net interest and fee income	2,765	2,697	1,591	1,531	1,424
Value adjustments	422	475	1,207	852	136
Other operating income	140	51	27	34	156
Staff and administrative expenses	1,402	1,324	1,232	1,108	991
Other operating expenses	16	16	16	9	27
Impairment charges for loans, advances and receivables etc	(132)	24	227	21	274
Profit (loss) from investments in associates and Group enterprises	308	276	255	230	167
Profit before tax	2,348	2,135	1,605	1,510	592
Tax	502	457	293	275	64
Profit for the period	1,846	1,677	1,312	1,235	528
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
Assets					
Cash balances and receivables from credit institutions and central banks	42,883	33,918	28,675	25,590	16,984
Loans, advances and other receivables at amortised cost	132,611	121,125	121,157	113,519	101,412
Bonds and equities etc	44,347	50,012	52,362	41,481	44,536
Remaining assets	20,116	17,488	18,136	26,216	31,299
Total assets	239,956	222,543	220,331	206,805	194,231
Liabilities and equity					
Payables to credit institutions and central banks	46,231	41,969	51,883	52,126	50,499
Deposits and other payables	122,117	112,649	103,058	98,779	87,284
Bonds in issue at amortised cost	3,015	7,287	7,382	925	4,492
Other non-derivative financial liabilities at fair value	13,607	10,495	15,184	15,247	11,878
Remaining liabilities	15,859	14,594	10,308	10,100	12,780
Provisions	607	489	484	407	393
Subordinated debt	-	-	-	2,000	2,000
Equity	38,522	35,060	32,030	27,221	24,905
Total liabilities and equity	239,956	222,543	220,331	206,805	194,231
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	21,426	26,199	35,160	31,286	23,994
Other commitments	11,773	12,737	10,283	9,950	13,363

NOTES

Nykredit Bank A/S	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
20. FIVE YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
FINANCIAL RATIOS¹					
Total capital ratio, %	26.3	25.8	22.7	19.3	20.5
Tier 1 capital ratio, %	26.3	25.3	22.3	17.5	18.4
Return on equity before tax, %	6.2	6.2	5.2	5.7	2.4
Return on equity after tax, %	4.9	4.9	4.2	4.6	2.1
Income/cost ratio	2.82	2.57	2.10	2.33	1.46
Foreign exchange position, %	0.0	0.0	0.0	0.3	0.3
Loans and advances/equity (loan gearing)	3.4	3.5	3.8	4.2	4.1
Growth in loans and advances for the period, excluding repo transactions, %	3.3	6.3	15.6	(0.6)	2.3
Impairment charges for the period, %	(0.1)	0.0	0.1	0.0	0.3
Return on capital employed, %	0.8	0.8	0.6	0.6	0.3
Average number of staff, full-time equivalent	758	749	752	677	675

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 52 in the Annual Report 2023.

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DKK million

Nykredit Bank Group

21. GROUP STRUCTURE

Name and registered office

	Owner-ship interest as %, 30 June 2024	Profit for the period, 2024	Equity 30 June 2024	Profit for 2023	Equity 31 December 2023
Nykredit Bank A/S (Parent), Copenhagen, a)	-	2,348	38,522	4,205	36,696
Nykredit Portefølje Administration A/S, Copenhagen, b)	100	128	798	221	903
Nykredit Leasing A/S, Gladsaxe c)	100	56	1,300	151	1,254
Sparinvest Holdings SE, Luxembourg, d)	82	321	152	281	172

The Group structure only includes significant subsidiaries. Financial information is provided in the order in which the subsidiaries are recognised in the Consolidated Financial Statements.

Geographical distribution of activities

Denmark: Names and activities appear from the Group structure above

Luxembourg: Names and activities appear from the Group structure above

	Number of staff	Revenue ¹	Profit before tax	Tax	Government aid received
Denmark	990	6,508	2,347	576	-
Luxembourg	30	292	154	42	-

¹ For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as interest, fee and commission income and other operating income.

- a) Bank
- b) Investment management company
- c) Leasing business
- d) Holding company, no independent activities

Nykredit Bank A/S is wholly owned by Nykredit Realkredit A/S and consolidated with Nykredit A/S for accounting purposes, which is consolidated with Forenet Kredit for accounting purposes.

The financial statements of Forenet Kredit (in Danish) and Nykredit A/S are available from:

Nykredit Realkredit A/S
Sundkrogsgade 25
DK-2150 Nordhavn