

Nykredit HI 2024 credit update and issuance plan

HI 2024 results – highlights

- Profit after tax for HI 2024 was DKK 6.5 bn.
- Mortgage lending at nominal value increased to DKK 1,464 billion in HI 2024 from DKK 1,432 bn in HI 2023.
- Nykredit Bank's lending rose to DKK 97 bn in HI 2024 from DKK 92 bn in HI 2023.
- Assets under Management increased 15% since HI 2023 to DKK 496 bn.
- Nykredit maintained a very strong capital position with a Common Equity Tier 1 (CET1) capital ratio of 19.9%.
- Nykredit's cost/income ratio is 29.5% in HI 2024.

Results HI 2024 DKKm	Nykredit Group	Of which Nykredit Bank
Income	11,262	4,000
Costs	3,325	1,739
Impairment charges	(84)	(112)
Business profit	8,021	2,374
Legacy derivatives	127	127
Profit after tax	6,495	1,883

Key figures HI 2024

Total assets	1,690,686
REA	446,937
CET1 ratio	19.9%
Total capital ratio	22.4%
Cost/income ratio	29.5%
Impairment ratio (bps)	0
ROE pa	13.2%

Strong asset quality

93% of Nykredit's lending consists of mortgage lending secured by real estate, and the remaining 7% is bank lending. The loan portfolio measured at nominal value developed positively in HI 2024, and individual impairment provisions remained low. In addition, arrears ratios and write-offs remained low.

At HI 2024, provisions related to geopolitical uncertainty amount to DKK 1.8 billion. Nykredit raised its provisions for ESG-related risk to DKK 1.1 bn.

Issuance schedule

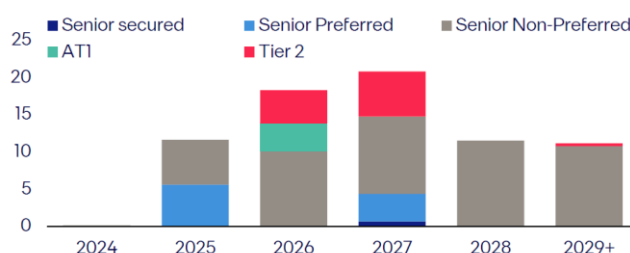
Nykredit must have a debt buffer of at least 2% of mortgage lending. Also, the debt buffer, the capital requirement in the mortgage banks and MREL requirement in Nykredit Bank must amount to at least 8% of total liabilities Nykredit meets both requirements.

In HI 2024, Nykredit issued approximately DKK 11 billion senior non-preferred debt for meeting the 2% debt buffer requirement, the 8% requirement and the ALAC criteria.

Apart from the issuance of SDOs and ROs, Nykredit's need to issue other capital market funding depends on balance sheet growth, changes in REA and refinancing.

Nykredit expects to issue senior debt worth up to DKK 5 billion towards end-2024 and we expect the majority to be in Senior Preferred format.

Figure 1: Nykredit Group maturity profile, DKKbn



Commercial Papers

Nykredit Bank issues ECPs on a daily basis in all major currencies and with maturities between of 1 and 12 months. At HI 2024, Nykredit Bank's outstanding ECPs amount to DKK 3 billion.

ESG

Nykredit has a strong commitment to support the green transition and achieving net zero greenhouse gas emissions from our lending, investments and own operations by 2050 at the latest.

Nykredit has set ambitious climate targets for the significant areas of its operations. As the first major lender in the Nordics, Nykredit achieved the Science Based Targets approval of its climate targets in June 2024.

About Nykredit

Nykredit is Denmark’s largest credit provider, offering costumers full-service banking solutions with a pre-dominant focus on prime mortgage lending.

Due to its status as the leading mortgage lender with a market share of 45% of total Danish mortgage lending, Nykredit is a Danish Other Systemically Important Institution (O-SII).

By law, all mortgage lending must be funded by issuance of covered bonds, and Nykredit is Europe’s largest issuer of covered bonds backed by mortgages. At H1 2024, the Nykredit Group had an outstanding amount of covered bonds of DKK 1,367 billion. Covered bonds are issued on a daily basis to fund mortgage lending. The bonds are sold via a group of primary dealers in Denmark, including Nykredit Markets.

The Nykredit Group offers a wide range of other banking services via Nykredit Bank. The Bank offers asset management services and activities relating to debt capital markets and fixed income products.

Credit ratings	Long term	Short term
S&P Global	A+	A-1
FitchRatings	A	F1

ESG ratings	Score	Range
MSCI	AAA	CCC-AAA
SUSTAINALYTICS	Low risk	NEGL-SEVERE
CDP	B	D- to A

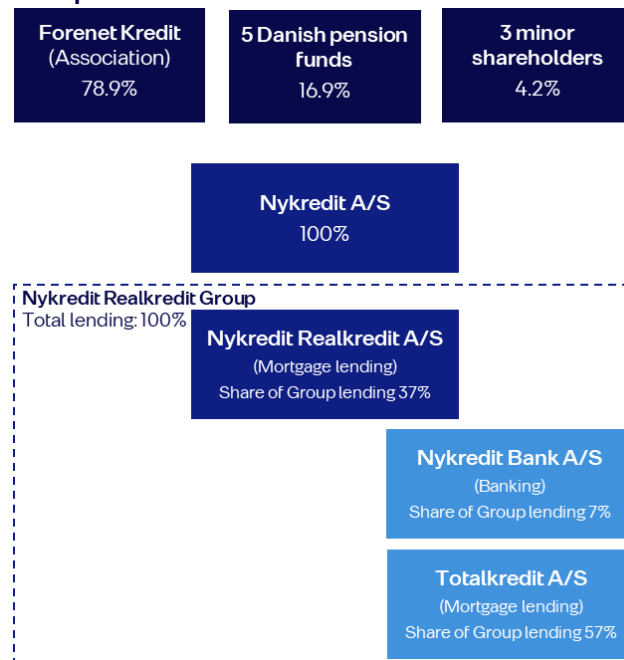
Group structure

Nykredit is a financial mutual, and 79% of the Group is owned by Forenet Kredit, an association of customers. 17% of the Group is owned by a group of five Danish pension funds, while the remaining 4% is owned by other shareholders.

Nykredit Realkredit, a mortgage lender, is the operational parent company. Nykredit Realkredit is the issuer of covered bonds as well as other debt and capital instruments. Commercial papers are issued by Nykredit Bank.

Nykredit Bank is a core subsidiary of Nykredit Realkredit, and the credit ratings of Nykredit Bank are therefore aligned with the ratings of its parent.

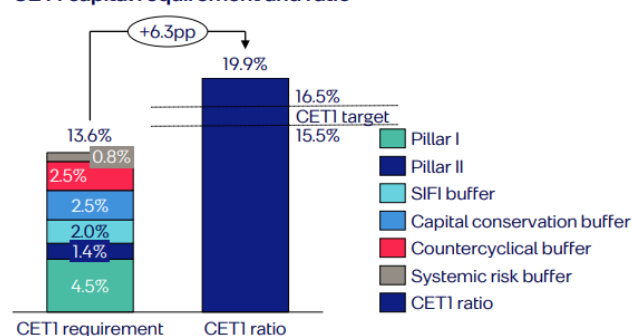
Group structure



Capital position

Nykredit’s CET1 ratio amounts to 19.9% at Q1 2024, which is some 400 bps above Nykredit’s capital policy target. Nykredit has already reserved CET1 capital for Basel IV- and a potential business cycle downturn.

CET1 capital requirement and ratio



More information

Interim Report H1 2024 can be found [here](#), and the latest investor presentation is available [here](#).

Morten Bækmand Nielsen
Head of Investor Relations
Tel. +45 44 55 15 21

Hanne Søgaard Foss
Investor Relations Manager
Tel. +45 44 55 12 36

Peter Zangenberg Hyllested
Chief Analyst
Tel. +45 44 55 20 25

investor_relations@nykredit.dk

www.nykredit.com/ir

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