

Nykredit Q1-Q3/2024 credit update and issuance plan

Q1-Q3/2024 results – highlights

- Profit after tax for Q1-Q3/2024 was DKK 9.0 bn.
- Nykredit Bank's lending increased to DKK 99.9 billion at end-September 2024 from DKK 92.2 billion at end-September 2023.
- Assets under management by Nykredit Wealth Management were up 19% to DKK 513.6 billion at end-September 2024 compared to end-September 2023.
- 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 31.1% in Q1-Q3/2024.

Results Q1-Q3/2024 DKK m	Nykredit Group	Of which Nykredit Bank
Income	16,228	6,075
Costs	5,040	2,585
Impairment charges	(141)	(75)
Business profit	11,329	3,566
Legacy derivatives	102	102
Profit after tax	8,958	2,764

Key figures Q1-Q3/2024

Total assets	1,736,974
REA	453,434
CET1 ratio	19.9%
Total capital ratio	22.3%
Cost/income ratio	31.1%
Impairment ratio (bps)	(1)
ROE pa	12.0%

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 Q1-Q3/2024, and individual impairment provisions remained low. In addition, arrears ratios and write-offs remained low.

At Q3/2024, provisions related to geopolitical uncertainty amount to DKK 1.7 billion. Nykredit's ESG-related provisions amount to DKK 1.0 bn.

Issuance schedule

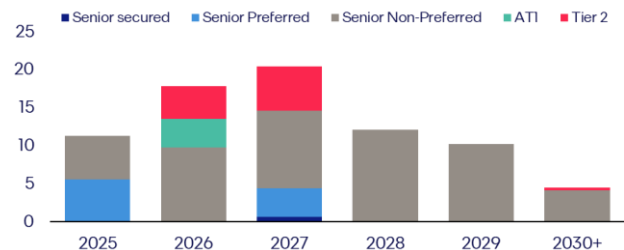
Nykredit must have a debt buffer of at least 2% of mortgage lending. Also, the debt buffer, the capital requirement in the mortgage banks and MREL requirement in Nykredit Bank must amount to at least 8% of total liabilities Nykredit meets both requirements.

In Q1-Q3/2024, Nykredit issued approximately DKK 15 billion in 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 DKK 15-20bn in senior debt in the remaining part of 2024 and 2025.

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 Q3/2024, Nykredit Bank's outstanding ECPs amount to DKK 5.2 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 Q1-Q3/2024, the Nykredit Group had a nominal outstanding amount of covered bonds of DKK 1,560 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

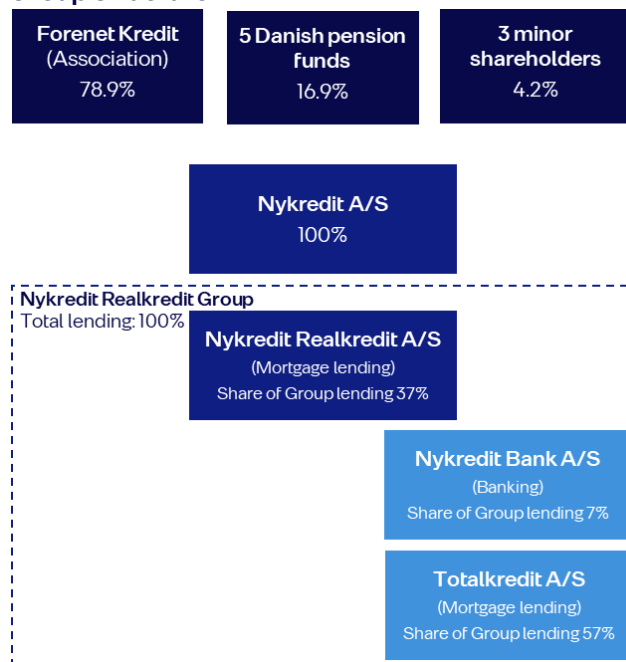
Group structure

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 consortium of five Danish pension funds, while the remaining 4% is owned by minor 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.

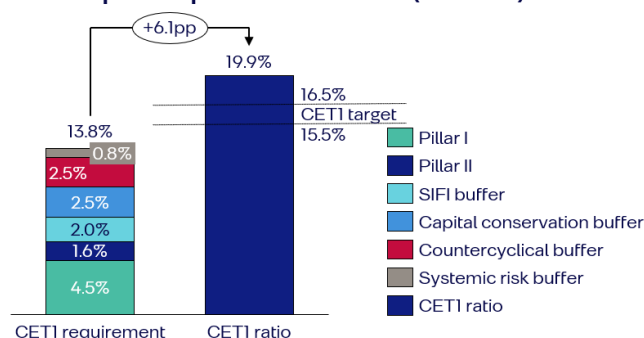
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Capital position

Nykredit’s CET1 ratio amounts to 19.9% at Q3 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 (3Q 2024)



More information

Interim Report Q1-Q3/2024 can be found [here](#), and the latest investor presentation is available [here](#).

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