

An aerial photograph of a coastal landscape. In the foreground, a rocky beach meets the sea. A small village with several buildings, including a prominent yellow church with a steeple, is situated on a grassy slope. Beyond the village, a large, dark brown field stretches towards a cliff edge. The cliffside is covered in sparse vegetation and leads down to the water. The sea is a deep blue, and the sky is a clear, light blue. The overall scene is peaceful and scenic.

Nykredit Realkredit Group
Q1 Interim Report 2024

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MANAGEMENT COMMENTARY



Foreword

"Nykredit has today presented its best quarterly results ever. Naturally, this is highly satisfactory."

Michael Rasmussen
Group Chief Executive

Nykredit closed yet another three months of business and customer growth within all business areas. Nykredit Bank grew its loan portfolio, Totalkredit increased its mortgage lending, and Wealth Management increased client assets under management. At the same time, financial market conditions had a positive impact on the Group's investment portfolio income. As a result, Nykredit has recorded its best quarter ever.

We have consequently decided to raise our full-year guidance to a profit of DKK 10.5-11.5 billion for 2024, the same level as in 2023. However, this depends, among other things, on the global economic outlook, which is still marked by uncertainty. This is not least due to the terrible wars in Ukraine and Gaza, which may continue to adversely affect the world market. We consequently still foresee relatively low visibility in the global economy. Furthermore, central banks in both Europe and the US are expected to start cutting interest rates in the period ahead. But it is difficult to predict when and by how much. That makes it uncertain how interest rates will affect the Danish economy and the housing market for the rest of the year.

Housing market and Totalkredit's customers are resilient

The Danish economy is robust, however. Inflation is on track, employment is high, and Danish households are resilient. And many can look forward to rising real wages. In 2024, we therefore expect decent growth in the Danish economy.

For this reason, we expect increasing activity in large parts of the housing market for the rest of the year. Prices of owner-occupied flats will continue to adjust, especially in the Copenhagen area, as a result of the new housing taxes, but we generally expect sales activity to increase. As always, Totalkredit stands ready to provide secure and inexpensive home financing throughout the country. Totalkredit fared well in 2023, even though the year was characterised by high inflation, interest rate rises and relatively low housing market activity. Our customers remain resilient, however, and the average loan-to-value ratio is historically low. At the same time, we have high liquidity in a wide range of bonds, providing customers with a variety of options and low home loan

prices. Both our customers and Totalkredit are consequently on a firm financial footing. In the housing market, however, there is no prospect of the same high activity as in the years before 2022. In this light, we expect a more modest increase in mortgage lending in 2024 compared with previous years.

Mutual ownership provides value to customers

The Nykredit Group is quite unique, being owned by an association of customers. In this way, we differ from other banks and mortgage providers. Mutual ownership is not only an important element of Nykredit's identity, but it also provides value to customers in the form of customer benefits.

In 2024, we have raised the KundeKroner discount on administration margin payments from 0.15% to 0.20%, which has made it even cheaper for our customers to finance their homes with us. This will benefit more than 900,000 homeowners who currently have a Totalkredit mortgage loan. Thanks to the KundeKroner discount, the administration margin is also at the lowest level for several years. This discount is a concrete expression of how our mutual ownership translates into real value for our customers. In this way, our mutual ownership structure makes a significant contribution to our commercial competitiveness in the marketplace, as Totalkredit currently offers the lowest prices in most loan types for home financing.

In 2024, Nykredit's majority shareholder, Forenet Kredit, has decided to give back DKK 1.7 billion to Nykredit and Totalkredit; money that will benefit our customers in the form of cash grants and other benefits. Moreover, due to the contribution from Forenet Kredit, homeowners are guaranteed KundeKroner benefits up to and including 2027. As a financial mutual, we are proud that we can share our success with our customers when Nykredit is doing well. We are in continued dialogue with the Danish Competition and Consumer Authority about the Totalkredit partnership agreement. In this context, it has always been imperative to us to preserve the Danish mortgage loan model, which is based on transparency and solidarity. This means that interest rates and administration margins are identical for all homeowners regardless of geographical

location, income or personal finances. It seems odd that a mortgage provider, which today offers its customers the most attractive rates and also accounts for the majority of lending to customers in the rural districts, could be perceived as an impediment to effective competition in the mortgage market.

Nykredit contributes to the green transition

Nykredit Bank has recorded customer and lending growth in the first three months of the year. This especially applies to our corporate clients. Most recently, we have adjusted our deposit rates, offering all customers, regardless of their business with Nykredit, a minimum deposit rate of 1.25%. Full-service customers can get an interest rate of as much as 4.5% (including bonus interest) on savings for home purchases or green projects. Because of our mutual ownership structure, our prices differ from those of other banks, and by offering customer benefits in the form of cash grants for green solutions, fee discounts and cheap, green loans, we will continue to demonstrate all the advantages associated with being a customer of a mutually-owned bank. Nykredit wants to be the responsible financial provider for people and businesses all over Denmark. To this end, we will continue to further develop our green value propositions.

Most recently, together with Rambøll, we have launched Incept Sustainability, an ESG tool, to support small and medium-sized enterprises, which often find the transition in a greener direction particularly challenging. We know from surveys that Nykredit Bank is recognised as the bank that most Danes associate with green-transition financing. We take such recognition seriously, and we will do our utmost to live up to it. Thus, in Nykredit Bank we are continuously developing our value propositions to make it easy and more attractive for our customers to go green. It is important that we, as a financial provider, help provide as much financial stability and predictability for customers as possible. We have therefore decided to cap administration margins for agricultural customers in 2024-2025. This is the best way for us to ensure that agricultural customers now, but also after a political deal on green tax reform, have the time to assess any consequences and future initiatives.

This is an important part of being a reliable and predictable financial partner to our customers.

The new Wealth Management

Assets under management by Nykredit Wealth Management increased in the past quarter, and as a wealth manager, we have recorded growth in recent years. We have therefore simplified our Wealth Management business model, creating a stronger basis for continuing recent years' growth journey. This also applies to Nykredit Portefølje Administration, which is now poised to welcome even more high-volume clients. Furthermore, we will complete a full upgrade of our investment platform by 2026 aimed at future-proofing our operational activities and consolidating our entire value chain in one single platform based on the latest technologies. This will enhance the experience for customers of both Nykredit and our Sparinvest partner banks.

Private Banking took home five awards from WealthBriefing Awards and Euromoney. For the second consecutive year, Euromoney named Nykredit the best private banking provider in Denmark, and for the sixth consecutive year, Nykredit received WealthBriefing Awards. This is a testament to our continued success in developing and providing top-notch comprehensive advisory services to our customers.

New member of Group Executive Board from within

In January, a new member joined Nykredit's Group Executive Board when Pernille Sindby took up the position of Group Managing Director in charge of Wealth Management. Pernille has demonstrated great capacity in multiple roles across the Group throughout more than 20 years. Most recently, Pernille was CEO of Totalkredit – a position now filled by Maiken Moltke Olesen who was previously Head of Group Finance & Investments. At Nykredit, we are proud to be able to recruit strong candidates from within our own organisation. This demonstrates that we are not only successful in attracting talents to Nykredit, but also in developing and empowering our colleagues. We grow stronger as an organisation if we can give colleagues who will and can the opportunity to take new steps in their careers within the Group. In this way, structured succession

planning, diversity, skills development and internal mobility are part of what defines us as a company. Once again, our unique ownership structure sets its own standards for us. For many years, we have promoted a culture shaped by team spirit and drive in equal measure. A culture where people development and security are inextricably linked. As a customer-owned workplace, we insist that the desire to perform and create results goes hand in hand with community spirit and wellbeing.

Winning the Double 2.0 sets the course for Nykredit

Totalkredit's progress relies on our strong alliance with competent local partner banks throughout Denmark. Their deep customer knowledge and sound, local advisory services are the very reason for Totalkredit's currently strong position. We look forward to continuing our excellent collaboration in 2024.

Also Nykredit Bank is seeing continued growth. This once again clearly demonstrates that our Group strategy, Winning the Double 2.0, sets the right course with an ambition to grow both as a mortgage provider through the Totalkredit alliance and as a bank in our own right. This enables us to offer each customer highly competent advisory services and strong value propositions whilst also supporting development and growth all over Denmark. We look forward to demonstrating again in 2024 what a customer-owned Nykredit and Totalkredit can do for our customers and Danish society.

Together we are more.



Merete Eldrup
Chair
Board of Directors



Michael Rasmussen
Group Chief Executive

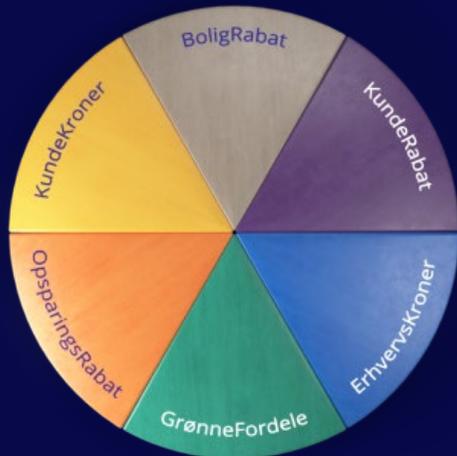
Together we are more

One important area setting us apart from our competitors is that we are 78.9% owned by Forenet Kredit – an association of customers – and 16.9% owned by a consortium consisting of five of Denmark's leading pension companies as well as 4.2% by other shareholders. This ensures a stable and long-term ownership structure.

Being owned by an association, we are in a unique position to share our success by offering a host of special customer benefits.

Forenet Kredit pursues three key priorities:

- Danish mortgage lending – also in 200 years
- In all of Denmark
- We share our profits.



Mutual ownership

Nykredit's majority shareholder, Forenet Kredit, wants the dividend from Nykredit to benefit our customers through our customer benefits programme.

Since 2017 the programme has offered KundeKroner discounts to all personal customers with a Totalkredit mortgage loan and was later expanded to include ErhvervsKroner discounts to business customers with a Nykredit and Totalkredit mortgage loan. In addition, we offer a number of discounts and cash benefits to full-service customers of Nykredit Bank as well as green cash benefits to both Nykredit and Totalkredit customers. Read more about our customer benefits at nykredit.com

Nykredit expects to distribute customer benefits in the amount of about DKK 2.3 billion for 2024. Nykredit's primary owner, Forenet Kredit, allocates capital to Nykredit, serving as a guarantee to customers that they may, among other things, receive KundeKroner four years into the future.

Customer benefits

- **KundeKroner:** mortgage loan cash benefits
- **BoligRabat:** bank home loan discounts
- **KundeRabat:** fee discounts
- **ErhvervsKroner:** business mortgage loan discounts
- **GrønneFordele:** discounts and cash grants for green solutions
- **OpsparingsRabat:** savings discounts



Financial highlights



Income
DKK 6,012 million
(Q1/2023: DKK 5,189 million)



Costs
DKK 1,645 million
(Q1/2023: DKK 1,637 million)



Profit after tax
DKK 3,544 million
(Q1/2023: DKK 2,801 million)

DKK million

Nykredit Realkredit Group	Q1/ 2024	Q1/ 2023	Q4/ 2023	2023
BUSINESS PROFIT AND PROFIT FOR THE PERIOD				
Net interest income	3,011	2,883	3,199	12,305
Net fee income	728	680	839	2,789
Wealth management income	668	583	583	2,368
Net interest from capitalisation	597	460	407	1,719
Net income relating to customer benefits programmes ¹	(135)	(117)	(113)	(404)
Trading, investment portfolio and other income	1,143	700	202	1,625
Income	6,012	5,189	5,116	20,402
Costs	1,645	1,637	1,753	6,554
Business profit before impairment charges	4,367	3,552	3,363	13,847
Impairment charges for loans and advances	(53)	(34)	(36)	(177)
Business profit	4,420	3,586	3,400	14,024
Legacy derivatives	52	(11)	(84)	59
Profit before tax	4,472	3,575	3,316	14,083
Tax	927	775	755	3,191
Profit for the period	3,544	2,801	2,561	10,892
Other comprehensive income, remaining items	15	15	(2)	5
Comprehensive income for the period	3,559	2,816	2,559	10,898
Interest on Additional Tier 1 capital charged against equity	38	38	39	154
Minority interests	19	15	20	65

¹"Net income relating to customer benefits programmes" is described in detail in "Alternative performance measures" on page 47.

Balance sheet and financial ratios

DKK million



Profit as % of average equity (RoE)
14.5%
(end-2023: 11.4%)



Cost/income ratio
27.4%
(end-2023: 32.1%)



People (FTE)
3,864
(end-2023: 3,973)

Nykredit Realkredit Group	Q1/ 31.03.2024	Q1/ 31.03.2023	Q4/ 31.12.2023	2023
Summary balance sheet				
Assets				
Receivables from credit institutions and central banks	59,689	54,298	68,061	68,061
Mortgage loans at fair value	1,357,741	1,306,435	1,354,987	1,354,987
Bank loans excluding reverse repurchase lending	94,546	92,075	94,375	94,375
Bonds and equities	103,132	99,889	103,631	103,631
Remaining assets	59,088	59,847	60,550	60,550
Total assets	1,674,196	1,612,544	1,681,605	1,681,605
Liabilities and equity				
Payables to credit institutions and central banks	14,890	21,305	12,591	12,591
Deposits excluding repo deposits	107,071	106,656	114,208	114,208
Bonds in issue at fair value	1,335,743	1,273,710	1,334,909	1,334,909
Subordinated debt	10,280	10,112	10,394	10,394
Remaining liabilities	107,048	105,767	108,497	108,497
Equity	99,164	94,995	101,006	101,006
Total liabilities and equity	1,674,196	1,612,544	1,681,605	1,681,605

SELECTED FINANCIAL RATIOS

Profit for the period as % pa of average equity ¹	14.5	11.9	10.4	11.4
Cost/income ratio (C/I), %	27.4	31.5	34.3	32.1
Total provisions for loan impairment and guarantees	8,859	9,332	9,027	9,027
Impairment charges for the period, %	0.00	0.00	(0.01)	(0.01)
Total capital ratio, %	23.8	23.8	23.7	23.7
CET1 capital ratio, %	20.5	20.0	20.4	20.4
Internal capital adequacy requirement, %	10.6	11.4	10.6	10.6
Average number of staff, full-time equivalent	3,864	4,017	3,973	3,973

¹ "Profit for the period as % of average equity" shows profit for the period relative to equity. Profit corresponds to net profit or loss less interest expenses for Additional Tier 1 capital as well as minority interests.

Financial review

Performance highlights in Q1/2024

Nykredit delivered a highly satisfactory profit after tax for Q1/2024 of DKK 3,544 million (Q1/2023: DKK 2,801 million) and a business profit of DKK 4,420 million (Q1/2023: DKK 3,586 million).

Results were positively impacted by higher net interest income, net interest from capitalisation, increased investment portfolio income as well as net reversal of impairments owing to the continued strong Danish economy and the high credit quality of our customers. In 2024, we recorded customer growth across all segments.

We last raised our guidance for profit after tax for 2024 in April 2024 to a profit after tax of about DKK 10.5-11.5 billion from a profit after tax of DKK 9.5-10.5 billion.

Bank lending came to DKK 94.5 billion at end-March 2024 (end-2023: DKK 94.4 billion). Nominal mortgage lending was DKK 1,441.6 billion (end-2023: DKK 1,440.3 billion).

Income

Income totalled DKK 6,012 million in Q1/2024 (Q1/2023: DKK 5,189 million), representing a 20.5% improvement in the core business areas compared with Q1/2023.

Net interest income amounted to DKK 3,011 million (Q1/2023: DKK 2,883 million). The increase in net interest income was positively impacted by rising interest rates in addition to an increase in bank lending and nominal mortgage lending compared with Q1/2023.

Net fee income rose by DKK 48 million on Q1/2023 to DKK 728 million (2023: DKK 680 million). The rise was mainly due to higher mortgage activity in the personal as well as the business segment compared with 2023. By contrast, net fee income was positively affected by the high activity level of large corporate clients served in the business area Corporates & Institutions as well as high funding income resulting from market developments.

Wealth management income increased to DKK 668 million (Q1/2023: DKK 583 million), mainly driven by income from Asset Management.

Net interest from capitalisation, which comprises return on equity and interest on subordinated capital, was a gain of DKK 597 million (Q1/2023: gain of DKK 460 million). The increase compared with 2023 was due to higher interest rates.

Results were positively impacted by higher net interest income, net interest from capitalisation, increased investment portfolio income as well as net reversal of impairments owing to the continued strong Danish economy and the high credit quality of our customers. In Q1/2024, we recorded customer growth across all segments.

Bank lending rose to DKK 94.5 billion at end-March 2024 (end-2023: DKK 94.4 billion). Nominal mortgage lending was DKK 1,441.6 billion (end-2023: DKK 1,440.3 billion). Trading, investment portfolio and other income, including value adjustment of the portfolio of bank equities and swaps, came to DKK 1,143 million (Q1/2023: DKK 700 million).

Income in 2024 was mainly driven by capital gains on equities held for business purposes, income from credit bonds and a tightening of credit spreads of short-dated Danish covered bonds.

Costs

Total costs amounted to DKK 1,645 million (Q1/2023: DKK 1,637 million), which equalled an increase for the period of only 0.5%. The increase was due to pay rises across the Group and general price growth driven by inflation. Furthermore, the period saw increased investments in digitisation and IT. The pay and price increases were partially mitigated through streamlining and financial discipline.

The average number of full-time equivalent staff was reduced to 3,864 (Q1/2023: 4,017). The change in headcount was, among other things, due to a lower activity level and efficiency initiatives across the Group.



Profit after tax
DKK 3,544 million
(Q1/2023: DKK 2,801 million)

Impairment charges for loans and advances

Impairment charges for loans and advances were a net reversal of DKK 53 million (Q1/2023: net reversal of DKK 34 million) owing to the continued strong performance of the Danish economy and our customers' good credit quality.

Geopolitical risks still prevail. However, owing to the increasing credit quality this quarter, our model calculations imply a reversal of DKK 150 million.

Provisions subsequently totalled DKK 1,935 million.

	DKK million	
	31.03.2024	31.03.2023
Nykredit Realkredit Group		
Impairment charges for loans and advances		
Individual impairment provisions (stage 3)	(37)	24
Model-based impairment provisions (stages 1, 2 and 3)	(16)	(58)
Impairment charges for loans and advances	(53)	(34)

Provisions related to ESG were raised by DKK 328 million in 2024 as a result of a reassessment of ESG transition risks. Government efforts towards the green transition of heavy transport and agriculture with new carbon taxes have been intensified, and new bills have been tabled. The green transition will further challenge some customers' business models and increase expected credit losses. Provisions related to ESG now amount to DKK 997 million.

For further information about the impacts of the geopolitical tensions, including the war in Ukraine, Nykredit's impairment charges for loans and advances and our portfolio distribution, please refer to our Fact Book Q1 2024, which is available at nykredit.com.

Income from other items

Legacy derivatives, which are not included in business profit, were a gain of DKK 52 million (Q1/2023: charge of DKK 11 million).

Tax

Tax on profit for the year has been calculated at DKK 927 million (Q1/2023: DKK 775 million). As a result of the new surtax imposed on companies in the financial sector, the tax rate was raised from 22% to 25.2% in 2023, leading to an additional tax charge of DKK 397 million. In 2024 the tax rate will increase additionally to 26%.

Results for Q1/2024 relative to Q4/2023

Profit after tax for Q1/2024 was DKK 3,544 million (Q4/2023: DKK 2,559 million).

Income amounted to DKK 6,012 million (Q4/2023: DKK 5,116 million). Income from core business was at the same level in Q1/2024 as in Q4/2023, while trading, investment portfolio and other income was lower, mainly driven by negative value adjustments of equities held for business purposes.

Costs amounted to DKK 1,645 million in Q1/2024 (Q4/2023: DKK 1,753 million).

Impairment charges for loans and advances were a net reversal of DKK 53 million (Q4/2023: net reversal of DKK 36 million).

Legacy derivatives resulted in a value adjustment of DKK 52 million (Q4/2023: negative value adjustment of DKK 84 million).



Business profit in Q1
DKK 4,420 million
(Q4/2023: DKK 3,400 million)

Balance sheet

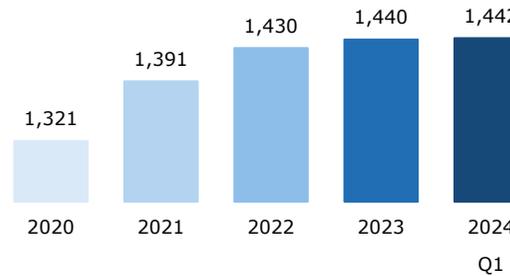
Nominal mortgage lending stood at DKK 1,441.6 billion (end-2023: DKK 1,440.3 billion). Despite lower activity and continuous repayments, Nykredit again managed to maintain our loan portfolio balance through new lending. For mortgage lending, new lending chiefly related to major corporate clients in the business area Corporates & Institutions.

Also Totalkredit's loan portfolio was maintained in Q1/2024. Nominal lending was DKK 879.7 billion against DKK 878.5 billion at end-2023. The loan portfolio balance was unchanged as Totalkredit's new lending offset the natural portfolio run-off resulting from customers' current repayments. About 911,273 homeowners had Totalkredit loans at end-March 2024.

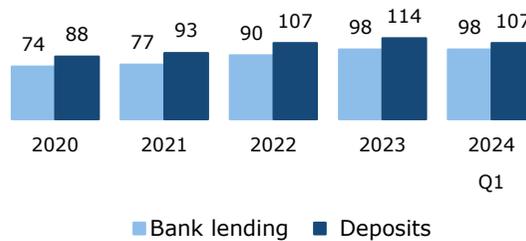
Equity

The Nykredit Realkredit Group's equity stood at DKK 99.2 billion (end-2023: DKK 101.0 billion).

Nominal mortgage lending, DKK million



Bank lending excluding reverse repurchase lending and deposits excluding repo deposits, DKK million



Outlook and guidance for 2024

On 19 April 2024, the Nykredit Group raised its guidance for 2024 to a profit after tax of DKK 10.5-11.5 billion compared with the previously guided range of DKK 9.5-10.5 billion.

Recent years' business and customer growth in Nykredit continued during the first months of 2024. Furthermore, thanks to the solid credit quality and resilience of our customers, impairment charges for the period were a minor reversal. The upgrade is also rooted in financial market trends, which had a particularly positive impact on investment portfolio income in the first quarter.



Special accounting circumstances

No special accounting circumstances occurred in 2024.

Other

Changes to the Executive Board

On 1 February 2024, Pernille Sindby joined the Group Executive Board. From this date, the Group Executive Board has included Michael Rasmussen, Tonny Thierry Andersen, David Hellemann, Anders Jensen and Pernille Sindby.

Changes to the Board of Directors

At the Company's Annual General Meeting on 21 March 2024, Ann-Mari Lundbæk Lauritsen, Kristina Andersen Skiøld and Allan Kristiansen resigned from the Board of Directors. Rasmus Fossing and Kathrin Helene Hattens were elected as new board members. Michael Demsitz, Per W. Hallgren, Jørgen Høholt, Torsten Hagen Jørgensen, Vibeke Krag and Mie Krog were re-elected to the Board of Directors.

The Board of Directors includes four staff-elected members: Olav Bredgaard Brusén, Rasmus Fossing, Kathrin Helene Hattens and Inge Sand.

Immediately following the Annual General Meeting, the Board of Directors elected Merete Eldrup as Chair and Preben Sunke as Deputy Chair.

Uncertainty as to recognition and measurement

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

The areas in which assumptions and estimates significant to the Financial Statements have been made include provisions for loan and receivable impairment as well as valuation of unlisted financial instruments, including swaps, see note 1, accounting policies, to which reference is made.

Material risks

The Group's material risks are unchanged compared with the risks described in note 56 to the Annual Report for 2023 to which reference is made.

Events since the balance sheet date

No events have occurred in the period up to the presentation of the Q1 Interim Report for 2024 which materially affect the Group's financial position.

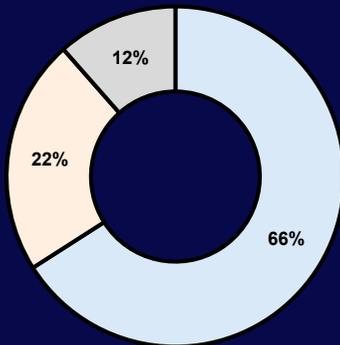


Business areas

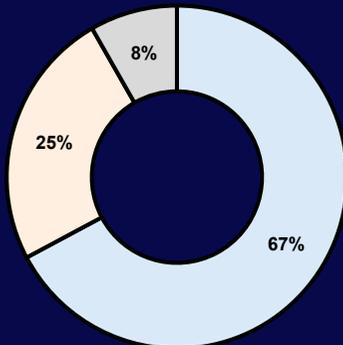
Nykredit's governance and organisational structure is based on these business areas:

- Banking
- Totalkredit Partners
- Wealth Management

Income



Business profit



Banking

Comprises Retail and Corporates & Institutions. Retail offers mortgage lending and banking services to Nykredit's personal customers and SMEs, including agricultural customers and residential rental customers. Retail also includes estate agency and leasing activities.

Corporates & Institutions comprises Nykredit's corporate and institutional clients, the public housing segment, large housing cooperatives and mortgage lending to business customers for properties abroad. The division is also responsible for Nykredit's activities within securities trading and financial instruments.



Totalkredit Partners

Comprises Totalkredit-branded mortgage loans to personal and business customers arranged by 41 Danish local and regional banks (excluding Nykredit Bank). Mortgage loans arranged by Nykredit are included in the business area Banking.

The unit supports Totalkredit's partner banks, ensuring that they are well-placed to help customers through digital tools, products, training etc.



Wealth Management

Comprises 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.

Sparinvest collaborates with a long list of banks all over Denmark, offering customers the best wealth and investment products and advisory services.

Banking

The overarching ambition of the Banking area is to provide our personal and business customers with financial security.

To realise our ambition, Banking must deliver on a five-track strategy:

- Customers first
- Sustainable solutions
- Digitisation and simplicity
- Quality and integrity
- People who can, will and do make a difference.



Q1/2024 in summary

Nykredit delivered its best performance ever in 2023, providing a strong basis for further development in 2024. Thanks to Nykredit's mutual ownership structure, our customers will continue to enjoy unique benefits in 2024, as Nykredit's owner, Forenet Kredit, has decided to give back DKK 1.725 billion to customers via Nykredit. In early 2024, we increased customer benefits, making it even more attractive to be a personal customer with Nykredit. Specifically, KundeKroner and BoligRabat discounts were raised from 0.15% to 0.20% annually for 2024 and 2025. This is yet another example of how we seek to strike the right balance between offering our customers as attractive terms as possible whilst also ensuring robust earnings. Housing market activity was rather slow in Q1, and customers continue to prioritise financial discipline. Interest rates have stabilised at a higher level, but our customers are generally financially robust. However, the changed market conditions naturally generate uncertainty about the future outlook, and in 2024 too, a number of customers with adjustable-rate mortgages will see rising home loan rates. This is a perfect example of how Nykredit's overall ambition to create financial security for our customers is translated into consistent and proactive efforts where we reach out to customers and create solutions which ensure stability and security.

Agriculture is one of the segments that face an unpredictable future in relation to possible tax models to reduce carbon emissions from farming. As an important partner to Danish agriculture in the green transition, Nykredit aims to provide as much financial visibility as possible, we have therefore decided to keep administration margins steady for agricultural customers in 2024-2025. This is an example of how Nykredit can make a difference for the individual customer in an unpredictable world. Our business customers as well as personal customers have acknowledged our efforts with high customer satisfaction ratings. In the latest EPSI survey (comparing Danish banks), Nykredit took first place in business banking and third place in personal banking.



In light of the continued high interest rate level, customers also expect higher deposit rates. Nykredit was the first large Danish bank to offer all customers positive current account rates. Recently, with effect from 22 April 2024, deposit rates were raised further, which means that all customers will get a deposit rate of at least 1.25%, while customers who have their everyday banking and home financing with Nykredit will get an attractive deposit rate of at least 1.75%. At the same time, deposit rates on a number of savings products were also raised, making it more attractive for customers to save up for energy improvements, for instance.

2024 got off to a strong start, and we continue to welcome many new homeowner and business customers, who, together with our existing customers, can enjoy the benefits of our customer-ownership structure.

Green initiatives

The green agenda is important to Nykredit. We have already reduced our own carbon footprint considerably and will strive to further reduce it. However, our largest potential impact lies in being a financial partner to our customers in their transition to a low-carbon future.

In 2024, we focused on strengthening advisory services and expanding our range of green products. Our banking advisers have been upskilled to provide customers with better guidance on the green transition.



Nykredit regularly adapts to ensure the highest degree of availability, relevant services and speed required to give our customers the best experience. At the beginning of 2024, we launched a new business banking services set-up and now have a stronger market presence and are able to serve business customers at all locations around the country.

Moreover, following organisational adjustments in our Private Banking division, we have raised the number of Private Banking advisers to ensure that even more customers can benefit from Denmark's best Private Banking propositions.

Business volumes with major corporate clients grew in Q1/2024. We continue our efforts to be a solid financial partner to business customers wishing to go green, including helping SMEs produce carbon footprint calculations and sustainability reports.

At the same time, customers can gain knowledge and access useful tools for their ESG work via Incept Sustainability, which is a digital training and learning platform.

In addition, we have launched energy check-ups for housing cooperatives and for businesses looking to optimise their energy use and increase the use of green transport leasing, which will make it cheaper to introduce commercial vehicles fully powered by electricity or hydrogen. With respect to renewable energy and infrastructure assets, we offer flexible financing solutions and can also provide green mortgage, bank and bond financing.

Performance highlights in Q1/2024

Banking delivered a business profit of DKK 2,274 million (Q1/2023: DKK 2,146 million).

Total income rose to DKK 3,355 million (Q1/2023: DKK 3,138 million), mainly related to net interest income and net interest from capitalisation. The increase in net interest from capitalisation was due to the higher interest rates.

Net interest income was DKK 2,131 million (Q1/2023: DKK 1,986 million); an increase on 2023 primarily due to the higher interest rate level as well as a rise in nominal bank and mortgage lending.

Net interest from capitalisation was a gain of DKK 337 million (Q1/2023: charge of DKK 249 million), driven by increased interest rate levels compared with 2023.

Costs amounted to DKK 1,165 million (Q1/2023: DKK 1,121 million), which was mainly due to inflation-driven pay rises and general price increases.

Impairment charges for loans and advances were a net reversal of DKK 83 million (Q1/2023: net reversal of DKK 129 million) related to the continued good credit quality of our Banking customers.

Legacy derivatives resulted in a positive value adjustment of DKK 52 million (Q1/2023: negative value adjustment of DKK 11 million).

DKK million

Results –	Q1/ 2024	Q1/ 2023	Q4/ 2023	2023
Banking				
Net interest income	2,131	1,986	2,293	8,707
Net fee income	524	496	536	1,929
Wealth management income	202	180	190	740
Net interest from capitalisation	337	249	219	932
Trading, investment portfolio and other income	161	227	70	556
Income	3,355	3,138	3,308	12,865
Costs	1,165	1,121	1,134	4,480
Business profit before impairment charges	2,190	2,016	2,173	8,385
Impairment charges for mortgage lending	(42)	(59)	(80)	(338)
Impairment charges for bank lending	(41)	(70)	7	48
Business profit	2,274	2,146	2,246	8,675
Legacy derivatives	52	(11)	(84)	59
Profit before tax	2,325	2,135	2,162	8,734

Results for Q1/2024 relative to Q4/2023

Banking delivered a business profit of DKK 2,274 million in Q1/2024 (Q4/2023: DKK 2,246 million).

Income amounted to DKK 3,355 million (Q4/2023: DKK 3,308 million).

Impairment charges for loans and advances were a net reversal of DKK 83 million (Q4/2023: net reversal of DKK 73 million).

Income from legacy derivatives was DKK 52 million (Q4/2023: loss of DKK 84 million).



Business profit in Q1
DKK 2,274 million
(Q4/2023: DKK 2,246 million)

Activities

Loan volumes totalled DKK 783.7 billion at 31 March 2024 (end-2023: DKK 782.0 billion), of which nominal mortgage lending was DKK 685.1 billion (end-2023: DKK 684.4 billion). The increase in mortgage lending particularly stems from the largest corporate clients of the Corporates & Institutions division. Mortgage lending to this segment has grown since the turn of the year as a result of increased business from real estate investors and large corporations.

Bank lending in Retail Personal Banking came to DKK 11.3 billion (end-2023: DKK 11.2 billion). Bank deposits in Retail Personal Banking amounted to DKK 47.9 billion (end-2023: DKK 48.2 billion). Bank lending in Retail Business Banking came to DKK 31.3 billion (end-2023: DKK 31.5 billion), relating primarily to small and medium-sized enterprises. Bank lending by Corporates & Institutions rose to DKK 43.6 billion (end-2023: DKK 42.6 billion), mainly driven by a few large clients.

Arrears

At the December due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due were 0.18% against 0.19% at the same time in 2022.

75-day mortgage loan arrears were at the same level as in 2023 (year-on-year), which is a positive testament to our customers' financial robustness.

	DKK million				
	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Deposits and loans					
Banking					
Retail Personal Banking					
Lending	178,023	178,366	178,170	178,269	178,852
- of which mortgage lending, nominal value	154,271	154,802	156,128	156,804	158,129
- of which secured homeowner loans	12,439	12,376	11,996	12,060	11,535
- of which bank lending	11,313	11,188	10,046	9,405	9,187
Deposits	47,873	48,160	46,146	46,245	44,180
Retail Business Banking					
Lending	253,587	253,676	252,314	251,295	250,848
- of which mortgage lending, nominal value	222,279	222,210	221,535	220,961	220,084
- of which bank lending	31,308	31,465	30,779	30,334	30,764
Deposits	27,258	27,947	28,000	28,054	27,978
Corporates & Institutions					
Lending	352,105	349,978	348,151	344,235	343,008
- of which mortgage lending, nominal value	308,529	307,387	305,173	301,017	300,333
- of which bank lending	43,576	42,591	42,978	43,218	42,674
Deposits	11,993	17,810	13,599	11,138	12,433



Total lending
DKK 783.7 billion
(end-2023: DKK 782.0 billion)

Totalkredit Partners

Totalkredit's strategic ambition is to secure its future position as market leader in property financing by continuing to

- strengthen the alliance between Totalkredit and its partner banks
- focus on joint development across the alliance.

A basic premise is to prioritise joint solutions.

The ambition of the Totalkredit alliance is to offer customers competitive mortgage prices. We believe that our customers are best served by local advisers who know them, their financial situation and the local area well, one reason why we consider it our special responsibility to have a nationwide presence.



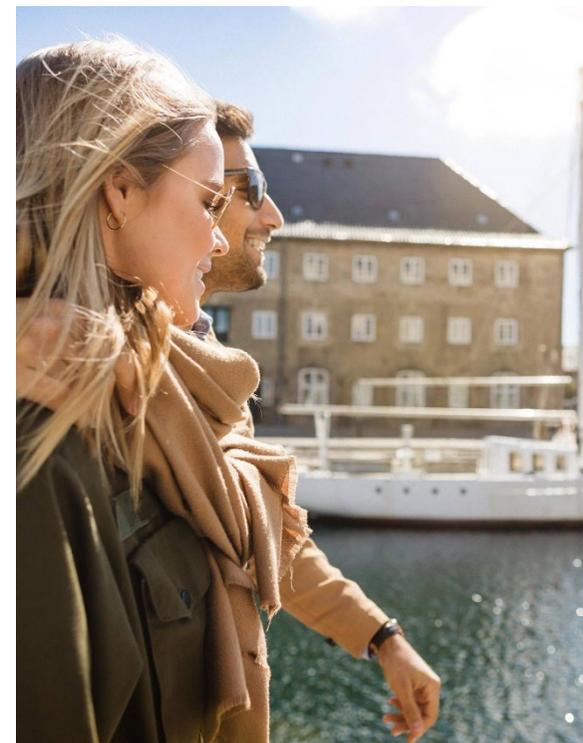
Q1/2024 in summary

The housing market came to a halt during the first three months of the year due to the new housing taxes, which also reduced mortgage lending activity. Mortgage lending measured at nominal value has been largely unchanged since the turn of the year due to customers' mortgage loan repayments, falling housing prices and low activity. Still, more than 775,000 homeowners have loans via Totalkredit's partner banks (excluding loans arranged by Nykredit).

Totalkredit Partners is committed to offering customers the best loan propositions in the market as well as strengthening the alliance with its partner banks.

The Totalkredit alliance is continually working to develop a future-proofed IT platform to optimise the advisory tools and home financing options available to all members of the partnership and their customers. Most of the Totalkredit loans are produced in the new home finance universes made available to partner banks via their IT providers. The new universes offer better advisory tools and more efficient case management for the benefit of customers. They also get improved digital solutions via "Mit Hjem", a digital platform where they can find information about their home and Totalkredit loans and monitor local housing markets, including home listings.

Totalkredit business mortgages are offered to the segments office and retail, residential rental as well as industry and trades. A large number of our partner banks actively use our business mortgage propositions.



Higher KundeKroner discounts

In March 2024, Nykredit decided to increase KundeKroner discounts to private homeowners from 0.15% to 0.20% annually up to and including 2027 to enhance customers' financial visibility. Indeed, by raising KundeKroner discounts, Totalkredit is going the extra mile for the many Danish homeowners who can look forward to lower housing costs. They will now to a much greater extent be able to enjoy the benefits of being customers of a customer-owned, responsible financial provider.

Totalkredit offers a home energy check-up to customers interested in a visit from an energy consultant and having their home energy-labelled. The home energy check-up is one of the joint solutions developed in concert with our Totalkredit partner banks.

Since 2017, Nykredit has awarded KundeKroner discounts to mortgage customers sponsored by Forenet Kredit. These discounts are subject to annual review by Nykredit.

Including the KundeKroner discounts, we generally offer the lowest mortgage prices in the market. This is a unique strength of our customer-ownership structure, which is expected to benefit our customers also in the coming years.

Performance highlights in Q1/2024

Totalkredit Partners delivered a business profit of DKK 890 million (Q1/2023: DKK 781 million).

Income rose to DKK 1,092 million (Q1/2023: DKK 1,068 million), driven by net interest from capitalisation due to higher interest rate levels compared with 2023.

Net interest income came to DKK 757 million (Q1/2023: DKK 775 million). Net fee income was DKK 199 million (Q1/2023: DKK 189 million).

Costs amounted to DKK 162 million (Q1/2023: DKK 215 million), primarily due to an internal reclassification of technical cost items previously carried under the business area Totalkredit Partners.

Impairment charges for loans and advances were DKK 40 million (Q1/2023: net reversal of DKK 72 million).

	DKK million			
Results –	Q1/	Q1/	Q4/	
Totalkredit Partners	2024	2023	2023	2023
Net interest income	757	775	800	3,114
Net fee income	199	189	302	828
Net interest from capitalisation	136	104	87	379
Trading, investment portfolio and other income	1	(1)	(4)	(8)
Income	1,092	1,068	1,186	4,313
Costs	162	215	228	853
Business profit before impairment charges	930	853	958	3,460
Impairment charges for mortgage lending	40	72	31	86
Business profit	890	781	926	3,374

Business partners all across Denmark

The alliance with the 41 Totalkredit partner banks is the foundation for our commitment to contribute to development and growth and offer attractive and secure loans all over Denmark at all times.

Again this year, the Danish Consumer Council has tested Danish mortgage loans, with Totalkredit's mortgage prices being the lowest in 35 out of 50 loan scenarios. This is largely owing to the KundeKroner benefits programme.

Results for Q1/2024 relative to Q4/2023

Totalkredit Partners delivered a business profit of DKK 890 million (Q4/2023: DKK 926 million).

Income was down to DKK 1,092 million (Q4/2023: DKK 1,186 million), primarily attributable to fees.

Impairment charges for loans and advances were DKK 40 million (Q4/2023: DKK 31 million).



Business profit in Q1
DKK 890 million
(Q4/2023: DKK 926 million)

Activities

Lending totalled DKK 730.6 billion at 31 March 2024 compared with DKK 730.2 billion at end-2023.

Total nominal personal mortgage lending was unchanged at DKK 717.2 billion (end-2023: DKK 717.2 billion) as a result of low activity and a reduction in customers' mortgage debt in connection with remortgaging. The majority of our customers opted for repayment loans in 2024.

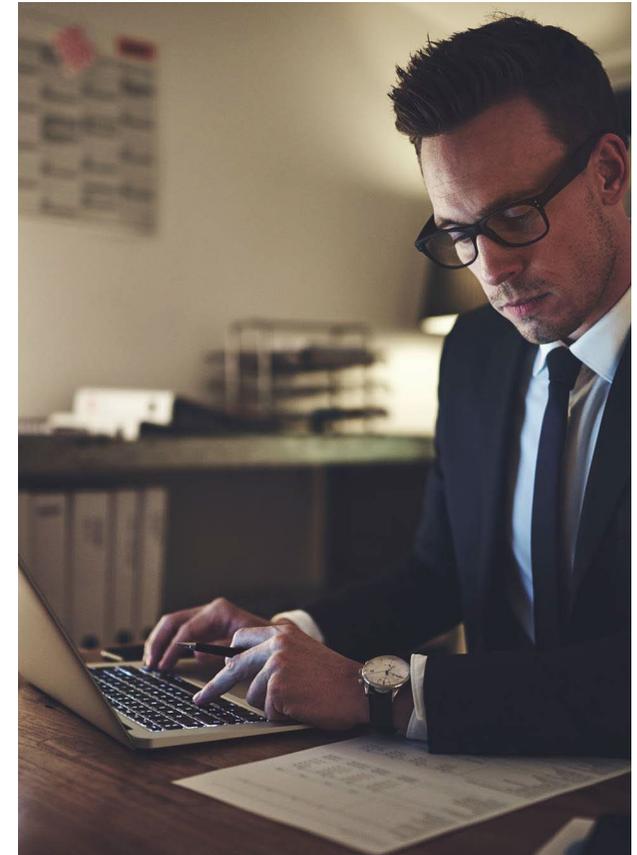
The business loan portfolio increased by DKK 0.4 billion to nominally DKK 13.4 billion (end-2023: DKK 13.0 billion).

Arrears

At the December due date, 75-day mortgage loan arrears of Totalkredit Partners as a percentage of total mortgage payments due were 0.12% against 0.13% at the same time in 2022.

Due to customers' financial strength, 75-day arrears remained low and were broadly on a level with the same time in 2023.

	DKK million				
Loans and advances					
Totalkredit Partners	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Personal customers					
Lending	717,243	717,196	715,700	715,628	729,525
- of which mortgage lending, nominal value	710,289	709,957	708,057	707,885	721,915
- of which secured homeowner loans	6,954	7,238	7,643	7,743	7,610
Business customers					
Lending	13,374	12,981	12,642	12,465	10,312
- of which mortgage lending, nominal value	13,374	12,981	12,642	12,465	10,312



Total lending
DKK 730.6 billion
(end-2023: DKK 730.2 billion)

Wealth Management

Wealth Management pursues the ambition of being Denmark's responsible wealth manager. Against this background, we aim to build long-term value for our clients and business partners and be useful to society.



Q1/2024 in summary

The market development in 2024 has been characterised by satisfactory growth and has contributed to a decent increase in total assets under management.

Wealth Management continuously strives to maintain close relationships with customers and partners, and this has been the driving force behind Wealth Management's strong customer growth and positive net sales.

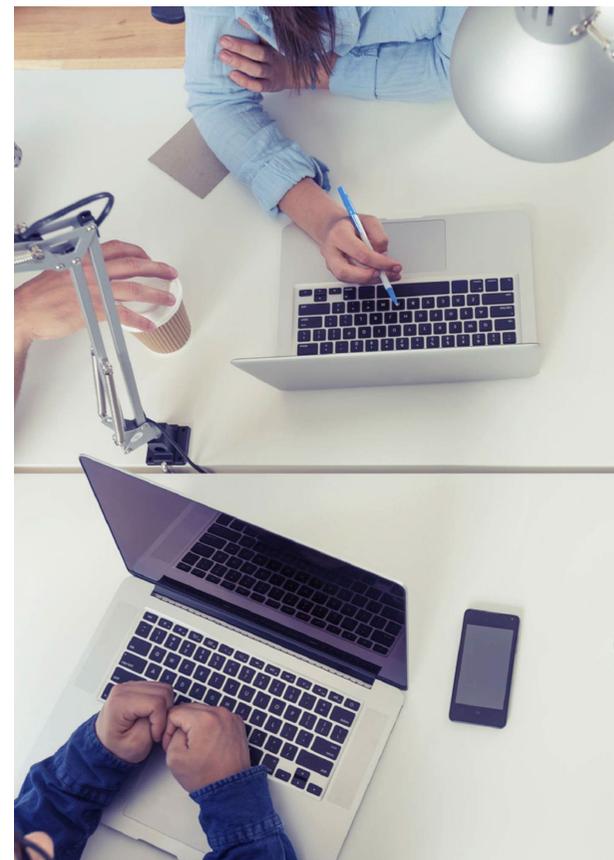
Balanced solutions and indexed equity mandates in particular were in demand among our clients.

Wealth Management strives to improve the customer experience through, for example:

- better digital investment solutions for personal customers using mobile and online banking services.
- sustainability in advisory services, products and concepts that provide our customers with even more and better opportunities to invest sustainably
- Nykredit's unique mutual ownership benefits as well as contributions that lower the cost of investing in funds carrying the Nordic Swan Ecolabel
- a higher awareness of alternative investments.

In Q1/2024, Wealth Management launched a number of initiatives consolidating Nykredit's solid position in wealth and investment. The purpose is to build simpler, more scalable and focused Wealth Management operations supporting continued growth. In this connection, we have launched a new 3-year platform programme to ensure a robust and scalable platform for future growth in the wealth management and investment areas.

Wealth Management holds a strong market position and received international recognition in 2024 in the form of Lipper Fund awards and nominations in Morningstar's categories best manager of equities and Danish equities.



Performance highlights in Q1/2024

Wealth Management delivered a business profit of DKK 345 million (Q1/2023: DKK 265 million).

Income amounted to DKK 610 million and increased compared with last year (Q1/2023: DKK 549 million), mainly relating to Wealth Management income.

Costs amounted to DKK 271 million (Q1/2023: DKK 260 million), which was mainly due to inflation-driven pay rises and general price increases.

Impairment charges for loans and advances came to a net reversal of DKK 5 million (Q1/2023: charge of DKK 24 million).

Awards won by Nykredit in Q1

WealthBriefing Awards (Private Banking)

- Talent Management
- Domestic Clients Team
- Client Service

Financial publisher Euromoney

- Best for Digital Solutions
- Best for Domestic Private Bank

Results for Q1/2024 relative to Q4/2023

Wealth Management delivered a business profit of DKK 345 million in Q1/2024 (Q4/2023: DKK 252 million).

Income amounted to DKK 610 million (Q4/2023: DKK 529 million).

Costs amounted to DKK 271 million (Q4/2023: DKK 272 million). The decrease was chiefly due to a time lag on large payments.

Impairment charges for loans and advances came to a net reversal of DKK 5 million (Q4/2023: charge of DKK 5 million).

DKK million

Results –	Q1/ 2024	Q1/ 2023	Q4/ 2023	2023
Wealth Management				
Net interest income	113	121	118	498
Net fee income	10	7	14	44
Wealth management income	462	399	381	1,595
Net interest from capitalisation	12	10	9	39
Trading, investment portfolio and other income	15	11	8	40
Income	610	549	529	2,215
Costs	271	260	272	1,018
Business profit before impairment charges	339	288	257	1,197
Impairment charges for mortgage lending	(3)	1	(0)	1
Impairment charges for bank lending	(2)	23	5	12
Business profit	345	265	252	1,185



Business profit in Q1
DKK 345 million
(Q4/2023: DKK 252 million)

Activities

Assets under management increased by DKK 30 billion compared with end-2023 to a total of DKK 486 billion (end-2023: DKK 456 billion). This was in part due to positive net sales of DKK 11 billion driven by net growth in clients from the Sparinvest partnership, Retail and Private Banking Elite clients as well as from institutional and international clients. To this should be added a positive return of DKK 19 billion.

Assets under administration rose by DKK 13 billion on end-2023, totalling DKK 1,094 billion (end-2023: DKK 1,081 billion). This development is composed of negative net sales of DKK 49 billion and a positive return of DKK 62 billion. The negative net sales were in part due to the implementation of a simpler and more scalable business model for Nykredit Portefølje Administration.

	DKK million				
Selected balance sheet items	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Wealth Management					
Assets under management	486,166	455,755	432,316	431,321	429,418
Assets under administration	1,093,753	1,080,553	1,044,227	1,049,437	1,024,420
Lending/deposits	21,792	21,926	21,614	21,332	21,093
Lending	15,278	15,033	15,152	14,923	14,624
- of which mortgage lending, nominal value	1,467	1,788	1,642	1,536	1,467
- of which secured homeowner loans	5,047	5,105	4,820	4,873	5,003
- of which bank lending	16,576	17,655	17,642	17,442	17,784



Assets under management
DKK 486 billion
(end-2023: DKK 456 billion)

Group Items

Group Items includes Nykredit's total return on the securities portfolio, including equities held for business purposes.

A few income statement and balance sheet items are not allocated to the business areas but are included in Group Items.

	DKK million			
Results –	Q1/	Q1/	Q4/	
Group Items	2024	2023	2023	2023
Net interest income	10	0	(12)	(14)
Net fee income	(4)	(12)	(13)	(11)
Wealth management income	5	4	12	33
Net interest from capitalisation	113	96	92	369
Net income relating to customer benefits programmes	(135)	(117)	(113)	(404)
Trading, investment portfolio and other income	967	462	127	1,036
Income	955	435	933	1,009
Costs	48	40	118	204
Profit before impairment charges	907	394	(25)	805
Impairment charges for mortgage lending	(2)	1	0	12
Impairment charges for bank lending	(2)	(1)	1	2
Profit	911	394	(25)	790

Financial performance in Q1/2024

The profit of Group Items was DKK 911 million (Q1/2023: DKK 394 million).

This was mainly due to trading, investment portfolio and other income which was affected by positive value adjustments of equities held for business purposes and short-dated mortgage bonds in Q1.



Profit in Q1/2024
DKK 911 million
(Q4/2023: loss of DKK 25 million)

Capital, funding and liquidity



CET1 capital ratio
20.5%
(end-2023: 20.4%)



Total capital ratio, %
23.8%
(end-2023: 23.7%)



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

Equity

The Nykredit Realkredit Group's equity stood at DKK 99.2 billion at end-March 2024.

In March 2024 dividend of DKK 5.4 billion was distributed to the Company's shareholder. The dividend corresponds to about 50% of profit after tax for 2023, adjusted for minority interests and Additional Tier 1 capital, which is in line with the Group's dividend policy. Nykredit maintains a strong capital position after distributing dividend. If Nykredit is deemed to have considerable excess capital, the Board of Directors will continuously consider, taking into account the current economic climate, outlook etc, whether to distribute extraordinary dividend or buy back shares.

	DKK million	
Nykredit Realkredit Group		
Equity (including AT1 capital)	31.03.2024	31.12.2023
Equity, beginning of period	101,006	96,829
Profit for the period	3,544	10,892
Other adjustments	(5,385)	(6,716)
Equity, end of period	99,164	101,006

Equity carried for accounting purposes includes Additional Tier 1 (AT1) capital of DKK 2,553 million. For capital adequacy purposes, AT1 capital is included in Tier 1 capital but not in Common Equity Tier 1 (CET1) capital.

	DKK million	
Nykredit Realkredit Group		
Capital and capital adequacy	31.03.2024	31.12.2023
Equity (including AT1 capital)	99,164	101,006
AT1 capital etc	(3,800)	(3,759)
Proposed dividend	0	(5,400)
Other regulatory adjustments	(5,789)	(3,204)
CET1 capital	89,575	88,643
AT1 capital	3,664	3,660
AT1 regulatory deductions	-	(9)
Tier 1 capital	93,239	92,294
Tier 2 capital	10,613	10,676
Tier 2 regulatory adjustments	-	-
Own funds	103,852	102,970
Credit risk	376,739	374,429
Market risk	24,930	27,981
Operational risk	34,469	30,944
Total risk exposure amount	436,138	433,354
CET1 capital ratio, %	20.5	20.4
Tier 1 capital ratio, %	21.3	21.2
Total capital ratio, %	23.8	23.7
Internal capital adequacy requirement, %	10.8	10.6

¹ Approximately 29% of profit for Q1/2024 has been included as authorised by the Danish FSA.

Capital and capital adequacy

The Nykredit Realkredit Group's own funds include CET1 capital, AT1 capital and Tier 2 capital after regulatory deductions.

At end-March 2024, Nykredit's risk exposure amount (REA) totalled DKK 436.1 billion (end-2023: DKK 433.4 billion). With own funds at DKK 103.9 billion, this corresponds to a total capital ratio of 23.8% (end-2023: 23.7%). The CET1 capital ratio was 20.5% (end-2023: 20.4%).

REA for credit risk increased by about DKK 2.3 billion in Q1/2024 to DKK 376.7 billion, mainly due to higher risk weighting as well as growth in lending to large corporate clients. REA for market risk decreased by about DKK 3 billion in the first quarter, mainly attributable to lower interest rate risk on the bond portfolio as a result of, in particular, a reduction in the portfolio of floating-rate mortgage bonds. Operational risk went up by DKK 3.5 billion.

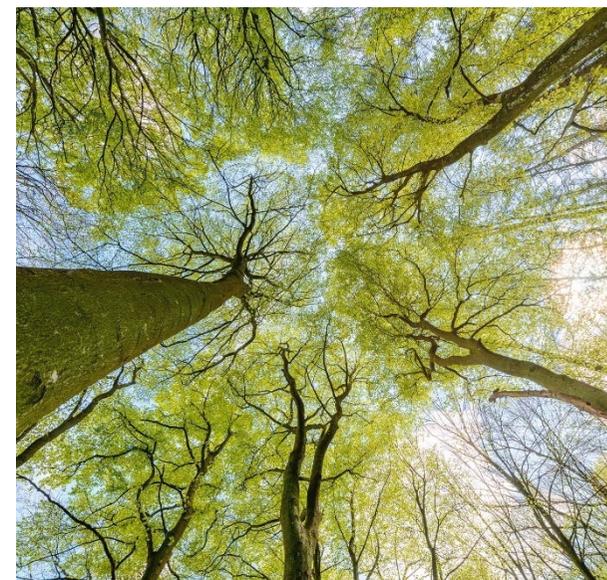
The Nykredit Realkredit Group's REA has generally risen in recent years due to lending growth as well as implementation of new regulation and IRB model development. Low arrears and many years of broad-based price rises in the property market have limited the increase in REA. Another limiting factor in the past two years has been the higher interest rates, which have reduced the value-adjusted debt outstanding of mortgage lending. Nykredit expects that economic trends will increase REA for credit risk going forward. This has been factored into Nykredit's capital planning for the coming years.

At end-March 2024, CET1 capital totalled DKK 93.2 billion (end-2023: DKK 92.3 billion). AT1 capital after regulatory adjustments was unchanged at DKK 3.6 billion (end-2023: DKK 3.6 billion). Tier 2 capital was DKK 10.6 billion excluding regulatory adjustments (end-2023: DKK 10.7 billion). When determining own funds, minority interests have been excluded from AT1 capital and Tier 2 capital issued by the subsidiary Nykredit Realkredit A/S.

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors and the Executive Board to ensure that Nykredit has the required own funds. The required own funds are the minimum capital required, in Management's judgement, to cover all significant risks. Required own funds were 10.8% of the Group's REA at end-Q1/2024, equal to the internal capital adequacy requirement.

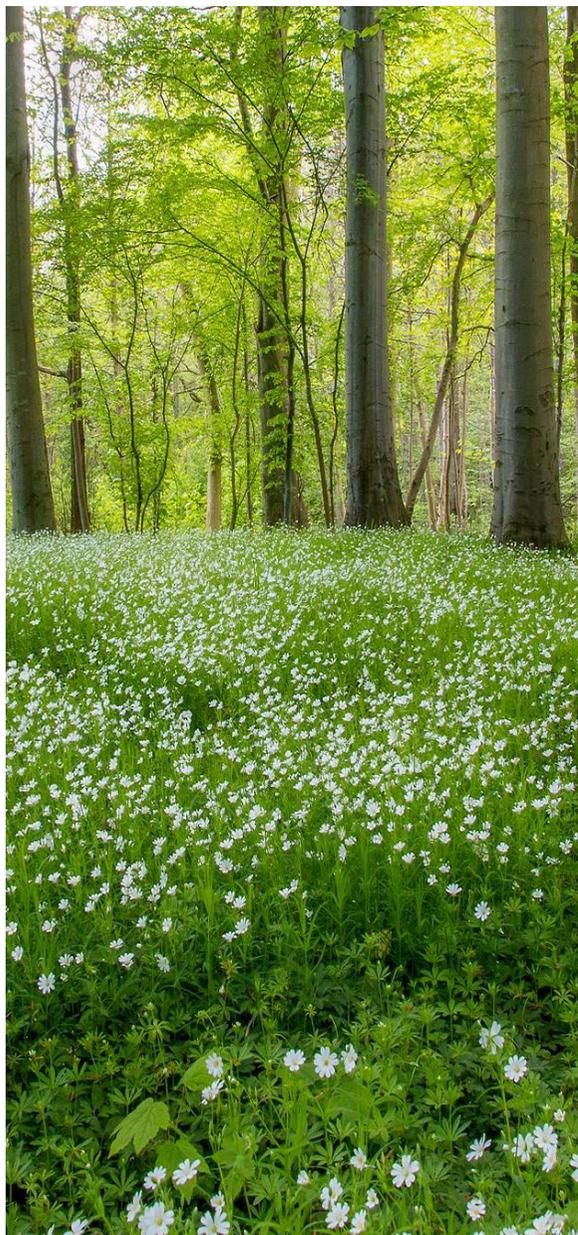
In addition to the internal capital adequacy requirement, the Nykredit Realkredit Group must comply with a combined capital buffer requirement of 7.0%. As a systemically important financial institution (SIFI), Nykredit is subject to a special SIFI buffer requirement of 2.0% as well as a capital conservation buffer requirement of 2.5% applying to all financial institutions. Both buffer requirements are included in Nykredit's capital targets and must be met using CET1 capital. Moreover, the countercyclical capital buffer has been fully phased in at 2.5% of REA. The countercyclical capital buffer must also be met using CET1 capital.

Moreover, the Danish Systemic Risk Council now recommends that a sector-specific systemic risk buffer be activated from end-Q2/2024. More specifically, the Risk Council recommends the introduction of a buffer of 7% for exposures to property companies in Denmark, which should be met using CET1 capital. The recommendation is based on an assessment that there are unaddressed systemic risks related to the commercial property market. The Risk Council states that a scenario of declining property prices combined with high inflation and rising interest rates may result in losses that are significantly higher than expected. On 26 April 2024, the Danish government decided to follow the recommendation to activate a systemic risk buffer as from 30 June 2024. The buffer is determined at 7% of exposures to property companies (excluding public housing and housing cooperatives) except for the part of the exposures in the LTV range 0-15%. Nykredit expects the new buffer to increase the Nykredit Realkredit Group's statutory minimum CET1 capital requirement by about 0.7 percentage points of REA.



Dividend policy

Nykredit's long-term ambition is to provide our owners with a competitive return in the form of dividend in the region of 50% of profit for the year, taking into account the current capital policy. The purpose is to ensure that Forenet Kredit maintains its capital position and can continue to make contributions to the Group's customer benefits programmes. Nykredit continuously assesses its capital position relative to the capital policy laid down and, based on this, considers whether excess capital can be distributed.



Also, the Danish Minister for Industry, Business and Financial Affairs has submitted a bill for consideration in March 2024 proposing that Pillar II Guidance (P2G) be implemented in Denmark in accordance with the approach to P2G in the rest of the EU. Our current expectation is that there will be no net impact on Nykredit's capital policy. The ultimate impact on Nykredit's capital targets will be assessed once the bill has been enacted. The ultimate consequences for Nykredit's capital targets will be assessed once the bill has been enacted.

Capital targets 2024

Nykredit's capital policy is laid down annually by the Board of Directors and is to support the Group's strategy and objectives. In accordance with its business model, Nykredit aims to have stable earnings, a strong capital structure and competitive ratings.

Based on a structured capital management framework, the Group aims to be able to maintain its business activities throughout Denmark regardless of fluctuations in economic trends. This implies having access to capital to meet new regulatory requirements and in addition be able to withstand a severe economic downturn and consequent losses.

At the same time, Nykredit wants to ensure sufficient own funds to generate dividend for its owners, in turn for example allowing Forenet Kredit to realise its key priorities. Nykredit's capital policy must also adhere to current legislation and FSA requirements.

Against this backdrop, Nykredit's capital targets have been set to reflect the Group's capital requirement during a severe recession. The targets have been based on stress test results. Furthermore, Nykredit holds CET1 capital to meet the upcoming Basel requirements and may also obtain new CET1 capital from its owners through Forenet Kredit's capital resources and investment commitments from a number of Danish pension companies.

Due to the access to funding from our owners, Forenet Kredit and a consortium of pension companies, Nykredit's capitalisation levels correspond to those of a listed SIFI.

As a SIFI, Nykredit is subject to a special SIFI buffer requirement of 2%. A capital conservation buffer of 2.5% is also applicable to all financial institutions. Both buffer requirements are included in Nykredit's capital targets and must be met using CET1 capital. Moreover, the countercyclical capital buffer has been fully phased in at 2.5%. The countercyclical buffer will not increase Nykredit's capital targets, which include a stress buffer to absorb the impact of a severe recession, a situation in which the countercyclical buffer is assumed to have been released.

Leverage ratio

The leverage ratio, which indicates the relationship between Tier 1 capital and the balance sheet (including off-balance sheet items), was 5.1% at end-March 2024 (end-2023: 5.1%).

Nykredit's balance sheet mainly consists of match-funded mortgage loans, and paired with a stable development in mortgage lending, this implies limited risk. This risk is mainly credit risk.

Capital targets

- CET1 capital target of 15.0-16.0% of REA.
- For total own funds, the target is 19.5-20.5% of REA.

Funding and liquidity

Nykredit manages its liquidity and funding at Group level and generally issues bonds, senior debt and capital instruments through Nykredit Realkredit A/S.

Bank lending is mainly funded by deposits. As at 31 March 2024, Nykredit Bank's deposits equalled 110% of lending against 117% in 2023.

Nykredit's balance sheet mainly consists of match-funded mortgage loans. Mortgage lending is secured by mortgages on real estate and funded through the issuance of mortgage covered bonds (SDOs and ROs) and is therefore characterised by a high level of collateralisation.

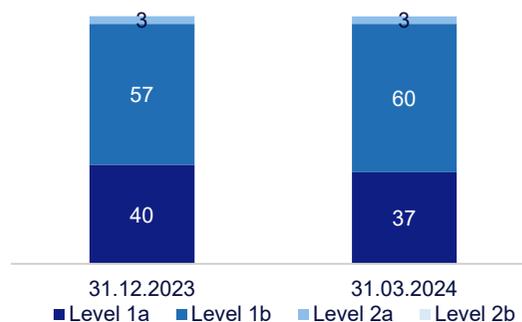
Liquidity

Nykredit holds substantial liquidity reserves and meets the regulatory requirements by a comfortable margin. This is illustrated in the table below, which shows that the Liquidity Coverage Ratios (LCRs) of the various companies are significantly above the regulatory requirement of 100%.

The net stable funding ratio of the Nykredit Realkredit Group was 156% at 31 March 2024 compared with 147% at end-2023.

	(%)	
	31.03.2024	31.12.2023
Nykredit Realkredit Group		
LCR determination		
Nykredit Realkredit Group	568	310
Nykredit Realkredit Group, LCR requirement in EUR	224	400
Nykredit Realkredit and Totalkredit	727	585
Nykredit Realkredit and Totalkredit, including LCR Pillar II requirements	282	254
Nykredit Bank	217	191

Stock of liquid assets by LCR level, %



The composition of Nykredit's liquid assets used to comply with the LCR is shown in the figure below. 97% of the liquid assets are classified as Level 1, indicating that they have the highest LCR liquidity value. 3% of the liquid assets have the second highest LCR liquidity value, Level 2.

Liquid assets

The liquid assets are determined at market value. The Nykredit Realkredit Group's liquid assets came to DKK 170 billion at 31 March 2024 compared with DKK 172 billion at end-2023. The liquid assets are mainly placed in liquid Danish and other European government and covered bonds. These securities are eligible as collateral in the repo market and with central banks and are directly applicable for raising liquidity.

The Nykredit Realkredit Group's liquid assets determined under the LCR came to DKK 108 billion at 31 March 2024 compared with DKK 106 billion at end-2023. The main difference between liquid assets and liquid assets determined under the LCR is the holdings of self-issued bonds.

Refinancing and issuance schedule

Nykredit's SDOs and ROs are issued through daily tap issuance coupled with bond auctions to refinance ARMs and floating-rate loans etc.

At end-March 2024, the Group had a nominal amount of DKK 1,421 billion of SDOs in issue and DKK 116 billion of ROs in issue.

	DKK billion
Nykredit Realkredit Group	1 April 2023
	- 31 March 2024
Refinancing¹	
Total maturity before set-off of self-issued bonds	283.3
- ordinary principal payments and scheduled ² prepayments (settled)	29.0
- ordinary principal payments and scheduled ² prepayments (not settled)	31.8
- pre-issued bonds and interest rate risk ²	(0.2)
Total refinancing volume	222.7
- pre-auctioned amount sold under forward contracts	33.6
Refinancing volume remaining for 1 April 2023 – 31 March 2024	256.3
- of which SDOs and ROs	256.3
- of which other issues	0.0

¹ Applicable for the April, July and October 2023 as well as January 2024 payment dates.

² Known as at 31 March 2023.

The annual maturity one year ahead totals DKK 283.3 billion, of which ordinary principal payments, prepayments etc total DKK 60.6 billion. Thus, refinancing volumes amount to DKK 222.7 billion. The final refinancing volumes are typically lower than the volumes maturing as a result of extraordinary principal payments and loan refinancing. Actual refinancing volumes at around DKK 206 billion are expected in the coming year.



Nykredit must have a debt buffer of at least 2% of mortgage lending. Also, the debt buffer, own funds and MREL eligible liabilities combined must amount to at least 8% of the consolidated balance sheet. Nykredit meets both requirements.

Due to an expected higher REA, the total regulatory requirement may exceed 8% of the consolidated balance sheet as a result of rising capital requirements.

Nykredit must also comply with S&P's ALAC rating criteria to maintain a credit issuer rating of A.

In Q1 Nykredit issued about DKK 9.7 billion-worth of senior non-preferred debt for meeting the 2% debt buffer requirement, the 8% requirement and the ALAC criteria. Nykredit expects to issue up to DKK 5 billion in addition to the issuance of mortgage covered bonds (SDOs and ROs) in the remaining part of 2024.

	DKK million	
Nykredit Realkredit Group		
Bonds in issue	31.03.2024	31.12.2023
Covered bonds (ROs), see note 16 a	166,440	113,043
Covered bonds (SDOs), see note 16 b	1,420,894	1,412,023
Senior secured debt, see note 16 c	650	651
Senior preferred debt, Nykredit Realkredit A/S	9,310	9,317
Senior non-preferred debt	49,260	47,049
Tier 2 capital, see note 19	10,280	10,394
AT1 capital, see note 2	2,553	3,660
ECP issues, Nykredit Bank A/S	2,863	5,925

Supervisory Diamond

Nykredit is subject to the Danish FSA's Supervisory Diamond, both at the level of the Group and the individual companies.

The Supervisory Diamond model for banks and mortgage lenders, respectively, uses key benchmarks to measure if a bank or a mortgage lender is operating at an elevated risk.

Benchmark

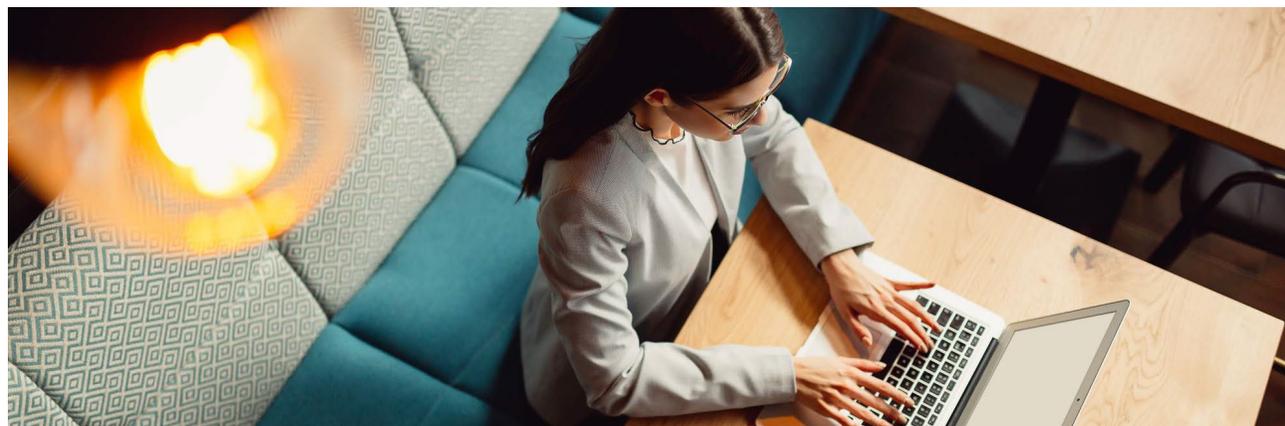
Nykredit complied with all benchmark limits of the Supervisory Diamond model for banks and mortgage lenders as at 31 March 2024.

Supervisory Diamond for mortgage lenders

Benchmark	Nykredit Realkredit Group 31.03.2024	Nykredit Realkredit A/S 31.03.2024	Totalkredit 31.03.2024	Limit value
Lending growth by segment				
Personal customers	(0.05)%	(13.43)%	0.38%	15.0%
Commercial residential properties ¹	8.83%	8.92%	9.12%	15.0%
Agricultural properties	(0.58)%	(0.58)%	0.00%	15.0%
Other commercial	0.94%	0.68%	8.00%	15.0%
Borrower's interest rate risk				
Private residential and residential rental	14.03%	17.66%	13.17%	25.0%
Interest-only loans				
Personal customers	4.97%	2.47%	5.05%	10.0%
Loans with short-term funding				
Refinancing (annually)	13.97%	21.15%	9.80%	25.0%
Refinancing (quarterly)	4.15%	7.12%	2.42%	12.5%
Large exposures				
Loans and advances/equity	49.8%	48.6%	6.7%	100.0%

¹ As Totalkredit's business lending is lower than Totalkredit's own funds, the segment is not subject to the 15% limit.

Nykredit Bank A/S	Supervisory Diamond for banks	
	31.03.2024	31.12.2023
Large exposures (limit value <175%)	111.1%	108.3%
Lending growth (limit value <20%)	2.6%	9.0%
Property exposure (limit value <25%)	11.3%	11.2%
Liquidity benchmark (limit value >100%)	259.4%	223.3%



Credit ratings

Nykredit Realkredit and Nykredit Bank collaborate with international credit rating agencies S&P Global Ratings (S&P) and Fitch Ratings regarding the credit rating of the Group's companies and their funding.

List of ratings

For a complete list of Nykredit's credit ratings with S&P and Fitch Ratings, please visit nykredit.com/rating

S&P Global Ratings

S&P has assigned Nykredit Realkredit and Nykredit Bank long-term and short-term Issuer Credit Ratings as well as long-term and short-term senior preferred debt ratings of A+/A-1 with a stable outlook as well as long-term and short-term Resolution Counterparty Ratings of AA-/A-1+. Senior non-preferred debt has a BBB+ rating with S&P.

Covered bonds (SDOs and ROs) issued by Nykredit Realkredit and Totalkredit through rated capital centres are all rated AAA by S&P, which is the highest possible rating. The rating outlook is stable.

Covered bonds initially issued by LR Realkredit are not and will not be rated.

Fitch Ratings

Nykredit Realkredit and Nykredit Bank each have long-term and short-term Issuer Credit Ratings of A/F1 with Fitch and long-term and short-term senior preferred debt ratings of A+/F1. Senior non-preferred debt is rated A by Fitch.

ESG ratings

ESG ratings are a tool used by investors and other stakeholders to assess a company's position relative to sustainability, corporate responsibility and governance. Nykredit is currently focusing on the ESG rating agencies MSCI and Sustainalytics, which consider all ESG factors, as well as on the CDP (formerly Carbon Disclosure Project), which assesses the environmental impact of businesses.

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

Issuer	S&P Global Ratings			Fitch Ratings		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Nykredit Realkredit 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	
Senior non-preferred debt	BBB+			A		
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	

Credit risk

Credit risk reflects the risk of loss resulting from Nykredit's customers and counterparties defaulting on their obligations.

Nykredit's credit exposures mainly consist of mortgage loans. As mortgage loans are secured by real estate, credit risk is low. Credit risk on mortgage loans is typically characterised by a stable development.

Nykredit's credit exposures are considered to be of high credit quality. Loan-to-Value (LTV) ratios have been declining in recent years, not least due to the high remortgaging activity, enabling customers to reduce their debt outstanding. In 2023 and in early 2024, however, we saw a slight increase in LTV ratios, which currently amount to 53.4%, mainly due to the falling house prices.



Net reversal
DKK **53** million
*(end-2023: net reversal of
DKK 177 million)*



Provisions related to
macroeconomic
uncertainty
DKK **1,935** million
(end-2023: DKK 2,085 million)

Earnings impact in Q1

Impairment charges for loans and advances were a net reversal of DKK 53 million (Q1/2023: net reversal of DKK 34 million) owing to the continued strong performance of the Danish economy and our customers' good credit quality. Impairment charges for loans and advances comprised individual impairment provisions of DKK 37 million and a net reversal of DKK 16 million from model-based impairments. In Q1/2024, provisions related to the macroeconomic uncertainty and taken to counter geopolitical tensions were reduced by DKK 150 million. Provisions related to ESG increased in the same period as a result of a reassessment of ESG transition risks. Government efforts towards the green transition of heavy transport and agriculture with new carbon taxes have been intensified, and new bills have been tabled. The green transition will further challenge some customers' business models, which may potentially increase expected credit losses.

Macroeconomic uncertainty

The geopolitical conditions and the global economies have been challenged in recent years. These conditions are expected to affect the credit quality of some customers, among other things, owing to lower economic growth, interest rate increases and consequential impact on the macroeconomic situation.

Provisions related to macroeconomic uncertainty 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. For personal customers, discretionary incomes are stressed due to inflation and rising interest rates. Property values are stressed as well. Provisions totalling DKK 574 million have been taken 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 inflation, scarcity of goods and adjustment to new, higher interest rate levels. Thirdly, the property values of stage 3 customers have been stressed to simulate a reduction in collateral values. We have taken total provisions of DKK 973 million for exposed sectors, and total

provisions to manage the increased risk now amount to DKK 1,935 million. For further information about the impacts of geopolitical tensions and macroeconomic trends, please refer to our Fact Book Q1 2024, which is available at nykredit.com

Macroeconomic impacts on impairment levels

The general macroeconomic situation is monitored by Nykredit's scenario experts, who regularly assess the need for impact updates based on overall international economic trends.

The loan portfolio measured at nominal value developed positively in Q1/2024, and individual impairment provisions remained low. Arrears ratios were declining for some portfolios and stable for others. Write-offs remained low. Nykredit has made only a few individual impairment provisions relating to macroeconomic uncertainty and interest rates.

Nykredit's macroeconomic forecasts have been incorporated into the impairment models and in the model-based impairment provisions.

Credit models

Nykredit uses credit models to determine the capital requirement for credit risk and for impairment calculations. The determination of credit risk is based on three key parameters: Probability of Default (PD), expected Loss Given Default (LGD) and expected Exposure at Default (EAD). The three key parameters are estimated on the basis of Nykredit's customer default and loss history.

The PD is customer-specific, while the other parameters are product-specific. One PD is therefore assigned to each customer, while each of the customer's products has a separate LGD and EAD.

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-Q1/2024 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 must reflect the economic environment. The main scenario carries a 60% weighting. The main scenario used for the impairment models implies expected GDP growth of 1.0% and house price rises of 5.6% in 2024. At end-2023, the main scenario implied expected GDP growth of 1.0% and house price decreases of 1.8% in 2023.

The adverse scenario was included in the models with a weighting of 35%. This scenario implies expected GDP decline of 1.47% and house price decreases of 4.1% in 2024.

	DKK million					
	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment charges for loans and advances, earnings impact	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Nykredit Realkredit Group						
Loans, advances, guarantees and impairment charges for loans and advances						
Mortgage lending, nominal value						
Nykredit Realkredit	561,938	561,773	3,704	3,770	(26)	(353)
Totalkredit	879,682	878,488	1,728	1,722	21	102
Total	1,441,620	1,440,262	5,432	5,492	(6)	(251)
Loans and advances etc						
Nykredit Bank	94,546	94,375	3,085	3,207	(59)	76
Total	94,546	94,375	3,085	3,207	(59)	76
Receivables from credit institutions	12,697	7,005	27	29	(2)	11
Reverse repurchase lending	32,406	33,965	-	-	-	-
Guarantees etc	7,611	6,932	341 ¹	328	13	(12)
Loan impairment, %²						
Nykredit Realkredit			0.65	0.67	(0.00)	(0.06)
Totalkredit			0.20	0.20	0.00	0.01
Total			0.38	0.38	(0.00)	(0.02)
Nykredit Bank						
Total			3.16	3.29	(0.6)	0.08

¹ Impairment charges for loan commitments etc were DKK 96 million (Q4/2023: DKK 91 million).

² Loan impairment excluding receivables from credit institutions, reverse repurchase lending and guarantees.

The improved scenario carries a 5% weighting and is based on the macroeconomic conditions observed at the date of this Report. This scenario uses realised levels of interest rates, GDP, house prices and unemployment. Based on this weighting, impairment provisions totalled DKK 8,886 million as at 31 March 2024 (end-2023: DKK 9,351 million). If the main scenario carried a 100% weighting, total impairment provisions would decrease by DKK 112 million. Compared with the main scenario, total impairment provisions would rise by DKK 2,010 million if the adverse scenario carried a 100% weighting. The change reflects a transfer of exposures from stage 1 to stage 2 (strong) and stage 2 (weak), resulting in increased expected credit losses. If the weighting of the improved scenario was 100%, total impairment provisions would decrease by DKK 1,002 million.

A significant part of the sensitivities to macroeconomic scenarios is related to the assessment of exposed sectors. Focus is currently on customers in manufacturing, construction, rental, trade as well as accommodation and food service. If the adverse scenario carried a 100% weighting, the impairment level of such customers would increase by DKK 775 million. If the weighting of the improved scenario was 100%, total impairment provisions of such customers would be reduced by DKK 1,787 million. These sensitivities form part of the sensitivities mentioned above.

See our Factbook Q1 2024 for a sector breakdown by the impact of geopolitical tensions on these sectors at nykredit.com

At 31 March 2024, the impairment model applied the following main scenario and adverse scenario:

Nykredit Realkredit Group							%
Scenarios for impairment calculations	Main scenario			Adverse scenario			
	2023	2024	2025	2023	2024	2025	
Short-term rate ¹	3.6	3.2	1.7	3.6	4.5	4.5	
Long-term rate ²	2.7	2.2	2.0	2.7	3.2	3.4	
House prices ³	(0.4)	5.6	4.0	(0.4)	(4.1)	(4.5)	
GDP ³	0.9	1.0	1.2	0.7	(1.5)	0.3	
Unemployment ⁴	2.4	2.6	2.6	2.4	3.4	3.8	

¹ Short-term rate reflects the 3M Copenhagen Interbank Offered Rate (Cibor).

² Long-term rate reflects 10-year Danish government bonds.

³ House prices and GDP reflect annual percentage changes.

⁴ Registered gross unemployment.



Post-model adjustments

Management uses post-model adjustments (PMA) to determine corrections to and changes in the assumptions behind impairment models. At end-March 2024, post-model adjustments amounted to DKK 3,515 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.

Physical and transition risks related to ESG will challenge Nykredit's business models in certain sectors and areas. At the same time, legislative measures may have a large impact on Nykredit's loan portfolio. On balance, the value of certain assets is expected to decrease. Provisions have been made which will be regularly quantified and updated in the impairment models.

The general assessment of economic trends in early 2024 has been affected by milder housing price forecasts and expectations of slightly falling interest rates. Property prices in Aarhus and Copenhagen are expected to decline, however. These are factors we consider when determining post-model adjustments. 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 scope of such post-model adjustments is shown below:

	DKK million	
	31.03.2024	31.12.2023
Nykredit Realkredit Group		
Specific macroeconomic risks and process-related circumstances		
Agriculture	283	411
Geopolitical tensions	979	1,083
Concentration risks in loan portfolios	299	209
Total macroeconomic risks	1,561	1,703
Process-related	399	503
Model changes	0	0
ESG	997	669
Haircut, property values	200	226
Results of controlling	358	379
Total process-related circumstances	1,954	1,777
Total post-model adjustments	3,515	3,480

Note: At end-March 2024, another DKK 956 million was added to the impairment models as in-model adjustments, where exposed sectors are stressed due to geopolitical tensions, resulting in a change of stage (end-2023: DKK 1,002 million).



Mortgage lending

At end-March 2024, Nykredit's credit exposure in terms of nominal mortgage lending was DKK 1,441.6 billion (end-2023: DKK 1,440.3 billion).

The security underlying mortgage lending is substantial. Furthermore, mortgage loans granted via Totalkredit are covered by set-off agreements. The loss risk relating to personal loans is mitigated through an agreement with the partner banks. Under the agreement, incurred losses corresponding to the cash part of a loan exceeding 60% of the mortgageable value at the time of granting are offset against future commission payments to the partner banks having arranged the loan.

The average loan-to-value (LTV) ratio relative to the market value of the loans was 53.5% (end-2023: 53.4%).



Total provisions for mortgage loan impairment

Total provisions for mortgage loan impairment equalled 0.38% of total mortgage lending, excluding credit institutions (end-2023: 0.38%). Total impairment provisions amounted to DKK 5,432 million (end-2023: DKK 5,492 million). Provisions related to macroeconomic uncertainty, for example the war in Ukraine, are based on stress test calculations and have been included in total impairment provisions.

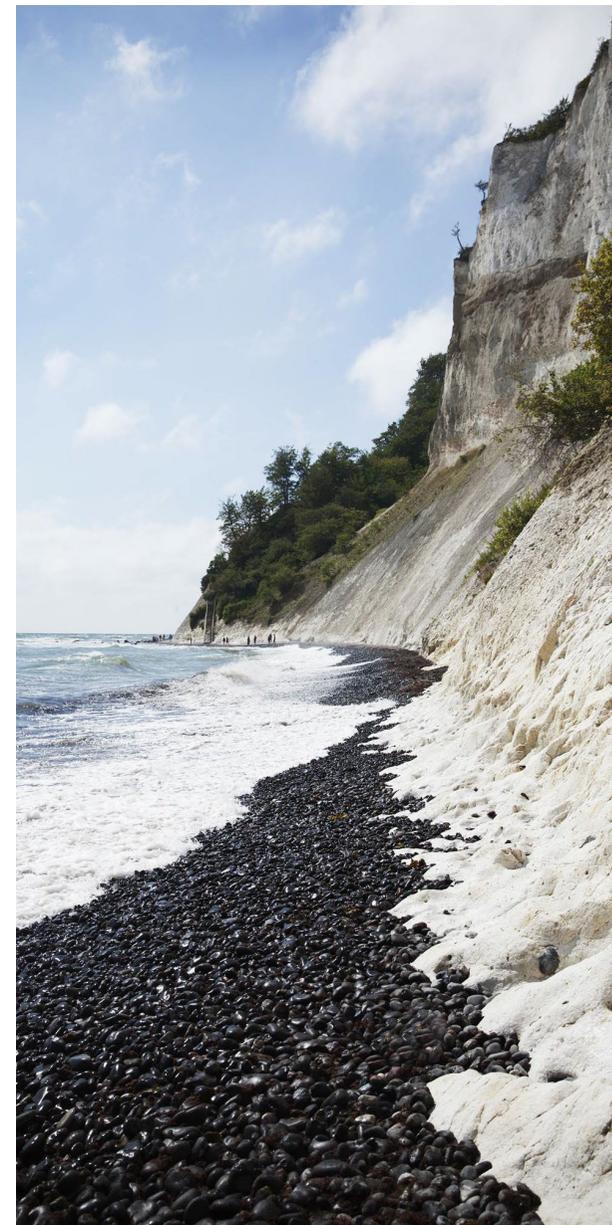
Impairment charges for loans and advances are mainly attributable to:

	DKK million	
Nykredit Realkredit Group		
Total impairment provisions for mortgage lending	31.03.2024	31.12.2023
Individual impairment provisions (stage 3)	1,858	1,868
Model-based impairment provisions (stages 1, 2 and 3)	3,574	3,624
Total impairment provisions for mortgage lending	5,432	5,492

Stress test calculations are made as a supplement to ordinary impairment calculations to the extent that recent economic developments (such as unemployment etc) have not yet been captured by Nykredit's models.

Earnings impact

Impairment charges for mortgage lending were a net reversal of DKK 6 million (2023: net reversal of DKK 251 million). Of the impairment charges for loans and advances, DKK 59 million was attributable to owner-occupied dwellings, and a reversal of DKK 53 million was attributable to the business segment.



Arrears

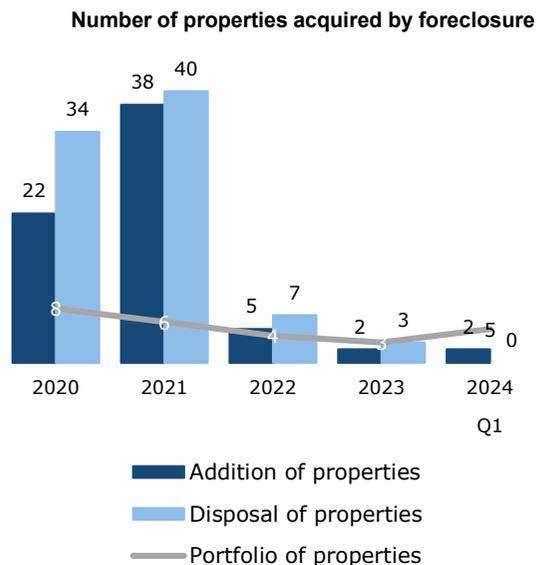
Mortgage loan arrears are determined 75 days past the due date. Mortgage loan arrears were 0.21% of total mortgage payments due 75 days past the December due date (December due date 2022: 0.16%).

Bond debt outstanding affected by arrears of total bond debt outstanding was DKK 1.77 billion, an increase compared with DKK 1.69 billion at the December 2022 due date.

Nykredit Realkredit Group	Arrears relative to total mortgage payments	Debt outstanding in arrears relative to total debt outstanding	Debt outstanding affected by arrears
	%	%	DKK billion
Arrears ratio – 75 days past due			
Due date			
2023			
- December	0.21	0.12	1.77
- September	0.18	0.14	1.98
- June	0.16	0.13	1.80
- March	0.16	0.12	1.79
2022			
- December	0.16	0.12	1.69
- September	0.16	0.11	1.55
- June	0.15	0.11	1.53
- March	0.16	0.11	1.55

Properties acquired by foreclosure

In Q1/2024, the Group acquired 2 and sold no properties. The portfolio subsequently comprised 5 properties (end-2023: 3 properties).



Bank lending

The total credit exposure came to DKK 145.4 billion (end-2023: DKK 147.4 billion), of which DKK 10.8 billion is intercompany guarantees. Bank lending at amortised cost amounted to DKK 94.5 billion (end-2023: DKK 94.4 billion), up DKK 0.1 billion since the turn of the year.

Reverse repurchase lending totalled DKK 32.4 billion (end-2023: DKK 34.0 billion). Guarantees provided amounted to DKK 7.6 billion (end-2023: DKK 7.0 billion).

Bank lending

The total credit exposure breaks down as shown in the table below. The decline in intercompany guarantees is mainly due to a drop in the categories real estate and personal customers.

	DKK million	
Nykredit Realkredit Group		
Bank loans, advances and guarantees	31.03.2024	31.12.2023
Bank loans and advances	94,546	94,375
Reverse repurchase lending	32,406	33,965
Guarantees	7,611	6,932
Intercompany guarantees	10,829	12,127
Total	145,392	147,399

Total provisions for bank loan impairment

Provisions for bank loan impairment (exclusive of credit institutions and guarantees) totalled DKK 3,085 million (end-2023: DKK 3,207 million). The provisions related to geopolitical tensions are based on stress test calculations and included in total impairment provisions.

Impairment charges for loans and advances are mainly attributable to:

	DKK million	
Nykredit Realkredit Group		
Total provisions for bank loan impairment	31.03.2024	31.12.2023
Individual impairment provisions (stage 3)	1,626	1,776
Model-based impairment provisions (stages 1, 2 and 3)	1,459	1,431
- of the above attributable to geopolitical tensions	738	818
Total provisions for bank loan impairment	3,085	3,207



Bank lending, reverse repurchase lending and guarantees by sector

The finance and insurance sector still accounts for the largest credit exposure with loans and advances of DKK 40.1 billion (end-2023: DKK 42.0 billion).

The exposure widely comprised reverse repurchase lending with bonds serving as security.

Finance and insurance accounted for 27.6% (end-2023: 27.7%) and personal customers for 15.1% (end-2023: 17.0%) of the total credit exposure.

At end-2023, impairment provisions for loans and advances excluding credit institutions totalled DKK 3,426 million (end-2023: DKK 3,535 million) or 2.3% of total lending (end-2023: 2.3%).



DKK million

Nykredit Realkredit Group Credit exposures in terms of bank lending, reverse repurchase lending and guarantees by sector ¹	31.03.2024			31.12.2023		
	Lending, end of period	Total impairment provisions	Earnings impact	Lending, end of period	Total impairment provisions	Earnings impact
Public sector	493	0	0	466	0	(0)
Agriculture, hunting, forestry and fishing	4,033	253	29	4,337	225	(21)
Manufacturing, mining and quarrying	15,569	742	5	14,803	730	207
Energy supply	4,668	19	(3)	5,059	21	(77)
Construction	3,479	161	(2)	3,375	271	(119)
Trade	14,902	686	(200)	14,454	860	210
Transport, accommodation and food service activities	6,260	304	75	6,127	245	129
Information and communication	5,981	54	(5)	5,670	58	(38)
Finance and insurance	40,170	71	(1)	41,986	61	(15)
Real estate	15,858	332	36	16,376	294	(177)
Other	12,027	311	81	13,042	225	(47)
Business customers, total	122,947	2,933	16	125,229	2,990	52
Personal customers	21,951	493	(61)	25,666	545	11
Total	145,392	3,426	(46)	151,360	3,535	64
- of which provisions for losses under guarantees etc		341	13		328	(12)
Impairment provisions for credit institutions		1	0		1	(2)
- of which intercompany guarantees and total	10,829	3,427	(46)	12,127	3,536	62

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

Business entities

The Nykredit Group comprises, among others, the following companies:

- Nykredit Bank Group
- Totalkredit A/S

Nykredit Bank

Nykredit Bank concentrates on two business areas: Banking and Wealth Management.

Banking offers mortgage and banking services to personal customers and small and medium-sized business customers, as well as estate agency and leasing services.

Wealth Management offers asset management and portfolio administration services.

Totalkredit A/S

Totalkredit offers mortgage lending to personal and business customers through 41 partner banks.



Nykredit Bank

Nykredit Bank delivered a satisfactory financial performance in Q1/2024, with a profit after tax of DKK 1,071 million (Q1/2023: DKK 906 million).

Nykredit Bank maintains expectations for profit after tax for 2024 of DKK 3.5-4.0 billion.



	DKK million			
Nykredit Bank Group	Q1/ 2024	Q1/ 2023	Q4/ 2023	2023
BUSINESS PROFIT AND PROFIT FOR THE PERIOD				
Net interest income	934	793	1,077	3,915
Net fee income	205	182	173	735
Wealth management income	668	583	583	2,368
Net interest from capitalisation	218	164	152	632
Net income relating to customer benefits programmes	(9)	(26)	(37)	(96)
Trading, investment portfolio and other income	168	297	(28)	295
Income	2,185	1,994	1,919	7,849
Costs	854	828	890	3,362
Business profit before impairment charges	1,331	1,166	1,030	4,487
Impairment charges for loans and advances	(46)	(49)	12	62
Business profit	1,376	1,215	1,018	4,425
Legacy derivatives	52	(11)	(84)	59
Profit before tax for the period	1,428	1,204	934	4,484
Tax	357	298	236	1,116
Profit for the period	1,071	906	698	3,367
Minority interests	19	15	20	65
Summary balance sheet				
	31.03.2024	31.03.2023	31.12.2023	2023
Reverse repurchase lending	32,406	35,536	33,965	33,965
Loans, advances and other receivables at amortised cost	94,546	92,075	94,375	94,375
Payables to credit institutions and central banks	43,676	44,951	44,960	44,960
Repo deposits	4,006	5,674	5,618	5,618
Deposits and other payables	107,357	106,736	114,333	114,333
Equity	37,879	34,425	36,808	36,808
SELECTED FINANCIAL RATIOS				
Profit for the period as % pa of average equity	11.3	10.5 ¹	8.0	9.4
Cost/income ratio (C/I), %	39.1	41.5	46.3	42.8
Average number of staff, full-time equivalent	1,019	1,015	1,030	1,022

¹ Comparative figures have been restated

Customer benefits

Being a mutual company, Nykredit has a unique opportunity to share our 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 propositions. 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. The home loan discount was raised from 0.15% to 0.20% of home loan interest expenses with effect from 1 January 2024, and the higher rate will apply until end-2027.

Long-term value for customers and partner banks

Nykredit Bank is working to create long-term value for our customers and 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.

Focus on green choices

As an element of Nykredit's ambitions for a greener Denmark, Nykredit Bank's customers are offered a number of green benefits.

The products **green home loans**, **green car loans** and **home energy check-ups** are targeted at our personal customers and designed to ensure that financing costs do not discourage them from buying an electric car or making home energy improvements. We have introduced a **green savings account** to customers wishing to save up for a green initiative, such as energy optimisation of their home or buying a hydrogen or electric car. We also offer green products to our agricultural customers, for example **green machinery leasing**. Finally, we offer **green construction loans** to major corporate clients, large residential rental clients and public housing clients with green energy renovation or green construction projects.

Small and medium-sized enterprises are increasingly becoming subject to climate-related reporting demands from authorities, customers, suppliers and financial partners. To ease this burden for our customers, we offer access to a digital tool from Valified designed to support businesses going green, helping them document and report on their progress. Nykredit is collaborating with Rambøll on Incept Sustainability, an e-learning and analytics platform, which is made available to our business customers and is designed to help them focus on their most important ESG issues and transition needs. We offer corporate clients advice on how to take a more systematic approach to sustainability with a view to increasing their positive impact and achieving improved ESG ratings to obtain market recognition for their efforts.

The Danish agricultural sector has set ambitious climate targets. Together with Forenet Kredit and SEGES, Nykredit has developed the ESGreen Tool aimed at providing the agricultural sector with tools and knowledge of how to find a viable, documentable and effective path forward in the green transition.



Q1 in summary

Business profit came to DKK 1,376 million in Q1/2024 (Q1/2023: DKK 1,215 million), and profit for the period after tax was DKK 1,071 million (Q1/2023: DKK 906 million).

Income amounted to DKK 2,185 million (Q1/2023: DKK 1,994 million). Net interest income was DKK 934 million (Q1/2023: DKK 793 million). Net interest income was positively impacted by rising interest rates as well as increased lending compared with Q1/2023.

Net fees amounted to DKK 205 million (Q1/2023: DKK 182 million). Net fee income was positively affected by the high activity level of corporate clients in the business area Corporates & Institutions.

Net interest from capitalisation, which comprises return on equity and interest on subordinated capital, was a gain of DKK 218 million (Q1/2023: gain of DKK 164 million). The increase compared with Q1/2023 was due to higher interest rates.

Trading, investment portfolio and other income, which includes income from Nykredit Markets and value adjustments of swaps, came to DKK 168 million (Q1/2023: DKK 297 million).

Total costs amounted to DKK 854 million (Q1/2023: DKK 828 million). Pay rises and general price growth driven by inflation increased costs across the Nykredit Bank Group. Furthermore, the period saw increased investments in digitisation and IT. The pay and price increases were partially mitigated through streamlining and financial discipline.

The average number of full-time equivalent staff totalled 1,019 (Q1/2023: 1,015).

Impairment charges for loans and advances were a net reversal of DKK 46 million (Q1/2023: net reversal of DKK 49 million) owing to the continued strong performance of the Danish economy and our customers' good credit quality.

Legacy derivatives gained DKK 52 million (Q1/2023: charge of DKK 11 million). Legacy derivatives are derivatives Nykredit no longer offers to customers.

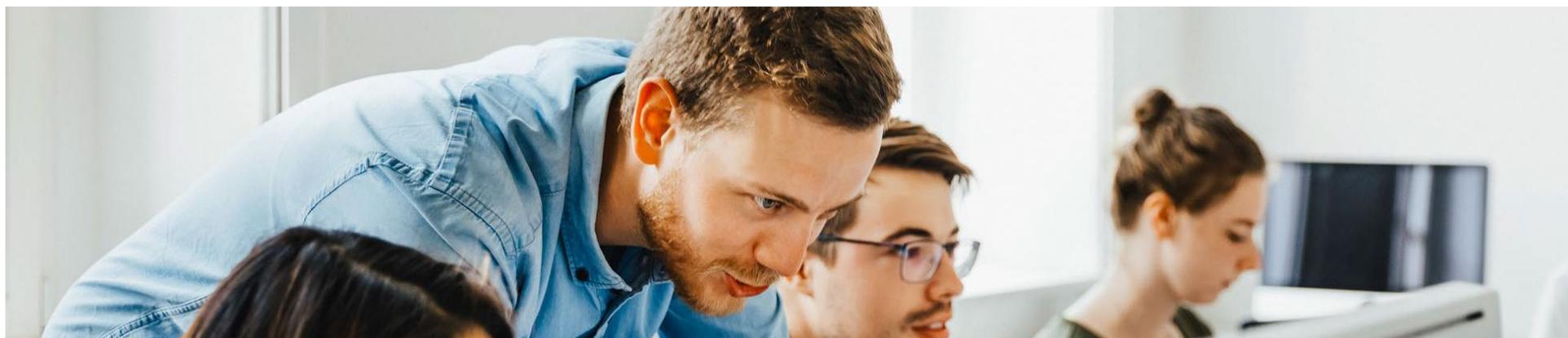
Lending went up to DKK 94.5 billion at end-March 2024 (Q1/2023: DKK 92.1 billion). The increase in bank lending was driven by business customers, including customers served in the business area Corporates & Institutions.

Deposits and other payables amounted to DKK 107.4 billion (Q1/2023: DKK 106.7 billion).

Deposits exceeded lending at amortised cost by DKK 9.7 billion (Q1/2023: DKK 11.6 billion).



Lending
DKK 94.5 billion
(Q1/2023: DKK 92.1 billion)



Totalkredit

Totalkredit posted satisfactory results for Q1/2023 with a profit after tax of DKK 818 million (Q1/2022: DKK 685 million).



Income
DKK **1,306** million
(Q1/2023: DKK 1,353 million)



Costs
DKK **278** million
(Q1/2023: DKK 268 million)



Profit after tax
DKK **833** million
(Q1/2023: DKK 818 million)

	DKK million			
Totalkredit	Q1/ 2024	Q1/ 2023	Q4/ 2023	2023
BUSINESS PROFIT AND PROFIT FOR THE PERIOD				
Net interest income	908	926	966	3,743
Net fee income	186	192	255	812
Net interest from capitalisation	235	171	176	701
Net income relating to customer benefits programmes	(112)	(76)	(69)	(268)
Trading, investment portfolio and other income	89	140	177	569
Income	1,306	1,353	1,504	5,556
Costs	278	268	267	1,054
Business profit before impairment charges	1,029	1,085	1,237	4,504
Impairment charges for loans and advances	17	78	(1)	104
Profit before tax	1,012	1,007	1,238	4,401
Tax	179	189	247	851
Profit for the period	833	818	990	3,550
Interest on Additional Tier 1 capital not recognised in profit or loss	73	57	74	266
SUMMARY BALANCE SHEET				
	31.03.2024	31.03.2023	31.12.2023	2023
Mortgage loans at fair value	822,354	783,271	818,473	818,473
Bonds at fair value	68,564	53,306	65,073	65,073
Payables to credit institutions and central banks	855,751	804,323	855,665	855,665
Bonds in issue at fair value	2,388	2,822	2,496	2,496
Equity	41,295	38,011	40,536	40,536
SELECTED FINANCIAL RATIOS				
Profit for the period as % pa of average equity ¹	9.0	8.5 ²	9.8	9.4
Cost/income ratio (C/I), %	21.3	19.8	17.8	19.0
Average number of staff, full-time equivalent	241	250	247	248

¹ For the purpose of return on equity etc, the AT1 capital is treated as a financial obligation for accounting purposes, and the dividends thereon for accounting purposes are included as interest expenses on subordinated debt in profit for the period.

² Comparative figures have been restated.

Partnership activities

Customers are best served by local banking advisers with the most knowledge about the customers, their finances and the local area. This view is shared by the 41 partner banks behind the Totalkredit alliance.

Our alliance with the Totalkredit partner banks is the foundation of our efforts to promote development and growth and offer attractive and secure loans all over Denmark at all times. The Totalkredit alliance is strong, and partner satisfaction remains high.

Joint IT platform

The Totalkredit alliance is continually working to develop a future-proofed IT platform to optimise the advisory tools and home financing options available to all members of the partnership and their customers.

Furthermore, our customers will get improved digital solutions through Nykredit's mobile and online banking services and the Mit Hjem platform. Using Mit Hjem, customers can calculate their loan options, find information about their home and also monitor local housing market developments, including home listings.

Business banking

Totalkredit business mortgages are offered to the segments office and retail, residential rental as well as industry and trades. Totalkredit also offers cooperative housing loans. A large number of our partner banks actively use our business mortgage propositions.

Green initiatives

To support the green transition, Forenet Kredit also makes contributions to Nykredit for green initiatives. As a consequence, we are able to offer a green voucher worth DKK 10,000 to Totalkredit customers who replace their oil- or gas-fired boilers with heat pumps. Since December 2020, almost 9,000 homeowners all over Denmark have accepted this offer and received vouchers. Sustainability has become an important part of our work, and we are working all across the Group to support Denmark's green transition.

Energy renovation

Customers with a Totalkredit mortgage loan who want to make home energy improvements can also get a discount on home energy check-ups. The discount is offered thanks to Nykredit's green contributions from Forenet Kredit. The energy check-up is available with or without an energy label update.

The energy check-up has been developed together with the banks in the Totalkredit partnership and includes a visit from an energy consultant, who will provide a consumption overview and offer specific suggestions for energy optimisation. The homeowner will also be able to purchase an energy label. The propositions are designed to make it easier for customers to choose energy-saving solutions and make home improvements to maintain or increase the value of their home.



Q1 in summary

Profit after tax amounted to DKK 833 million (Q1/2023: DKK 818 million). Profit for the period as % pa of average equity came to 9.0% (Q1/2023: 8.5%).

Income amounted to DKK 1,306 million (Q1/2023: DKK 1,353 million). The decline was primarily driven by net interest from capitalisation resulting from the higher interest rate level as well as trading, investment portfolio and other income, due to value adjustments of the portfolio of self-issued bonds following yield spread tightening. By contrast, net fee income fell due to lower activity levels.

Total costs amounted to DKK 278 million (Q1/2023: DKK 268 million). The increase in costs was mainly due to pay rises and general price rises driven by inflation. Furthermore, the period saw increased investments in digitisation and IT. The pay and price increases were partially mitigated through streamlining and financial discipline.

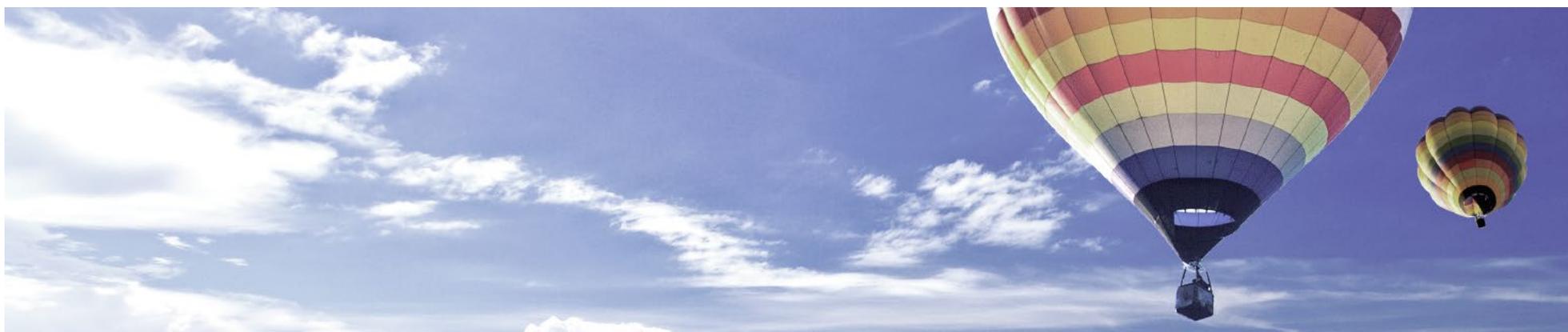
The average number of full-time equivalent staff totalled 241 (Q1/2023: 250). The change in headcount was, among other things, due to a lower activity level.

Impairment charges for loans and advances were DKK 17 million (Q1/2023: DKK 78 million). Impairment charges were impacted by falling house prices. Credit quality remains satisfactory.

In Q1/2024, Totalkredit maintained its overall level of mortgage lending. Mortgage lending measured at nominal value totalled DKK 880 billion against DKK 878 billion at end-2023. This also means that Totalkredit's new lending was high enough to offset the natural loan portfolio run-off resulting from borrowers' current repayments and prepayments.



Lending, nominal value
DKK 880 billion
(end-2023: DKK 878 billion)



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 pages 7 and 8 and the business areas (pages 13-24 and note 3) reflect 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 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 net administration margin income from mortgage lending as well as interest income from bank lending and deposits. The corresponding item in the income statement (page 49) includes all interest.

"Net fee income" comprising income from mortgage refinancing and mortgage lending, 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 areas serving the customers.

"Net interest from capitalisation" comprising the risk-free interest attributable to equity and net interest from subordinated debt etc. Net interest is composed of the interest expenses related to debt, adjusted for the internal liquidity interest. "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, including income from the sale of real estate.

"Net income relating to customer benefits programmes" comprising discounts etc, such as KundeKroner, ErhvervsKroner as well as green and other benefits granted to the Group's customers. The amount includes contributions received. The effect of the benefits programmes is included under "Group Items".

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 for the period as % of average equity (RoE). Profit for the period corresponds to net profit or loss less minority interests and interest expenses for Additional Tier 1 capital, which is treated as dividend in the Financial Statements. Average equity is calculated on the basis of the value at the beginning of the period and at the end of all quarters of the period. Equity is determined exclusive of minority interest and Additional Tier 1 capital. The figures have been annualised.

Cost/income ratio (C/I), % 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.

Surplus of deposits is calculated based on total deposits, excluding repo deposits, relative to lending excluding reverse repurchase lending measured at amortised cost and not adjusted for impairment charges.

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 the period 1 January – 31 March 2024 of Nykredit A/S and the Nykredit 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.

Moreover, the Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's assets, liabilities, equity and financial position at 31 March 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 – 31 March 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, 7 May 2024

Executive Board

Michael Rasmussen
Group Chief Executive

Tonny Thierry Andersen
Group Managing Director

David Hellemann
Group Managing Director

Anders Jensen
Group Managing Director

Pernille Sindby
Group Managing Director

Board of Directors

Merete Eldrup
Chair

Preben Sunke
Deputy Chair

Olav Bredgaard Brusen*

Michael Demsitz

Rasmus Fossing*

Per W. Hallgren

Kathrin Helene Hattens*

Jørgen Høholt

Torsten Hagen Jørgensen

Vibeke Krag

Mie Krog

Inge Sand*

* *Staff-elected member*

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Nykredit Realkredit A/S		Nykredit Realkredit Group		
Q1/2023	Q1/2024	Note	Q1/2024	Q1/2023
DKK million				
INCOME STATEMENTS				
8,785	11,263		12,615	10,319
-	-		2,183	1,428
7,736	10,240		10,842	8,041
1,050	1,024	6	3,957	3,706
170	372	6	375	173
248	296	5	1,099	1,041
114	109		1,004	1,024
1,353	1,582		4,427	3,895
393	845	6, 7	1,174	910
462	612		461	371
799	949		1,509	1,484
71	49		60	82
62	67		76	71
(65)	(26)	8, 9	(53)	(34)
1,727	1,909	10	2	1
3,068	3,909		4,472	3,575
283	385		927	775
2,785	3,525		3,544	2,800
Distribution of profit for the period				
2,785	3,525		3,487	2,747
-	-		19	15
-	-		38	38
2,785	3,525		3,544	2,800
COMPREHENSIVE INCOME				
2,785	3,525		3,544	2,800
Other comprehensive income				
Items that cannot be reclassified to profit or loss:				
21	20		20	21
(5)	(5)		(5)	(5)
15	15		15	15
15	15		15	15
2,801	3,540		3,559	2,816
Distribution of comprehensive income				
2,801	3,540		3,501	2,763
-	-		19	15
-	-		38	38
2,801	3,540		3,559	2,816

BALANCE SHEETS

DKK million

Nycredit Realkredit A/S		Nycredit Realkredit Group		
31.12.2023	31.03.2024	Note	31.03.2024	31.12.2023
ASSETS				
12,101	4,800		46,993	61,056
37,194	42,724		12,697	7,005
1,392,091	1,391,129	11	1,358,100	1,355,312
196	198	12	127,265	128,645
30,255	31,579	13	93,732	94,486
3,813	3,803	14	1,678	1,688
6,956	7,376		7,722	7,457
30	30		55	55
78,128	79,934		-	-
-	-	15	5,104	4,173
448	454		2,323	2,323
Land and buildings				
-	-		20	20
450	434		449	466
450	434		470	486
213	204		221	231
(0)	19		30	46
-	-		166	168
6	6		8	6
11,383	11,546		16,964	18,075
274	379		670	393
1,573,537	1,574,617		1,674,196	1,681,605

BALANCE SHEETS

DKK million

Nykredit Realkredit A/S		Nykredit Realkredit Group			
31.12.2023	31.03.2024		Note	31.03.2024	31.12.2023
LIABILITIES AND EQUITY					
10,716	10,852	Payables to credit institutions and central banks		14,890	12,591
-	-	Deposits and other payables	16	111,077	119,825
-	-	Deposits in pooled schemes		5,104	4,173
1,378,493	1,380,672	Bonds in issue at fair value	17	1,335,743	1,334,909
56,435	58,640	Bonds in issue at amortised cost	18	61,503	62,360
306	309	Other non-derivative financial liabilities at fair value	19	8,790	7,139
130	399	Current tax liabilities		708	300
15,864	14,177	Other liabilities		25,846	27,694
-	-	Deferred income		4	4
1,461,944	1,465,049	Total payables		1,563,665	1,568,994
Provisions					
6	4	Provisions for pensions and similar obligations		4	6
177	100	Provisions for deferred tax		376	457
13	13	Repayable reserves in pre-1972 series		13	13
-	-	Provisions for losses under guarantees		341	328
109	139	Other provisions		352	406
305	255	Total provisions		1,086	1,211
10,394	10,280	Subordinated debt	20	10,280	10,394
Equity					
1,182	1,182	Share capital		1,182	1,182
Accumulated value adjustments					
-	-	- revaluation reserves		3	3
Other reserves					
42,546	44,352	- statutory reserves		-	-
22,142	22,142	- series reserves		22,142	22,142
3,227	3,227	- non-distributable reserve fund		4,885	4,885
22,637	24,329	- retained earnings		67,020	63,521
5,400	-	- proposed dividend		-	5,400
97,134	95,233	Shareholder of Nykredit Realkredit A/S		95,233	97,134
-	-	Minority interests		131	112
3,759	3,800	Holders of Additional Tier 1 capital		3,800	3,759
100,893	99,033	Total equity		99,164	101,006
1,573,537	1,574,617	Total liabilities and equity		1,674,196	1,681,605
OFF-BALANCE SHEET ITEMS					
-	-	Contingent liabilities		7,611	6,932
10,202	13,317	Other commitments		26,620	24,209
10,202	13,317	Total		34,231	31,141

STATEMENT OF CHANGES IN EQUITY

DKK million

Nykredit Realkredit Group

	Share capital ¹	Revaluation reserves	Series reserves	Non-distributable reserve fund ²	Retained earnings	Proposed dividend	Shareholder of Nykredit Realkredit A/S	Minority interests	Additional Tier 1 capital ³	Total equity
2024										
Equity, 1 January	1,182	3	22,142	4,885	63,521	5,400	97,134	112	3,759	101,006
Profit for the period	-	-	-	-	3,487	-	3,487	19	38	3,544
Total other comprehensive income	-	-	-	-	15	-	15	-	-	15
Total comprehensive income	-	-	-	-	3,501	-	3,501	19	38	3,559
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(2)	-	(2)	-	2	-
Distributed dividend	-	-	-	-	-	(5,400)	(5,400)	-	-	(5,400)
Equity, 31 March	1,182	3	22,142	4,885	67,020	-	95,233	131	3,800	99,164
2023										
Equity, 1 January	1,182	3	31,878	4,849	50,401	4,650	92,964	114	3,751	96,829
Profit for the period	-	-	-	-	2,747	-	2,747	15	38	2,800
Total other comprehensive income	-	-	-	-	15	-	15	-	-	15
Total comprehensive income	-	-	-	-	2,763	-	2,763	15	38	2,816
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(6)	-	(6)	-	6	-
Distributed dividend	-	-	-	-	-	(4,650)	(4,650)	-	-	(4,650)
Equity, 31 March	1,182	3	31,878	4,849	53,157	-	91,070	130	3,795	94,995

¹ The share capital is divided into shares of DKK 100 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

² A non-distributable reserve fund of DKK 1,658 million in Totalkredit A/S and DKK 3,227 million in Nykredit Realkredit A/S.

³ Additional Tier 1 (AT1) capital is perpetual, and payment of principal and interest is discretionary. For accounting purposes, the AT1 capital is consequently treated as equity. On 15 October 2020, Nykredit issued new AT1 capital of nominally EUR 500 million which carries an interest of 4.125% up to 15 October 2026. The loan is perpetual with an early redemption option from April 2026. The loan will be written down if the Common Equity Tier 1 (CET1) capital of Nykredit Realkredit A/S, the Nykredit Realkredit Group or the Nykredit Group falls below 7.125%.

STATEMENT OF CHANGES IN EQUITY

DKK million

Nykredit Realkredit A/S

	Share capital ¹	Non-distributable reserve fund	Statutory reserves ²	Series reserves	Retained earnings	Proposed dividend	Shareholder of Nykredit Realkredit A/S	Additional Tier 1 capital ³	Total equity
2024									
Equity, 1 January	1,182	3,227	42,546	22,142	22,637	5,400	97,134	3,759	100,893
Profit for the period	-	-	1,909	-	1,577	-	3,487	38	3,525
Total other comprehensive income	-	-	-	-	15	-	15	-	15
Total comprehensive income	-	-	1,909	-	1,592	-	3,501	38	3,540
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(2)	-	(2)	2	-
Distributed dividend	-	-	-	-	-	(5,400)	(5,400)	-	(5,400)
Dividend from Group enterprises	-	-	(103)	-	103	-	-	-	-
Equity, 31 March	1,182	3,227	44,352	22,142	24,329	-	95,233	3,800	99,033
2023									
Equity, 1 January	1,182	3,203	35,869	31,878	16,181	4,650	92,964	3,751	96,715
Profit for the period	-	-	1,727	-	1,020	-	2,747	38	2,785
Total other comprehensive income	-	-	-	-	15	-	15	-	15
Total comprehensive income	-	-	1,727	-	1,035	-	2,763	38	2,801
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(6)	-	(6)	6	-
Distributed dividend	-	-	-	-	-	(4,650)	(4,650)	-	(4,650)
Dividend from Group enterprises	-	-	(56)	-	56	-	-	-	-
Equity, 31 March	1,182	3,203	37,540	31,878	17,266	-	91,070	3,795	94,865

¹ The share capital is divided into shares of DKK 100 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

² Includes a non-distributable reserve fund of DKK 1,658 million in Totalkredit A/S.

³ Additional Tier 1 (AT1) capital is perpetual, and payment of principal and interest is discretionary. For accounting purposes, the AT1 capital is consequently treated as equity. On 15 October 2020, Nykredit issued new AT1 capital of nominally EUR 500 million which carries an interest of 4.125% up to 15 October 2026. The loan is perpetual with an early redemption option from April 2026. The loan will be written down if the Common Equity Tier 1 (CET1) capital of Nykredit Realkredit A/S, the Nykredit Realkredit Group or the Nykredit Group falls below 7.125%.

CASH FLOW STATEMENT

DKK million

Nykredit Realkredit Group	Q1/2024	Q1/2023
Profit for the period	3,544	2,800
Adjustments		
Net interest income	(3,957)	(3,706)
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	60	82
Profit from investments in associates	(2)	(1)
Impairment charges for loans, advances and receivables etc	(11)	7
Prepayments/deferred income, net	(277)	(192)
Tax calculated on profit for the period	927	775
Other adjustments	(557)	67
Total	(273)	(168)
Change in operating capital		
Loans, advances and other receivables	(1,397)	(17,352)
Deposits and payables to credit institutions	(6,450)	(7,873)
Bonds in issue	(22)	19,539
Other operating capital	(1,479)	(3,326)
Total	(9,620)	(9,180)
Interest income received	14,344	11,078
Interest expenses paid	(8,011)	(3,756)
Corporation tax paid, net	(586)	(485)
Cash flows from operating activities	(3,873)	(2,344)
Cash flows from investing activities		
Acquisition of associates	-	(3)
Dividend received from associates	2	2
Purchase and sale of bonds and equities, net	917	290
Purchase of intangible assets	(29)	(38)
Sale of intangible assets	2	-
Purchase of property, plant and equipment	(6)	(25)
Sale of property, plant and equipment	3	8
Total	889	234
Cash flows from financing activities		
Distributed dividend	(5,400)	(4,650)
Payment of lease liabilities	(29)	(36)
Total	(5,429)	(4,686)
Total cash flows for the period	(8,413)	(6,796)
Cash and cash equivalents, beginning of period	68,061	61,242
Foreign currency translation adjustment of cash	41	(148)
Total cash flows for the period	(8,413)	(6,796)
Cash and cash equivalents, end of period	59,689	54,298
Cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	46,993	38,998
Receivables from credit institutions and central banks	12,697	15,299
Total	59,689	54,298

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Nykredit Realkredit Group

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NOTES

Nykredit Realkredit Group

1. ACCOUNTING POLICIES

General

The Parent Interim Financial Statements for Q1/2024 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 Q1/2024 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 Q1/2024, no new reporting standards and/or interpretations, which have impacted the financial reporting, have been implemented. The accounting policies of Nykredit Realkredit A/S and the Nykredit Realkredit Group 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

Nykredit Realkredit A/S		DKK million		
31.12.2023	31.03.2024		31.03.2024	31.12.2023
		2. CAPITAL AND CAPITAL ADEQUACY		
100,893	99,033	Equity for accounting purposes	99,164	101,006
-	-	Minority interests not included	(131)	(112)
(3,759)	(3,800)	Carrying amount of Additional Tier 1 capital recognised in equity	(3,800)	(3,759)
-	(2,479)	Share of profit etc for the period not included	(2,479)	0
97,134	92,754	Equity excluding Additional Tier 1 capital and minority interests	92,754	97,134
(5,400)	-	Proposed dividend	-	(5,400)
(36)	(37)	Prudent valuation adjustment	(74)	(83)
-	-	Minority interests	61	54
(306)	(218)	Intangible assets excluding deferred tax liabilities	(2,062)	(2,154)
(270)	(293)	Other regulatory adjustments	(293)	(270)
(322)	(428)	Deduction for non-performing exposures	(810)	(639)
(6,333)	(977)	Common Equity Tier 1 regulatory deductions	(3,179)	(8,491)
90,801	91,776	Common Equity Tier 1 capital	89,575	88,643
3,652	3,654	Additional Tier 1 capital	3,664	3,660
-	-	Additional Tier 1 regulatory deductions	-	(9)
3,652	3,654	Total Additional Tier 1 capital after regulatory deductions	3,664	3,651
94,452	95,431	Tier 1 capital	93,239	92,294
10,665	10,600	Tier 2 capital	10,613	10,676
105,117	106,031	Own funds	103,852	102,970
548,820	556,411	Credit risk	376,739	374,429
12,976	11,363	Market risk	24,930	27,981
14,032	15,118	Operational risk	34,469	30,944
575,829	582,892	Total risk exposure amount	436,138	433,354
		Financial ratios		
15.7	15.7	Common Equity Tier 1 capital ratio, %	20.5	20.4
16.4	16.3	Tier 1 capital ratio, %	21.3	21.2
18.2	18.1	Total capital ratio, %	23.8	23.7

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 using Common Equity Tier 1 capital. The countercyclical capital buffer is currently 2.5% and consequently fully phased in.

NOTES

DKK million

Nykredit Realkredit 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.

Results Q1/2024	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Totalkredit Partners	Wealth Management	Group Items	Total
Results by business area									
Net interest income	652	804	1,456	676	2,131	757	113	10	3,011
Net fee income	155	152	307	217	524	199	10	(4)	728
Wealth management income	120	34	154	47	202	-	462	5	668
Net interest from capitalisation	48	134	182	155	337	136	12	113	597
Net income relating to customer benefits programmes ¹	-	-	-	-	-	-	-	(135)	(135)
Trading, investment portfolio and other income	9	22	31	130	161	1	15	967	1,143
Income	983	1,147	2,130	1,225	3,355	1,092	610	955	6,012
Costs	625	330	955	210	1,165	162	271	48	1,645
Business profit before impairment charges	359	816	1,175	1,015	2,190	930	339	907	4,367
Impairment charges for loans and advances	(160)	(148)	(308)	224	(84)	40	(5)	(4)	(53)
Business profit	519	964	1,483	790	2,274	890	345	911	4,420
Legacy derivatives	2	39	40	11	52	-	-	-	52
Profit before tax	521	1,003	1,524	802	2,325	890	345	911	4,472

BALANCE SHEET, 31 MARCH 2024

Assets

Mortgage loans etc at fair value	154,505	209,346	363,851	290,578	654,429	688,108	15,204	-	1,357,741
Reverse repurchase lending								32,406	32,406
Loans and advances at amortised cost	14,019	31,412	45,431	43,720	89,152	-	5,667	40	94,859
Assets by business area	168,524	240,758	409,282	334,298	743,581	688,108	20,872	32,446	1,485,006
Unallocated assets									189,190
Total assets									1,674,196

Liabilities and equity

Repo deposits								4,006	4,006
Bank deposits and other payables at amortised cost	47,746	27,186	74,932	11,961	86,893	-	16,532	3,646	107,071
Liabilities by business area	47,746	27,186	74,932	11,961	86,893	-	16,532	7,653	111,077
Unallocated liabilities									1,463,954
Equity									99,164
Total liabilities and equity									1,674,196

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

NOTES

DKK million

Nykredit Realkredit Group

3. BUSINESS AREAS, (CONTINUED)

Results Q1/2023	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Totalkredit Partners	Wealth Management	Group Items	Total
RESULTS BY BUSINESS AREA									
Net interest income	651	747	1,398	589	1,986	775	121	0	2,883
Net fee income	163	125	289	207	496	189	7	(12)	680
Wealth management income	110	33	143	37	180	-	399	4	583
Net interest from capitalisation	36	96	131	118	249	104	10	96	460
Net income relating to customer benefits programmes ¹	-	-	-	-	-	-	-	(117)	(117)
Trading, investment portfolio and other income	9	28	37	190	227	(1)	11	462	700
Income	969	1,029	1,997	1,140	3,138	1,068	549	435	5,189
Costs	598	328	927	195	1,121	215	260	40	1,637
Business profit before impairment charges	370	701	1,071	946	2,016	853	288	394	3,552
Impairment charges for loans and advances	32	(220)	(188)	59	(129)	72	24	(0)	(34)
Business profit	338	921	1,259	887	2,146	781	265	394	3,586
Legacy derivatives	0	(10)	(10)	(1)	(11)	-	(0)	-	(11)
Profit before tax	339	911	1,249	886	2,135	781	265	394	3,575

BALANCE SHEET, 31 MARCH 2023

Assets

Mortgage loans etc at fair value	151,604	200,952	352,556	274,225	626,781	665,511	14,143	-	1,306,435
Reverse repurchase lending								35,536	35,536
Loans and advances at amortised cost	12,858	30,870	43,728	42,821	86,549	-	5,623	220	92,392
Assets by business area	164,462	231,822	396,284	317,046	713,330	665,511	19,766	35,756	1,434,363
Unallocated assets									178,180
Total assets									1,612,544

Liabilities and equity

Repo deposits								5,674	5,674
Bank deposits and other payables at amortised cost	44,147	27,957	72,104	12,423	84,527	-	17,771	4,358	106,656
Liabilities by business area	44,147	27,957	72,104	12,423	84,527	-	17,771	10,032	112,330
Unallocated liabilities									1,405,219
Equity									94,995
Total liabilities and equity									1,612,544

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

NOTES

DKK million

Nykredit Realkredit Group

4. RECONCILIATION OF INTERNAL AND REGULATORY INCOME STATEMENT

	Q1/2024			Q1/2023		
	Earnings presentation in Management Commentary	Reclassification	Income statement	Earnings presentation in Management Commentary	Reclassification	Income statement
Net interest income	3,011	946	3,957	2,883	823	3,706
Dividend on equities etc		375	375		173	173
Fee and commission income, net	728	(633)	95	680	(663)	17
Net interest and fee income		688	4,427		332	3,895
Wealth management income	668	(668)	-	583	(583)	-
Net interest from capitalisation	597	(597)	-	460	(460)	-
Net income relating to customer benefits programmes	(135)	135	-	(117)	117	-
Trading, investment portfolio and other income	1,143	(1,143)	-	700	(700)	-
Value adjustments		1,174	1,174		910	910
Other operating income		461	461		371	371
Income	6,012		5,189	5,189		
Costs	1,645	-	1,645	1,637	-	1,637
Business profit before impairment charges	4,367		3,552	3,552		
Impairment charges for loans and advances etc	(53)	-	(53)	(34)	-	(34)
Profit from investments in associates and Group enterprises		2	2		1	1
Business profit	4,420		3,586	3,586		
Legacy derivatives	52	(52)	-	(11)	11	-
Profit before tax	4,472	-	4,472	3,575	-	3,575

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 and Group enterprises" in the income statement of the Financial Statements. The column "Reclassification" 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 for which reason profit before tax is unchanged.

NOTES

DKK million

Nykredit Realkredit Group	Q1/2024	Q1/2023
5. FEE AND COMMISSION INCOME		
Revenue from contracts with customers (IFRS 15) by business area		
Retail	155	144
Corporates & Institutions	119	103
Totalkredit Partners	108	153
Wealth Management	658	577
Group Items	40	43
Total	1,079	1,020
Total including income from financial guarantees	1,099	1,041

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 Realkredit Group

6. NET INTEREST INCOME ETC AND VALUE ADJUSTMENTS

Q1/2024	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	359	101	259	-	-	259
Lending and deposits	1,420	608	812	-	(0)	812
Repo transactions and reverse repurchase lending	447	173	274	-	-	274
Bonds	2	-	2	-	-	2
Subordinated debt	-	117	(117)	-	-	(117)
Other financial instruments	52	13	39	-	-	39
Total	2,281	1,012	1,269	-	(0)	1,269
Financial portfolios at fair value and financial instruments at fair value						
Mortgage loans and bonds in issue	12,176	9,830	2,346	-	79	2,425
- of which administration margin income	2,304	-	2,304	-	-	2,304
Bonds	710	-	710	-	426	1,136
Equities etc	-	-	-	375	457	832
Derivative financial instruments	(369)	-	(369)	-	(32)	(401)
Other liabilities	-	-	-	-	179	179
Total	12,518	9,830	2,688	375	1,108	4,171
Foreign currency translation adjustment					66	66
Net interest income etc and value adjustments	14,799	10,842	3,957	375	1,174	5,506
Negative interest income	0	0	-			
Positive interest expenses	0	0	-			
Total	14,799	10,842	3,957			
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	500					
Q1/2023						
Financial portfolios at amortised cost						
Receivables from and payables to credit institutions and central banks	93	65	28	-	-	28
Lending and deposits	1,070	255	815	-	(2)	813
Repo transactions and reverse repurchase lending	291	161	130	-	-	130
Subordinated debt	-	106	(106)	-	-	(106)
Other financial instruments	39	9	30	-	-	30
Total	1,495	596	899	-	(2)	898
Financial portfolios at fair value and financial instruments at fair value						
Mortgage loans and bonds in issue	9,960	7,430	2,529	-	(1)	2,529
- of which administration margin income	2,432	-	2,432	-	-	2,432
Bonds	512	-	512	-	924	1,436
Equities etc	-	-	-	173	116	289
Derivative financial instruments	(234)	-	(234)	-	(150)	(385)
Total	10,237	7,430	2,806	173	889	3,868
Foreign currency translation adjustment					23	23
Net interest income etc and value adjustments	11,732	8,026	3,706	173	910	4,789
Negative interest income	3	3	-			
Positive interest expenses	13	13	-			
Total	11,747	8,041	3,706			
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	395					

NOTES

DKK million

Nykredit Realkredit A/S		Nykredit Realkredit Group	
Q1/2023	Q1/2024	Q1/2024	Q1/2023
7. VALUE ADJUSTMENTS			
Assets measured at fair value through profit or loss			
1,642	(1,137)	(445)	6,873
5,237	694	0	(0)
0	0	(0)	(2)
535	187	426	924
101	435	457	116
1	(8)	66	23
(243)	(26)	(32)	(150)
-	-	232	26
-	-	(232)	(26)
Liabilities measured at fair value through profit or loss			
(1,643)	1,216	524	(10,350)
(5,237)	(515)	179	3,476
393	845	1,174	910

NOTES

DKK million

Nykredit Realkredit 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 fair value	Loans and advances at fair value	Loans and advances at amortised cost	Loans and advances at amortised cost	Credit institutions	Credit institutions	Guarantees etc ¹	Guarantees etc ¹	Total	Total
Total impairment provisions	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance, 1 January	5,492	5,919	3,207	3,132	29	18	328	340	9,056	9,409
New impairment provisions as a result of additions and change in credit risk	948	1,141	642	678	0	2	105	115	1,695	1,936
Releases as a result of redemptions and change in credit risk	918	1,112	694	713	2	1	92	123	1,706	1,949
Impairment provisions written off	87	53	88	9	-	-	-	-	175	62
Other adjustments and interest from impaired facilities	-	-	18	17	-	-	-	-	18	17
Transferred to "Impairment provisions for properties acquired by foreclosure"	2	1	-	-	-	-	-	-	2	1
Total impairment provisions	5,432	5,895	3,085	3,104	27	19	341	333	8,886	9,351
Earnings impact										
Change in impairment provisions for loans and advances (stages 1-3)	30	29	(52)	(35)	(2)	1	13	(8)	(11)	(13)
Write-offs for the period, not previously written down for impairment	12	15	7	1	-	-	-	-	19	16
Recoveries on claims previously written off	(20)	(17)	(8)	(13)	-	-	-	-	(28)	(31)
Total	22	27	(52)	(47)	(2)	1	13	(8)	(19)	(28)
Value adjustment of assets in temporary possession	2	0	-	-	-	-	-	-	2	0
Value adjustment of claims previously written off	(9)	7	(6)	7	-	-	-	-	(15)	13
Losses offset, in accordance with partnership agreement ²	(21)	(20)	-	-	-	-	-	-	(21)	(20)
Earnings impact	(6)	14	(59)	(41)	(2)	1	13	(8)	(53)	(34)

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

² According to the partnership agreement with the partner banks Totalkredit A/S has a right of set-off against commission in connection with write-offs on lending.

NOTES

DKK million

Nykredit Realkredit Group

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

8 b. Total impairment provisions by stage 2024	Loans and advances at fair value			Loans and advances at amortised cost			Guarantees etc			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2024	1,873	1,645	1,974	432	1,102	1,702	67	186	75	9,056
Transfer to stage 1	333	(329)	(4)	103	(102)	(1)	23	(23)	-	-
Transfer to stage 2	(27)	101	(74)	(21)	38	(17)	(4)	5	(1)	-
Transfer to stage 3	(1)	(45)	46	(0)	(8)	8	(0)	(1)	1	-
Impairment provisions for new loans and advances (additions)	133	115	40	37	168	11	8	18	8	538
Additions as a result of change in credit risk	101	370	189	100	191	136	5	58	7	1,157
Releases as a result of change in credit risk	489	206	223	170	293	233	36	46	10	1,706
Previously written down for impairment, now written off	-	-	87	-	-	88	-	-	-	175
Other adjustments and interest from impaired facilities	-	-	(2)	-	-	18	-	-	-	16
Total impairment provisions, end of period	1,922	1,652	1,858	481	1,095	1,536	63	197	80	8,886
Total, end of period		5,432			3,112			341		8,886
Impairment provisions, end of period, are moreover attributable to:										
Credit institutions				27	-	-				27
Earnings impact, Q1/2024	(255)	279	6	(32)	65	(87)	(23)	30	6	(11)

2023	Loans and advances at fair value			Loans and advances at amortised cost			Guarantees etc			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Total, 1 January 2023	2,116	1,521	2,281	399	914	1,837	75	190	75	9,409
Transfer to stage 1	317	(314)	(4)	183	(180)	(3)	37	(37)	-	-
Transfer to stage 2	(42)	139	(97)	(26)	54	(28)	(5)	7	(2)	-
Transfer to stage 3	(2)	(49)	52	(1)	(10)	11	(0)	(3)	3	-
Impairment provisions for new loans and advances (additions)	199	174	72	61	72	28	9	18	5	640
Additions as a result of change in credit risk	45	407	243	112	318	88	13	59	11	1,296
Releases as a result of change in credit risk	629	230	253	306	254	154	50	62	12	1,949
Previously written down for impairment, now written off	-	-	53	0	0	9	-	-	-	62
Other adjustments and interest from impaired facilities	-	-	(1)	-	-	17	-	-	-	16
Total impairment provisions, end of period	2,005	1,647	2,243	422	915	1,786	79	174	80	9,351
Total, end of period		5,895			3,123			333		9,351
Impairment provisions, end of period, are moreover attributable to:										
Credit institutions				19	-	-				19
Earnings impact, Q1/2023	(384)	350	63	(133)	137	(38)	(28)	16	4	(13)

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

NOTES

DKK million

Nykredit Realkredit Group

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

8 c. Loans, advances and guarantees etc by stage

31 March 2024	Stage 1	Stage 2	Stage 3	Total
Loans and advances at fair value, gross				
Loans and advances at fair value, gross	1,300,053	48,939	14,541	1,363,533
Total impairment provisions, end of period	1,922	1,652	1,858	5,432
Value, end of period	1,298,130	47,287	12,683	1,358,100
Loans and advances at amortised cost excluding credit institutions, gross				
Loans and advances at amortised cost excluding credit institutions, gross	105,979	21,663	2,708	130,350
Total impairment provisions, end of period	454	1,095	1,536	3,085
Value, end of period	105,525	20,568	1,172	127,265
Guarantees etc				
Guarantees etc	30,690	2,853	275	33,818
Total impairment provisions, end of period	63	197	80	341
Value, end of period	30,627	2,655	195	33,477
End-2023				
Loans and advances at fair value, gross				
Loans and advances at fair value, gross	1,299,511	48,176	13,117	1,360,804
Total impairment provisions, end of period	1,873	1,645	1,974	5,492
Value, end of period	1,297,639	46,530	11,143	1,355,312
Loans and advances at amortised cost excluding credit institutions, gross				
Loans and advances at amortised cost excluding credit institutions, gross	107,879	21,276	2,698	131,852
Total impairment provisions, end of period	402	1,102	1,702	3,207
Value, end of period	107,476	20,173	996	128,645
Guarantees etc				
Guarantees etc	29,407	2,539	375	32,321
Total impairment provisions, end of period	67	186	75	328
Value, end of period	29,340	2,353	300	31,993

NOTES

DKK million

Nykredit Realkredit 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 fair value	Loans and advances at fair value	Credit institutions	Credit institutions	Total	Total
	2024	2023	2024	2023	2024	2023
Total impairment provisions						
Beginning of year	3,770	4,232	17	11	3,787	4,243
New impairment provisions as a result of additions and change in credit risk	444	580	-	-	444	580
Releases as a result of redemptions and change in credit risk	459	644	-	1	459	645
Impairment provisions written off	51	22	-	-	51	22
Transferred to "Impairment provisions for properties acquired by foreclosure"	-	1	-	-	-	1
Total impairment provisions	3,704	4,146	17	10	3,721	4,156
Earnings impact						
Change in impairment provisions for loans and advances (stages 1-3)	(15)	(64)	-	(1)	(15)	(64)
Write-offs for the period, not previously written down for impairment	4	5	-	-	4	5
Recoveries on claims previously written off	(12)	(10)	-	-	(12)	(10)
Total	(23)	(69)	-	(1)	(23)	(70)
Value adjustment of assets in temporary possession	(0)	0	-	-	(0)	0
Value adjustment of claims previously written off	(3)	5	-	-	(3)	5
Earnings impact	(26)	(64)	-	(1)	(26)	(65)

NOTES

DKK million

Nykredit Realkredit A/S

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

9 b. Total impairment provisions by stage 2024	Loans and advances at fair value			Total
	Stage 1	Stage 2	Stage 3	
Total, 1 January 2024	1,376	936	1,475	3,787
Transfer to stage 1	168	(168)	-	-
Transfer to stage 2	(21)	66	(45)	-
Transfer to stage 3	(1)	(23)	24	-
Impairment provisions for new loans and advances (additions)	53	72	20	144
Additions as a result of change in credit risk	100	126	73	300
Releases as a result of change in credit risk	199	114	146	459
Previously written down for impairment, now written off	-	-	51	51
Total impairment provisions, end of period	1,476	894	1,351	3,721
Impairment provisions, end of period, are moreover attributable to:				
Credit institutions	17	-	-	17
Earnings impact, Q1/2024	(46)	84	(53)	(15)
2023				
	Loans and advances at fair value			Total
	Stage 1	Stage 2	Stage 3	
Total, 1 January 2023	1,478	972	1,792	4,243
Transfer to stage 1	166	(164)	(2)	-
Transfer to stage 2	(34)	101	(67)	-
Transfer to stage 3	(2)	(29)	31	-
Impairment provisions for new loans and advances (additions)	45	114	48	208
Additions as a result of change in credit risk	44	201	127	373
Releases as a result of change in credit risk	315	158	171	645
Previously written down for impairment, now written off	-	-	22	22
Other movements	-	-	(1)	(1)
Total impairment provisions, end of period	1,382	1,037	1,736	4,156
Impairment provisions, end of period, are moreover attributable to:				
Credit institutions	10	-	-	10
Earnings impact, Q1/2023	(226)	157	4	(64)

NOTES

DKK million

Nykredit Realkredit A/S

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

9 c. Loans and advances etc by stage

31 March 2024	Stage 1	Stage 2	Stage 3	Total
Loans and advances etc at fair value, gross				
Loans and advances etc at fair value, gross	503,003	27,929	8,518	539,450
Total impairment provisions, end of period	1,459	894	1,351	3,704
Loans and advances, carrying amount	501,544	27,035	7,167	535,746
End-2023	Stage 1	Stage 2	Stage 3	Total
Loans and advances etc at fair value, gross				
Loans and advances etc at fair value, gross	506,133	26,845	7,632	540,609
Total impairment provisions, end of period	1,359	936	1,475	3,770
Loans and advances, carrying amount	504,774	25,909	6,157	536,839

NOTES

Nykredit Realkredit A/S		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
Q1/2023	Q1/2024	Q1/2024	Q1/2023
9. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC (PARENT) (CONTINUED)			
9 d. Impairment provisions for properties acquired by foreclosure			
18	20		
		20	18
1	-	2	1
1	-	2	1
(1)	(0)	(0)	(1)
(1)	-	-	(1)
17	20	24	17
Impairment provisions for properties acquired by foreclosure have been offset against "Assets in temporary possession"			
10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
0	0	2	1
1,727	1,909	-	-
1,727	1,909	2	1

NOTES

		DKK million		
Nykredit Realkredit A/S		Nykredit Realkredit Group		
31.12.2023	31.03.2024		31.03.2024	31.12.2023
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
536,656	535,523	Mortgage loans	1,357,741	1,354,987
184	223	Arrears and outlays	360	325
855,252	855,383	Totalkredit mortgage loan funding	0	0
1,392,091	1,391,129	Total	1,358,100	1,355,312
11 a. Mortgage loans				
552,492	561,773	Balance, beginning of period, nominal value	1,440,262	1,429,891
56,094	15,220	New loans	46,117	220,887
1,320	32	Indexation	32	1,320
-	(1,266)	Foreign currency translation adjustment	(1,266)	-
(14,885)	(3,663)	Ordinary principal payments	(8,296)	(31,414)
(33,248)	(10,159)	Prepayments and extraordinary principal payments	(35,229)	(180,422)
561,773	561,938	Balance, end of period, nominal value	1,441,620	1,440,262
(21,432)	(22,793)	Adjustment for interest rate risk etc	(78,575)	(79,912)
Adjustment for credit risk				
(3,686)	(3,621)	Impairment provisions	(5,304)	(5,363)
536,656	535,523	Balance, end of period, fair value	1,357,741	1,354,987
As collateral for loans and advances, Nykredit has received mortgages over real estate and:				
73,435	73,912	Supplementary guarantees totalling	92,136	103,422
2,057	2,015	Interim loan guarantees totalling	16,374	24,725
724	686	Mortgage registration guarantees etc totalling	12,666	14,885
11 b. Arrears and outlays				
241	284	Arrears before impairment provisions	450	425
27	22	Outlays before impairment provisions	38	28
(84)	(83)	Individual impairment provisions for arrears and outlays	(128)	(128)
184	223	Total	360	325
11 c. Totalkredit mortgage loan funding				
913,291	913,825	Balance, beginning of period, nominal value	-	-
238,683	52,463	New loans	-	-
(15,187)	(3,287)	Ordinary principal payments	-	-
(222,962)	(51,746)	Prepayments and extraordinary principal payments	-	-
913,825	911,256	Balance, end of period, nominal value	-	-
(58,573)	(55,873)	Adjustment for interest rate risk	-	-
855,252	855,383	Balance, end of period, fair value	-	-

NOTES

		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
31.12.2023	31.03.2024	31.03.2024	31.12.2023
12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	-	97,631	97,582
4	4	-	-
-	-	4	4
-	-	32,406	33,965
192	194	309	301
196	198	130,350	131,852
Adjustment for credit risk			
-	-	(3,085)	(3,207)
196	198	127,265	128,645
The fair value of loans, advances and other receivables at amortised cost came to DKK 127 billion (end-2023: DKK 129 billion)			
13. BONDS AT FAIR VALUE			
51,324	58,207	103,490	94,972
13,555	18,127	20,161	15,988
8,034	7,963	7,971	8,041
21,392	23,813	84,440	83,207
4,469	3,820	4,796	6,333
4,394	3,946	4,488	4,938
103,168	115,876	225,345	213,480
(51,320)	(58,203)	(103,486)	(94,968)
(4)	(4)	(4)	(4)
(13,555)	(18,127)	(20,161)	(15,988)
(8,034)	(7,963)	(7,963)	(8,034)
30,255	31,579	93,732	94,486
Of bonds at fair value before set-off of self-issued bonds:			
476	70	5,579	6,193
As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of			
The deposits were made on an arm's length basis in connection with clearing and settlement of securities and foreign exchange trades. The deposits are adjusted on a daily basis and generally have a repayment term of very few days.			
Collateral security was provided on an arm's length basis.			
14. BONDS AT AMORTISED COST			
967	961	961	967
587	583	583	587
2,259	2,259	134	134
3,813	3,803	1,678	1,688

The fair value of bonds measured at amortised cost for accounting purposes amounted to DKK 1,666 million at 31 March 2024 (end-2023: DKK 1,675 million). The interest rate risk of the portfolio is hedged with interest rate swaps (hedge accounting).

NOTES

		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
31.12.2023	31.03.2024	31.03.2024	31.12.2023
15. ASSETS IN POOLED SCHEMES			
-	-	205	208
-	-	4,894	4,041
-	-	6	(77)
-	-	5,104	4,173
16. DEPOSITS AND OTHER PAYABLES			
-	-	89,007	92,559
-	-	15,174	18,672
-	-	2,890	2,977
-	-	4,006	5,618
-	-	111,077	119,825
17. BONDS IN ISSUE AT FAIR VALUE			
112,262	115,140	117,529	114,759
1,330,395	1,341,231	1,341,231	1,330,395
8,744	8,593	8,593	8,744
1,451,402	1,464,964	1,467,353	1,453,899
(72,909)	(84,292)	(131,609)	(118,990)
1,378,493	1,380,672	1,335,743	1,334,909
17 a. ROs			
110,640	114,143	116,440	113,043
1,622	997	1,088	1,716
112,262	115,140	117,529	114,759
(13,555)	(18,127)	(20,161)	(15,988)
98,707	97,014	97,367	98,771
1,908	1,894	1,894	1,908
3,454	8,672	8,672	3,541
17 b. SDOs			
1,412,023	1,420,894	1,420,894	1,412,023
(81,627)	(79,663)	(79,663)	(81,627)
1,330,395	1,341,231	1,341,231	1,330,395
(51,320)	(58,203)	(103,486)	(94,968)
1,279,076	1,283,028	1,237,745	1,235,428
8,453	49,281	49,281	8,453
55,988	75,017	75,017	55,988

NOTES

Nykredit Realkredit A/S		DKK million	
31.12.2023	31.03.2024	Nykredit Realkredit Group	
		31.03.2024	31.12.2023
17. BONDS IN ISSUE AT FAIR VALUE (CONTINUED)			
17 c. Senior secured debt			
8,685	8,613	8,613	8,685
59	(20)	(20)	59
8,744	8,593	8,593	8,744
Senior secured debt at fair value			
(8,034)	(7,963)	(7,963)	(8,034)
710	631	631	710
Total			
18. BONDS IN ISSUE AT AMORTISED COST			
-	-	4,988	8,050
Corporate bonds			
5	5	5	5
SDOs			
56,366	58,570	58,570	56,366
Senior unsecured debt			
69	69	69	69
Other securities			
56,439	58,644	63,633	64,489
Total			
-	-	(2,125)	(2,125)
Set-off, self-issued other bonds			
(4)	(4)	(4)	(4)
Self-issued SDOs			
56,435	58,640	61,503	62,360
Total			
The fair value of bonds in issue at amortised cost amounted to DKK 63 billion (end-2023: DKK 61 billion)			
19. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE			
306	309	8,790	7,139
Negative securities portfolios			
306	309	8,790	7,139
Total			

NOTES

Nykredit Realkredit A/S		DKK million	
		Nykredit Realkredit Group	
31.12.2023	31.03.2024	31.03.2024	31.12.2023
20. SUBORDINATED DEBT			
Subordinated debt consists of financial liabilities in the form of subordinate loan capital and Additional Tier 1 capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Subordinated debt is included in Nykredit's own funds etc in accordance with the EU's Capital Requirements Regulation.			
Subordinate loan capital			
Nominally EUR 50 million. The loan matures on 28 October 2030. The loan carries a fixed interest rate of 4% pa for the first two years after issuance. In the remaining loan term, the interest rate will be fixed every six months			
373	373	373	373
Nominally SEK 1,000 million. The loan matures on 31 March 2031, but may be redeemed at par (100) from 31 March 2026. The loan rate will be fixed every three months.			
671	647	647	671
Nominally EUR 500 million. The loan matures on 28 July 2031, but may be redeemed at par (100) from 28 April 2026. The loan carries a fixed interest rate of 0.875% pa up to 28 July 2026, after which date the interest rate will be fixed for the next five years			
3,450	3,448	3,448	3,450
Nominally EUR 500 million. The loan matures on 29 December 2032, but may be redeemed at par (100) from 29 September 2027 up to and including 29 December 2027. The loan carries a fixed interest rate of 5.5% pa up to 29 December 2027, after which date the interest rate will be fixed for the next five years.			
3,732	3,692	3,692	3,732
Nominally SEK 280 million. The loan matures on 18 October 2032, but may be redeemed at par (100) from 18 October 2027 and on every interest payment date thereafter up to and including 17 October 2032. The loan carries a fixed interest rate of 6.88% pa up to 17 October 2027, after which date the interest rate will be fixed every three months.			
193	184	184	193
Nominally NOK 1,550 million. The loan matures on 18 October 2032, but may be redeemed at par (100) from 18 October 2027 and on every interest payment date thereafter up to and including 17 October 2032. The loan rate will be fixed every three months.			
1,025	987	987	1,025
Nominally DKK 950 million. The loan matures on 26 October 2032, but may be redeemed at par (100) from 26 October 2027 and on every subsequent interest payment date up to and including 25 October 2032. The loan rate will be fixed every three months.			
950	950	950	950
10,394	10,280	10,280	10,394
Total subordinate loan capital			
10,665	10,600	10,613	10,676
Subordinated debt that may be included in own funds			

The fair value of total subordinated debt amounted to DKK 10 billion (end-2023: DKK 10 billion).

NOTES

Nykredit Realkredit Group

21. RELATED PARTY TRANSACTIONS AND BALANCES

Forenet Kredit, Group enterprises and associates of Nykredit Realkredit A/S as stated in the Group structure as well as Nykredit Realkredit A/S's Board of Directors, Executive Board and related parties thereof are regarded as related parties.

No unusual related party transactions occurred in Q1 2024.

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, 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.

Significant related party transactions prevailing/entered into as at 31 March 2024 include:

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

As part of the Group's joint funding activities, Nykredit Realkredit A/S has funded mortgage loans granted by its subsidiary Totalkredit A/S on an ongoing basis.

Totalkredit A/S funds its lending by issuing a master bond for each capital centre with Nykredit Realkredit A/S as the only creditor. The master bond constitutes security for Nykredit Realkredit A/S's issuance of covered bonds (ROs and SDOs) and serves to ensure that Totalkredit A/S transfers all payments to bondholders under the loans and advances granted by Totalkredit A/S to

Nykredit Realkredit A/S, not later than at the same time as Nykredit Realkredit A/S makes payments to bondholders. The bondholders therefore enjoy the same security as if the Totalkredit loans had been granted directly from Nykredit Realkredit A/S's own balance sheet.

An agreement has been made to hedge market risk relating to collateral, including investments, in Totalkredit's capital centres.

Agreement on the distribution of mortgage loans to personal customers via Totalkredit A/S (this agreement was concluded on the same terms as apply to other business partners, including commission payments).

Nykredit Realkredit A/S has granted loans of DKK 2.0 billion to Totalkredit A/S in the form of subordinated debt and DKK 4.0 billion in the form of Additional Tier 1 capital.

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.

Nykredit Realkredit has deposits with Nykredit Bank that cover the Bank's MREL requirement. The amount totalled DKK 28.4 billion at 31 March 2024.

Agreements between Forenet Kredit and Group companies

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

NOTES

Nykredit Realkredit Group

22. 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 will be a funding cost. Debit Valuation Adjustment (DVA) is a sub-element of the FVA adjustment.

Net value adjustment due to CVA, DVA and FVA amounted to a negative DKK 90 million at 31 March 2024 (end-2023: a negative DKK 92 million).

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 31 March 2024, the non-amortised minimum margin amounted to DKK 109 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 135 million at end-March 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 the Bank 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 was DKK 14 million at 31 March 2024 (end-2023: DKK 275 million). Credit value adjustments came to DKK 219 million at 31 March 2024 (end-2023: DKK 263 million).

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Nykredit Realkredit Group

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 12 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 31 March 2024, the proportion was thus 0.3% (end-2023: 0.3%). 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 3.8 billion (end-2023: DKK 4.2 billion) 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 381 million at 31 March 2024 (0.40% of equity at 31 March 2024), (end-2023: DKK 421 million, equal to 0.42% of equity).

Transfers between categories

Transfers between the categories Listed prices, Observable inputs and Unobservable inputs are made when an instrument is classified differently on the balance sheet date than at the beginning of the financial year. The value transferred to another category corresponds to the fair value at the beginning of the year. With respect to interest rate swaps that have been fair value adjusted to DKK 0 due to credit risk adjustment, separate calculations are made at the end of each month.

In 2024 and 2023, transfers between the categories Observable inputs and Unobservable inputs mainly resulted from changes to the ratings (credit risk) of counterparties and primarily concerned interest rate swaps, as regards financial instruments with positive market value.

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 31 March 2024, financial assets of DKK 0.0 billion (end-2023: DKK 2.0 billion) have been transferred from Listed prices to Observable inputs and DKK 1.8 billion (end-2023: DKK 8.7 billion) from Observable inputs to Listed prices. Financial liabilities of DKK 0.4 billion (end-2023: DKK 0.4 billion) were transferred from Listed prices to Observable inputs and DKK 0.7 billion (end-2023: DKK 0.0 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 31 March 2024, the amount was DKK 0.5 billion (end-2023: DKK 0.3 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 and liabilities which are subject to some differences between carrying amount and fair value, please refer to notes 12, 14, 18 and 20.

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DKK million

Nykredit Realkredit Group

22. FAIR VALUE DISCLOSURES (CONTINUED)

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

31 March 2024

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
Financial assets:				
- bonds at fair value	10,304	83,428	-	93,732
- equities measured at fair value through profit or loss	3,951	-	3,771	7,722
- positive fair value of derivative financial instruments	57	6,012	14	6,084
- mortgage loans, arrears and outlays	-	1,358,100	-	1,358,100
- owner-occupied properties	-	-	20	20
- assets in pooled schemes	4,894	210	-	5,104
Total	19,206	1,447,750	3,806	1,470,762
Percentage	1.3	98.4	0.3	100.0
Financial liabilities:				
- deposits in pooled schemes	-	5,104	-	5,104
- other non-derivative financial liabilities at fair value	1,677	7,112	-	8,790
- negative fair value of derivative financial instruments	50	6,686	-	6,735
- bonds in issue at fair value	1,335,092	651	-	1,335,743
Total	1,336,819	19,553	-	1,356,372
Percentage	98.6	1.4	-	100.0
Assets measured on the basis of unobservable inputs				
	Real estate	Equities	Derivatives	Total
Fair value, beginning of period, assets	20	3,916	275	4,211
Value adjustment recognised through profit or loss	(0)	31	72	102
Purchases for the period	-	17	0	17
Sales for the period	-	(192)	0	(192)
Transferred from Listed prices and Observable inputs ¹	-	-	2	2
Transferred to Listed prices and Observable inputs ²	-	-	(334)	(334)
Fair value, end of period, assets	20	3,771	14	3,806

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.

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DKK million

Nykredit Realkredit Group

53. FAIR VALUE DISCLOSURES (CONTINUED)

53 b. 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	8,782	85,704	-	94,486
- equities etc	3,542	-	3,916	7,457
- positive fair value of derivative financial instruments	160	6,228	275	6,663
- mortgage loans, arrears and outlays	-	1,355,312	-	1,355,312
- owner-occupied properties	-	-	20	20
- assets in pooled schemes	4,041	131	-	4,173
Total	16,525	1,447,376	4,211	1,468,111
Percentage	1.1	98.6	0.3	100
Financial liabilities:				
- deposits in pooled schemes	-	4,173	-	4,173
- other non-derivative financial liabilities at fair value	502	6,638	-	7,139
- negative fair value of derivative financial instruments	214	8,603	-	8,817
- bonds in issue at fair value ³	1,334,177	731	-	1,334,909
Total	1,334,892	20,145	-	1,355,037
Percentage	98.5	1.5	-	100
Assets measured on the basis of unobservable inputs	Real estate	Equities	Derivatives	Total
Fair value, beginning of period, assets	25	3,642	201	3,868
Value adjustment recognised through profit or loss	1	239	167	407
Unrealised capital gains and losses recognised in "Other comprehensive income"	2	-	-	2
Purchases for the year	0	209	-	209
Sales for the year	(8)	(174)	(15)	(197)
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	20	3,916	275	4,211

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.

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	DKK million				
Nykredit Realkredit Group	Q1/ 2024	Q1/ 2023	Q1/ 2022	Q1/ 2021	Q1/ 2020
23. FIVE-YEAR FINANCIAL HIGHLIGHTS					
SUMMARY INCOME STATEMENT					
Net interest income	3,957	3,706	2,868	2,853	2,847
Net fee income etc	470	189	121	110	99
Net interest and fee income	4,427	3,895	2,989	2,963	2,947
Value adjustments	1,174	910	908	1,129	(1,822)
Other operating income	461	371	391	367	346
Staff and administrative expenses	1,509	1,484	1,401	1,322	1,305
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	60	82	73	80	75
Other operating expenses	76	71	71	46	35
Impairment charges for loans, advances and receivables etc	(53)	(34)	(162)	91	1,312
Profit from investments in associates and Group enterprises	2	1	1	1	2
Profit before tax	4,472	3,575	2,904	2,922	(1,255)
Tax	927	775	497	535	(376)
Profit for the period	3,544	2,800	2,407	2,387	(879)
SUMMARY BALANCE SHEET, END OF PERIOD					
	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
Assets					
Cash balances and receivables from credit institutions and central banks	59,689	54,298	45,144	53,437	41,002
Mortgage loans at fair value	1,357,741	1,306,435	1,343,920	1,348,654	1,286,026
Bank loans excluding reverse repurchase lending	94,546	92,075	79,890	70,285	69,389
Bonds and equities etc	103,132	98,274	93,835	118,241	117,662
Remaining assets	59,088	61,462	74,269	70,367	77,358
Total assets	1,674,196	1,612,544	1,637,058	1,660,985	1,591,437
Liabilities and equity					
Payables to credit institutions and central banks	14,890	21,305	21,163	13,221	22,705
Deposits and other payables	116,181	114,113	96,482	89,394	92,299
Bonds in issue at fair value	1,335,743	1,273,710	1,322,973	1,362,675	1,308,146
Subordinated debt	10,280	10,112	10,571	11,592	11,011
Remaining liabilities	97,937	98,310	94,245	94,174	73,782
Equity	99,164	94,995	91,623	89,929	83,494
Total liabilities and equity	1,674,196	1,612,544	1,637,058	1,660,985	1,591,437
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	7,611	8,643	9,059	9,479	6,792
Other commitments	26,620	24,362	21,018	19,147	29,541
FINANCIAL RATIOS¹					
Total capital ratio, %	23.8	23.8	22.7	24.3	24.5
Tier 1 capital ratio, %	21.3	20.9	19.7	21.0	21.2
Return on equity before tax, %	4.5	3.7	3.1	3.3	(1.5)
Return on equity after tax, %	3.5	2.9	2.6	2.7	(1.1)
Income/cost ratio	3.8	3.2	3.1	2.9	0.5
Foreign exchange position, %	0.0	0.0	0.0	0.0	0.4
Loans and advances/equity (loan gearing)	15.0	15.1	16.1	16.2	16.7
Growth in loans and advances for the period, %	0.1	0.4	1.8	1.2	1.5
Impairment charges for the period, %	0.00	0.00	(0.01)	0.01	0.09
Return on capital employed, %	0.21	0.17	0.15	0.14	(0.06)

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 62 in the Annual Report for 2023.

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	DKK million				
Nykredit Realkredit A/S	Q1/ 2024	Q1/ 2023	Q1/ 2022	Q1/ 2021	Q1/ 2020
23. FIVE-YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
SUMMARY INCOME STATEMENT					
Net interest income	1,024	1,050	976	996	1,027
Net fee income etc	558	303	199	203	190
Net interest and fee income	1,582	1,353	1,175	1,199	1,216
Value adjustments	845	393	224	645	(1,038)
Other operating income	612	462	442	345	312
Staff and administrative expenses	949	799	784	730	721
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	49	71	63	71	64
Other operating expenses	67	62	61	36	30
Impairment charges for loans, advances and receivables etc	(26)	(65)	(175)	0	978
Profit from investments in associates	1,909	1,727	1,449	1,279	79
Profit before tax	3,909	3,068	2,558	2,630	(1,224)
Tax	385	283	166	252	(338)
Profit for the period	3,525	2,785	2,391	2,378	(886)
SUMMARY BALANCE SHEET, END OF PERIOD					
	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
Assets					
Cash balances and receivables from credit institutions and central banks	47,524	42,561	39,501	55,487	47,757
Mortgage loans at fair value	535,523	523,320	518,611	529,475	525,825
Totalkredit mortgage loan funding	855,383	803,915	850,560	864,610	806,801
Bonds and equities etc	42,759	37,510	36,751	42,409	42,575
Remaining assets	93,428	87,368	76,669	72,647	65,082
Total assets	1,574,617	1,494,675	1,522,093	1,564,628	1,488,040
Liabilities and equity					
Payables to credit institutions and central banks	10,852	10,614	4,189	3,863	2,930
Deposits and other payables	-	-	-	2,000	9,200
Bonds in issue	1,380,672	1,315,907	1,352,114	1,392,488	1,335,140
Subordinated debt	10,280	10,112	10,571	11,592	11,012
Remaining liabilities	73,780	63,177	63,719	64,861	46,339
Equity	99,033	94,865	91,500	89,824	83,420
Total liabilities and equity	1,574,617	1,494,675	1,522,093	1,564,628	1,488,040
OFF-BALANCE SHEET ITEMS					
Other commitments	13,317	10,768	9,588	8,041	15,206
FINANCIAL RATIOS¹					
Total capital ratio, %	18.1	18.5	18.5	19.3	20.0
Tier 1 capital ratio, %	16.3	16.3	16.1	16.7	17.5
Return on equity before tax, %	3.9	3.2	2.8	2.9	(1.5)
Return on equity after tax, %	3.5	2.9	2.6	2.6	(1.1)
Income/cost ratio	4.8	4.5	4.5	4.1	0.3
Foreign exchange position, %	0.0	-	-	-	0.4
Loans and advances/equity (loan gearing)	5.4	5.5	5.7	5.9	6.3
Growth in loans and advances for the period, %	0.0	0.6	0.6	(0.5)	(0.6)
Impairment charges for the period, %	0.00	(0.01)	(0.03)	0.00	0.18
Return on capital employed, %	0.22	0.19	0.16	0.15	(0.06)

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 62 in the Annual Report for 2023.

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DKK million

Nykredit Realkredit Group

24. GROUP STRUCTURE

Name and registered office

Name and registered office	Ownership interest as % 31 March 2024	Profit for the period, 2024	Equity 30 September 2024	Profit (loss) for 2023	Equity 31 December 2023
Nykredit Realkredit A/S (Parent), Copenhagen, a)	-	3,525	99,033	10,828	100,893
Totalkredit A/S, Copenhagen, a)	100	833	41,295	3,549	40,536
Nykredit Bank A/S, Copenhagen, b)	100	1,052	37,747	3,303	36,696
Nykredit Portefølje Administration A/S, Copenhagen, f)	100	47	750	166	903
Nykredit Leasing A/S, Gladsaxe, e)	100	25	1,279	119	1,254
Sparinvest Holdings SE, Luxembourg, g)	80	323	495	281	172
Nykredit Mægler A/S, Copenhagen, c)	100	14	164	51	180
Svanemølleholmen Invest A/S, h)	100	0	1	(0)	1
Kalvebod Ejendomme I A/S, Copenhagen, d)	100	11	712	44	700
Kirstinehøj 17 A/S, Copenhagen, d)	100	0	16	0	16

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.

All banks and mortgage providers subject to national financial supervisory authorities must comply with the statutory capital requirements. The capital requirements may limit intercompany facilities and dividend payments.

Geographical distribution of activities

	Number of staff	Revenue ¹	Profit before tax	Tax	Government aid received
Denmark: Names and activities appear from the Group structure above	3,834	16,215	4,396	907	-
Luxembourg: Names and activities appear from the Group structure above	30	144	75	20	-

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) Mortgage bank

b) Bank

c) Estate agency business

d) Property company

e) Leasing business

f) Investment management company

g) Holding company, no independent activities

h) Investment company

Nykredit Realkredit A/S is wholly owned by and consolidated with Nykredit A/S for accounting purposes, which is consolidated with Forenet Kredit f.m.b.a. for accounting purposes. The financial statements of Forenet Kredit f.m.b.a. (in Danish) and Nykredit A/S are available from:

Nykredit Realkredit A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen V