

# Nykredit 2024 credit update and issuance plan

## 2023 results – highlights

- Profit after tax for 2023 was DKK 10.9 billion.
- For 2024, Nykredit is guiding for a profit after tax of DKK 9.5-10.5 billion.
- Nykredit Bank's lending increased by 9% to DKK 94 billion from DKK 87 billion at end-2022.
- Assets under management in Nykredit Wealth Management were up 12% to DKK 456 billion from DKK 407 billion at end-2022.
- Totalkredit's nominal lending stood at DKK 878 billion compared to DKK 877 billion at end-2022.
- Nykredit maintained a very strong capital position with a Common Equity Tier 1 (CET1) capital ratio of 20.4%.

Results 2023 DKK m	Nykredit Group	Of which Nykredit Bank
Income	20,402	7,849
Costs	6,560	3,362
Impairment charges	(177)	62
<b>Business profit</b>	<b>14,019</b>	<b>4,425</b>
Legacy derivatives	59	59
<b>Profit before tax</b>	<b>14,078</b>	<b>4,484</b>

## Key figures end-2023

Total assets	1,681,608
REA	432,364
CET1 ratio	20.4%
Total capital ratio	23.0%
Cost income ratio	32.2%
Impairment ratio (bps)	(1)
ROE pa	11.4%

## Strong asset quality

93% of Nykredit's lending consists of mortgage loans secured on real estate, and the remaining 7% is bank loans. The loan portfolio measured at nominal value developed positively in 2023, and individual impairment provisions remained low. Arrears ratios were declining for some portfolios and stable for others. Write-offs remained low.

At end-2023 provisions related to macroeconomic uncertainty and geopolitical tensions amount to DKK 2.1

billion. At the same time Nykredit has made provisions related to ESG transition risks of DKK 0.7 billion. The provisions to cover covid-19 were released in 2023.

## Issuance schedule

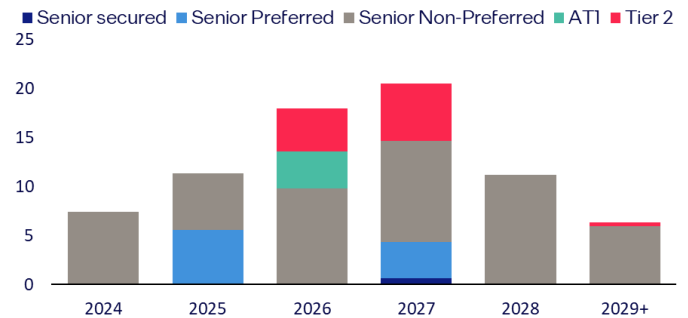
Nykredit must have a debt buffer of at least 2% of mortgage lending. Also, the debt buffer, own funds and MREL eligible liabilities combined must amount to at least 8% of the consolidated balance sheet. Nykredit meets both requirements.

In 2023, Nykredit issued approximately DKK 13.2 billion senior non-preferred debt for meeting the 2% debt buffer requirement, the 8% requirement and the ALAC criteria.

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

Nykredit expects to issue bonds worth up to DKK 10-15 billion towards end-2024.

Figure 1: Nykredit Group maturity profile, DKKbn



## Commercial Paper

Nykredit Bank issues ECPs on a daily basis in all major currencies and with maturities between of 1 and 12 months. As of 31 December 2023, the Bank's outstanding amount of ECPs was DKK 5.9 billion.

## ESG

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

In April 2023, Nykredit updated its Green Bond Framework to further align with the EU Taxonomy.

### About Nykredit




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

Due to its status as the leading mortgage lender with a market share of 44.7% of total Danish mortgage lending, Nykredit is a Danish Other Systemically Important Institution (O-SII).

By law, all mortgage lending must be funded by issuance of covered bonds, and Nykredit is Europe's largest issuer of covered bonds backed by mortgages. At end-2023 the Nykredit Group had an outstanding amount of covered bonds of DKK 1,355 billion. Covered bonds are issued on a daily basis to fund mortgage lending. The bonds are sold via a group of primary dealers in Denmark, including Nykredit Markets.

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

Credit ratings	Long term	Short term
<b>S&amp;P Global</b>	A+	A-1
<b>FitchRatings</b>	A	F1

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

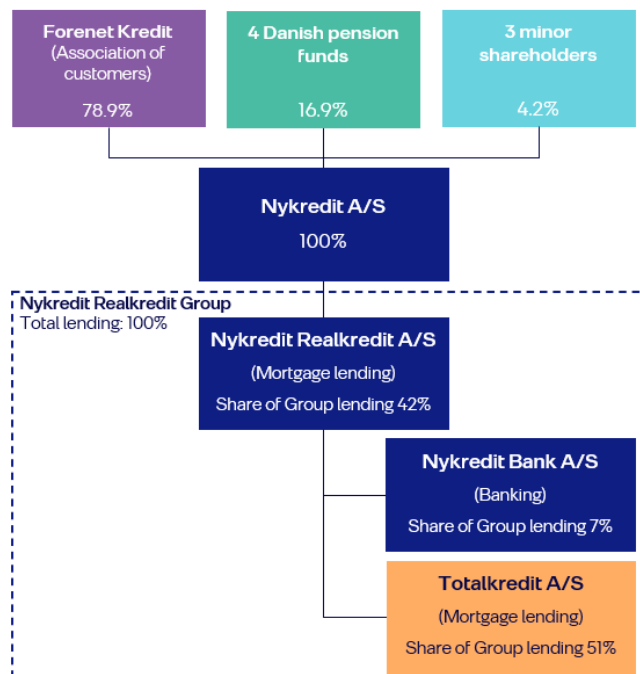
### Group structure

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

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

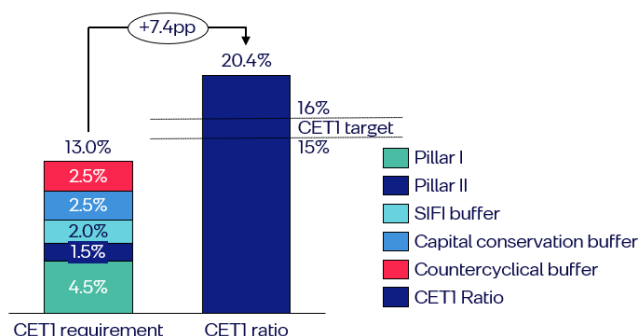
Nykredit Bank is a core subsidiary of Nykredit Realkredit, and the credit ratings of Nykredit Bank are therefore aligned with the ratings of its parent.

### Group structure



### Capital position

Nykredit's CET1 ratio amounts to 20.4% at end-2023, which is some 500 bps above Nykredit's capital policy target. Nykredit has already reserved CET1 capital for Basel IV and a potential business cycle downturn.



### More information

Annual Report 2023 can be found [here](#), and the latest investor presentation is available [here](#).

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