

Nykredit Q1 2024 credit update and issuance plan

Q1 2024 results – highlights

- Profit after tax for Q1 2024 was DKK 3.5 billion.
- Nykredit Bank's lending rose to DKK 94.5 billion in Q1 2024 from DKK 92.1 billion in Q1 2023.
- Totalcredit's mortgage lending at nominal value increased to DKK 879.7 billion in Q1 2024 from DKK 874.9 billion in Q1 2023.
- Assets under management have grown by 13% to DKK 486 billion in Q1 2024 since Q1 2023.
- Nykredit maintained a very strong capital position with a Common Equity Tier 1 (CET1) capital ratio of 20.5%.
- Nykredit's cost/income ratio has decreased to 27.4% in Q1 2024.

Results Q1 2024 DKKm	Nykredit Group	Of which Nykredit Bank
Income	6,012	2,185
Costs	1,647	854
Impairment charges	(53)	(46)
Business profit	4,418	1,428
Legacy derivatives	52	52
Profit after tax	3,544	1,428

Key figures Q1 2024

Total assets	1,674,201
REA	435,504
CET1 ratio	20.5%
Total capital ratio	22.9%
Cost/income ratio	27.4%
Impairment ratio (bps)	0
ROE pa	14.5%

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 Q1 2024, and individual impairment provisions remained low. Arrears ratios were declining for some portfolios and stable for others. Write-offs remained low.

At Q1 2024 provisions related to macroeconomic uncertainty and geopolitical tensions amount to DKK 1.9

billion. At the same time Nykredit has made provisions related to ESG transition risks of DKK 1.0 billion. The provisions to cover covid-19 were released in 2023.

Issuance schedule

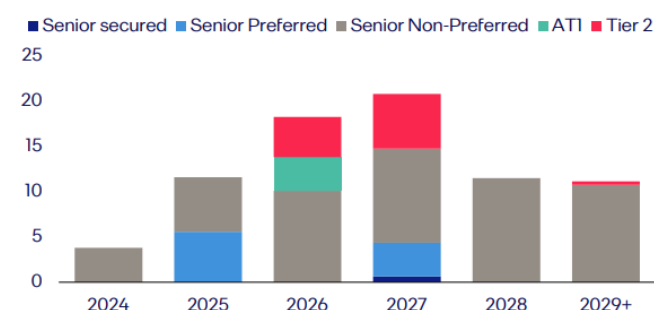
Nykredit must have a debt buffer of at least 2% of mortgage lending. Also, the debt buffer, own funds and MREL eligible liabilities combined must amount to at least 8% of the consolidated balance sheet. Nykredit meets both requirements.

In Q1 2024, Nykredit issued approximately DKK 10.9 billion senior non-preferred debt for meeting the 2% debt buffer requirement, the 8% requirement and the ALAC criteria.

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

Nykredit expects to issue senior debt worth up to DKK 5 billion towards end-2024.

Figure 1: Nykredit Group maturity profile, DKKbn



Commercial Papers

Nykredit Bank issues ECPs on a daily basis in all major currencies and with maturities between of 1 and 12 months. At Q1 2024, Nykredit Bank's outstanding amount of ECPs was DKK 2.9 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 44.8% of total Danish mortgage lending, Nykredit is a Danish Other Systemically Important Institution (O-SII).

By law, all mortgage lending must be funded by issuance of covered bonds, and Nykredit is Europe’s largest issuer of covered bonds backed by mortgages. At Q1 2024 the Nykredit Group had an outstanding amount of covered bonds of DKK 1,358 billion. Covered bonds are issued on a daily basis to fund mortgage lending. The bonds are sold via a group of primary dealers in Denmark, including Nykredit Markets.

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

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

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

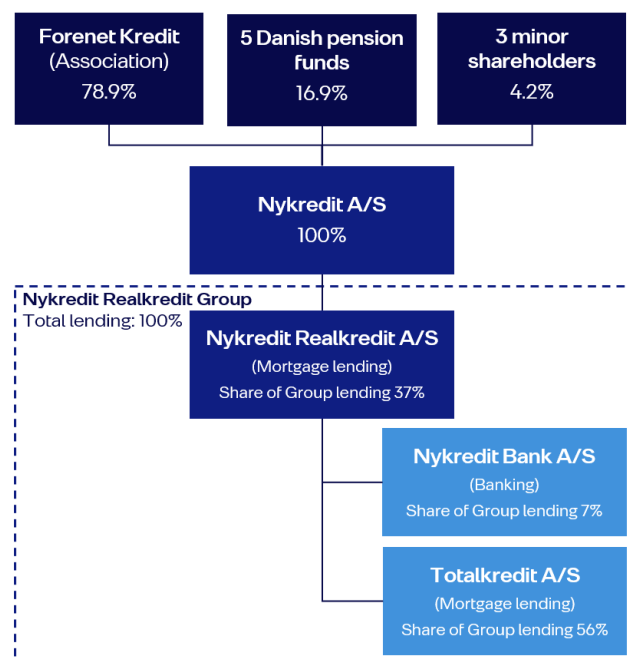
Group structure

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

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

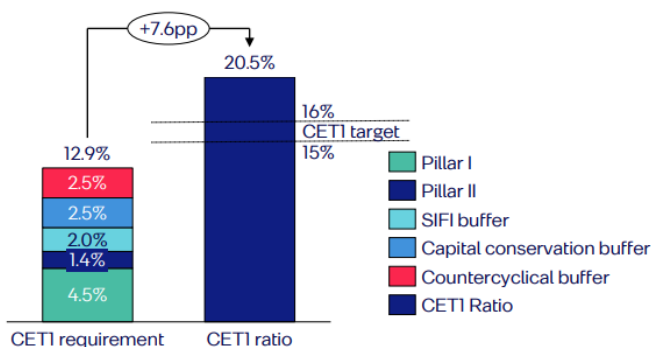
Nykredit Bank is a core subsidiary of Nykredit Realkredit, and the credit ratings of Nykredit Bank are therefore aligned with the ratings of its parent.

Group structure



Capital position

Nykredit’s CET1 ratio amounts to 20.5% at Q1 2024, 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

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

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