



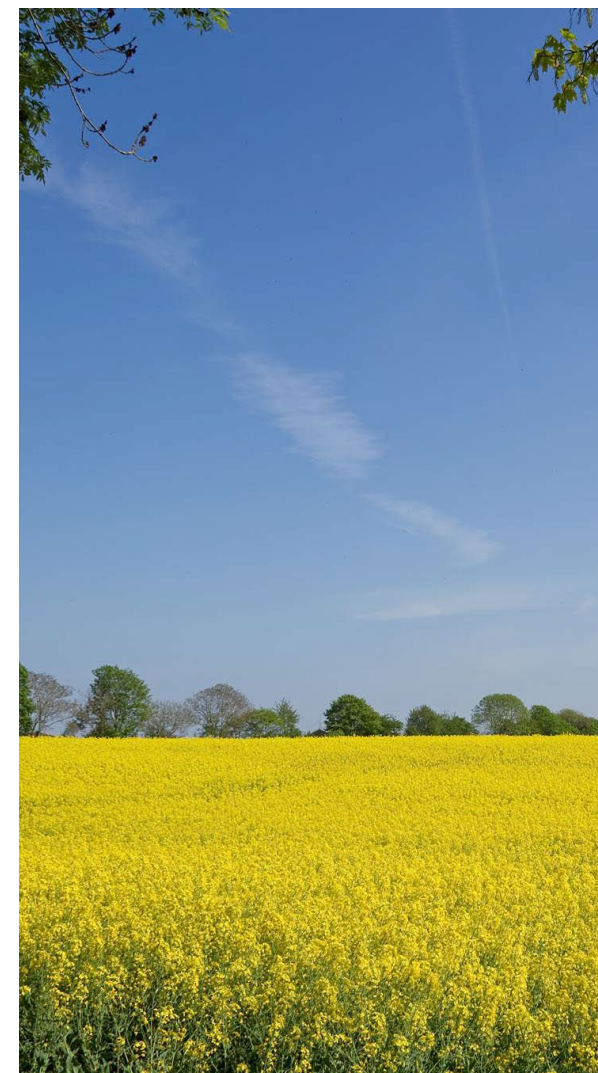
Nykredit Realkredit Group

H1 Interim Report 2024

Nykredit Realkredit A/S
Sundkrogsgade 25
DK-2150 Nordhavn
Tel +45 44 55 10 00
www.nykredit.com
CVR no 12 71 92 80

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Management Commentary



Foreword

"Today, we present our best six-month financial results ever. Nykredit has never been stronger. I want to thank our customers for trusting Nykredit with their financial needs and my colleagues for their strong dedication and loyalty."

Michael Rasmussen
Group Chief Executive

Nykredit has never been stronger. We have just delivered our best six-month financial results ever. In the second quarter of the year, we increased our market share in all business areas. In Totalkredit, Nykredit Bank and our Wealth Management area, we continue to welcome new customers.

I would like to thank our customers for trusting Nykredit with their financial needs and our colleagues in Nykredit for their strong dedication and loyalty, underlying our strong performance.

The results for the first six months imply a highly satisfactory return on equity. As a result of our strong financial performance, it is recommended that Nykredit distribute extraordinary dividend of DKK 2.2 billion to our owners, which are first and foremost an association representing our customers, Forenet Kredit.

Earlier in the year, we raised our full-year guidance to a profit of DKK 10.5-11.5 billion for 2024. This means that we expect profit on a level with 2023, which was the best year in Nykredit's history. However, the final full-year financial results will in part depend on the global economic outlook, which is still difficult to predict. This is primarily due to a generally tense geopolitical situation, where the wars in Ukraine and Gaza may continue to adversely affect global markets. We also anticipate increased volatility in financial markets, and all this adds increased uncertainty about our operating conditions.

At the same time, the European Central Bank has so far cut interest rates once, and the US Federal Reserve is expected to follow suit in the near future. But it is difficult to predict when and by how much each of them will adjust interest rates in the second half of 2024, making it uncertain how interest rates will affect the Danish economy and the housing market.

Danish homeowners and Totalkredit are in good shape

The Danish economy remains robust. Inflation is at a reasonable level, employment is high, and Danish households are resilient. Totalkredit customers' average loan-to-value ratio is historically low. At the same time, we have high liquidity in a wide range of large bond

series, providing customers with a variety of options and low home loan prices. Many Danes have seen a decent rise in real wages, and both our customers and Totalkredit are consequently on a firm financial footing.

We therefore expect sound growth in the Danish economy and increasing activity in large parts of the housing market for the rest of the year, although the new housing taxes and the higher interest rate levels led to a more uncertain start to the year, especially for owner-occupied flats and the most expensive homes in the capital region.

Totalkredit has navigated well through a period of high inflation, interest rate rises and low housing market activity in recent years. Totalkredit's success relies on our strong alliance with competent local partner banks throughout Denmark. The deep customer knowledge and sound, local advisory services of our Totalkredit partner banks are the very reason for Totalkredit's currently strong position. We look forward to continuing our excellent collaboration.

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 finance model, which is based on transparency and solidarity. This means that all homeowners having similar loan types pay the same low – even by international standards – loan rates and margins regardless of geographical location, income or personal finances.

Together with our Totalkredit partner banks, we provide attractive home financing throughout the country, also in peripheral Denmark, including the areas challenged by climate change. We currently offer tools for eg energy optimisation, and in autumn we will be ready to offer our customers guidance on how to climate-proof their homes. In this way, we continuously develop our green value propositions and advisory services to Danish homeowners.

Mutual ownership provides value to customers

The Nykredit Group is quite unique, being owned by an association of customers. This is where we differ from other banks and mortgage

providers. Mutual ownership is not only an important element of Nykredit's identity. It also provides value to customers in the form of a number of customer benefits.

This year, Nykredit's majority shareholder, Forenet Kredit, decided to give back a total of DKK 1.725 billion to Nykredit and Totalkredit; money that will benefit customers in the form of eg KundeKroner discounts and other benefits. We therefore raised the KundeKroner discount on loan administration margins to 0.20% from 0.15% earlier in the year, which has made it even cheaper for the 900,000 homeowners with a Totalkredit mortgage loan to finance their homes with us. Moreover, thanks to the contribution from Forenet Kredit, homeowners are guaranteed KundeKroner discounts up to and including 2027.

In Nykredit Bank, we recently reduced the loan rates on a range of products by 0.25 percentage points. This means that we have made it even more attractive for personal and business customers alike to bank with Nykredit. At the same time, full-service customers can now get a 1.5% deposit rate, and with bonus interest, personal customers can still obtain an interest rate of 4.5% on savings for home purchases or green projects.

Because of our mutual ownership structure, our prices differ from those of other banks and mortgage lenders, and by offering customer benefits in the form of cash grants for green solutions, interest discounts, fee refunds and affordable, green loans, we continue to demonstrate all the advantages associated with being a customer of a mutually-owned bank.

Nykredit's discount programme and other customer benefits are concrete examples of how our mutual ownership generates real value to our customers. In this way, our mutual ownership structure provides a significant competitive edge – both for Totalkredit and Nykredit Bank. As a financial mutual, we are proud that we can share our success with customers when Nykredit is doing well.

A customer-owned bank with a green focus

Customers should also benefit from our customer ownership through our advisory services. Being a customer-owned bank, our prime task

is to help our customers by offering them the right solutions and providing high-quality, responsible and sound advisory services when required. Because we are owned by our customers, we have a special obligation which we strive to meet every day. We are set on being customers' preferred bank.

Over the past few years, all our colleagues have, for instance, received sustainability training. This is to ensure that our customers receive excellent financial advice as well as reliable and competent advice on green initiatives. And, as a responsible financial provider for people and business all over Denmark, we will continue to enhance our green value propositions.

We have recently launched a range of new savings and loan options to make it easy and attractive for our customers to climate-proof their homes. 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 working to make it easy and more attractive for our customers to go green.

As a strong testament to Nykredit's green focus, we were the first major lender in Scandinavia to have its climate targets endorsed by the leading climate initiative, SBTi. This means that our climate targets are in alignment with climate research and the Paris Agreement. We are pleased to receive confirmation that our targets have been set according to recognised standards but we cannot succeed on our own. We will therefore strive to reach our targets and continue to help our customers embrace green initiatives in the coming years. This will not only reduce Nykredit's climate footprint, but we will also help to strengthen the competitive power of our business customers by supporting them with green initiatives where we can.

Stronger digital capability

Assets under management by Nykredit Wealth Management increased in H1, and as a wealth manager, we have recorded growth in recent years. In the period up to 2026, we will complete a full upgrade of our asset management platform, aimed at future-proofing

our operations 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. All in all, we will be focusing even more on further developing Nykredit's digital foundation, as strong technological solutions are increasingly needed to meet our targets and ambitions as a financial provider. We will increase our focus on developing Nykredit's Group-wide IT platforms to the advantage of customers as well as colleagues. Our investments in digitisation go hand in hand with our continued strong presence all across Denmark.

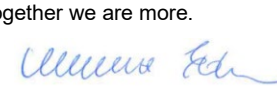
Because we are owned by our customers, we have a special obligation of providing our customers with premium advisory services – digitally as well as physically.

At the beginning of the year, Private Banking won several awards and most recently also took home an award at the Private Banking and Wealth Management Awards, demonstrating our continued success in delivering the best customer experience and providing optimum comprehensive advisory services to our customers.

Winning the Double 2.0 sets the course for Nykredit

The strong financial results for the first half-year demonstrate again 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. This enables us to offer each and every customer high-quality advisory services and strong value propositions whilst also supporting development and growth all over Denmark. We look forward to demonstrating again what a customer-owned Nykredit and Totalkredit can do for our customers and for Denmark.

Together we are more.



Merete Eldrup
Chair
Board of Directors



Michael Rasmussen
Group Chief Executive

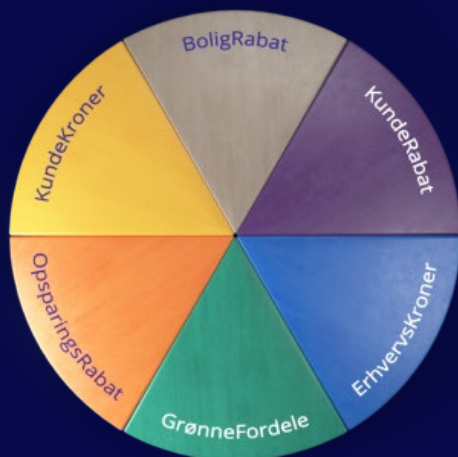
Together we are more

At Nykredit¹, we differ from our competitors in one key area; we are owned primarily by an association of customers, Forenet Kredit (78.9%). Our other owners are a consortium consisting of five of Denmark's leading pension companies (16.9%) as well as a group of other shareholders (4.2%). 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



¹ The Nykredit Realkredit Group comprises a number of companies, including the Nykredit Realkredit Group, the Nykredit Bank Group and Totalkredit A/S.

Financial highlights



Income
DKK **11,262** million
(H1/2023: DKK 9,995 million)



Costs
DKK **3,322** million
(H1/2023: DKK 3,210 million)



Profit for the period
DKK **6,497** million
(H1/2023: DKK 5,393 million)

DKK million

Nykredit Realkredit Group	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	2023
BUSINESS PROFIT AND PROFIT FOR THE PERIOD						
Net interest income	6,009	6,005	2,998	3,011	3,121	12,305
Net fee income	1,358	1,306	630	728	626	2,789
Wealth management income	1,342	1,197	673	668	614	2,368
Net interest from capitalisation	1,207	891	609	597	431	1,719
Net income relating to customer benefits programmes ¹	(278)	(215)	(142)	(135)	(99)	(404)
Trading, investment portfolio and other income	1,625	813	483	1,143	113	1,625
Income	11,262	9,995	5,251	6,012	4,806	20,401
Costs	3,322	3,210	1,676	1,645	1,573	6,554
Business profit before impairment charges	7,941	6,786	3,577	4,367	3,233	13,847
Impairment charges for loans and advances	(84)	(115)	(31)	(53)	(81)	(177)
Business profit	8,025	6,900	3,605	4,420	3,314	14,024
Legacy derivatives	127	32	76	52	43	59
Profit before tax	8,152	6,932	3,680	4,472	3,357	14,083
Tax	1,655	1,539	728	927	764	3,191
Profit for the period	6,497	5,393	2,953	3,544	2,592	10,892
Other comprehensive income, remaining items	14	15	(1)	15	(1)	7
Comprehensive income for the period	6,511	5,408	2,953	3,559	2,592	10,899
Interest on Additional Tier 1 capital charged against equity	77	76	38	38	38	154
Minority interests	37	28	18	19	13	65

¹ "Net income relating to customer benefits programmes" is described in detail in "Alternative performance measures" on page 41.

Balance sheet and financial ratios



Profit as % of average equity (RoE)
13.2%
(end-2023: 11.4%)



Cost/income ratio
29.5%
(end-2023: 32.1%)



People (FTE)
3,867
(end-2023: 3,973)

DKK million

Nykredit Realkredit Group	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	FY 2023
Summary balance sheet						
ASSETS						
Receivables from credit institutions and central banks	61,988	56,841	61,988	59,689	56,841	68,061
Mortgage loans at fair value	1,366,827	1,300,275	1,366,827	1,357,741	1,300,275	1,354,987
Bank loans excluding reverse repurchase lending	97,437	92,023	97,437	94,546	92,023	94,375
Bonds and equities	99,176	100,765	99,176	103,132	100,765	103,631
Remaining assets	65,254	56,343	65,254	59,088	56,343	60,550
Total assets	1,690,681	1,606,247	1,690,681	1,674,196	1,606,247	1,681,605
LIABILITIES AND EQUITY						
Payables to credit institutions and central banks	12,747	16,529	12,747	14,890	16,529	12,591
Deposits excluding repo deposits	116,941	107,070	116,941	107,071	107,070	114,208
Bonds in issue at fair value	1,338,457	1,275,043	1,338,457	1,335,743	1,275,043	1,334,909
Subordinated debt	10,313	9,998	10,313	10,280	9,998	10,394
Remaining liabilities	99,389	100,189	99,389	107,048	100,189	108,497
Equity	101,947	97,418	101,947	99,164	97,418	101,006
Total liabilities and equity	1,690,681	1,606,247	1,690,681	1,674,196	1,606,247	1,681,605
FINANCIAL RATIOS						
Profit for the period as % pa of average equity ¹	13.2	11.4	12.0	14.5	11.0	11.4
Cost/income ratio (C/I), %	29.5	32.1	32.0	27.4	32.7	32.1
Total provisions for loan impairment and guarantees	8,792	9,147	8,792	8,859	9,147	9,027
Impairment charges for the period, %	0.00	(0.01)	0.00	0.00	(0.01)	(0.01)
Total capital ratio, %	23.1%	22.8	23.1%	23.8	23.5	23.7
CET1 capital ratio, %	19.9	19.7	19.9	20.5	19.7	20.4
Internal capital adequacy requirement, %	10.4	11.4	10.4	10.6	11.4	10.6
Average number of staff, full-time equivalent	3,867	3,977	3,867	3,864	3,937	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 H1/2024

Nykredit delivered a very satisfactory profit after tax of DKK 6,497 million for H1/2024 (H1/2023: DKK 5,393 million).

We last raised our full-year guidance for profit after tax 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 97.4 billion at end-June 2024 (end-2023: DKK 94.4 billion). Nominal mortgage lending was DKK 1,453.2 billion (end-2023: DKK 1,440.3 billion).

Income

Income totalled DKK 11,262 million in H1/2024 (H1/2023: DKK 9,995 million). Income from core business was up 2.4% compared with H1/2023.

Net interest income amounted to DKK 6,009 million (H1/2023: DKK 6,005 million).

Net fee income increased by DKK 52 million on H1/2023 to DKK 1,358 million (H1/2023: DKK 1,306 million).

Wealth management income grew to DKK 1,342 million (H1/2023: DKK 1,197 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 1,207 million (H1/2023: gain of DKK 891 million). The increase compared with 2023 was due to higher interest rates.

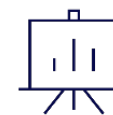
Trading, investment portfolio and other income, including value adjustment of the portfolio of bank equities and swaps, came to DKK 1,625 million (H1/2023: DKK 813 million).

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 3,322 million (H1/2023: DKK 3,210 million). Costs were largely unchanged despite pay rises, bonuses and general price growth. The slight increase in costs across the Group were somewhat due to inflation. Furthermore, the period saw increased investments in digitisation and IT in addition to costs incurred in connection with the relocation to Nykredit's new headquarters in Nordhavn, Copenhagen. Costs attributable to pay rises were partially mitigated through streamlining as well as lower contributions to the Danish Resolution Fund scheme.

The average number of full-time equivalent staff totalled 3,867 (H1/2023: 3,977). The change in headcount was partly due adjustments to a lower activity level and efficiency initiatives across the Group.



Profit after tax
DKK 6,497 million
(H1/2023: DKK 5,393 million)

Impairment charges for loans and advances

Impairment charges for loans and advances were a net reversal of DKK 84 million (H1/2023: net reversal of DKK 115 million) owing to the continued strong Danish economy and the high credit quality of our customers.

Geopolitical risks still prevail. However, due to the increasing credit quality this quarter, our model calculations imply a reversal of DKK 134 million. Total provisions for geopolitical risks subsequently came to DKK 1,801 million.

DKK million		
Nykredit Realkredit Group		
Impairment charges for loans and advances	H1/2024	H1/2023
Individual impairment provisions (stage 3)	22	(1)
Model-based impairment provisions (stages 1, 2 and 3)	(106)	(114)
Impairment charges for loans and advances	(84)	(115)

Provisions related to ESG were raised by DKK 388 million in 2024 as a result of a reassessment of ESG transition risks after the Danish government and the industrial sector concluded an agreement on carbon taxes. The green transition will further challenge the business models of some of our clients and consequently increase expected credit losses. Provisions related to ESG now amount to DKK 1,057 million, covering also the impacts of an agricultural carbon tax.

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 Q2 2024, which is available at nykredit.com

Tax

Tax on profit for the period has been calculated at DKK 1,655 million (H1/2023: DKK 1,539 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. The tax rate for 2024 has increased additionally to 26%.

Results for Q2/2024 relative to Q1/2024

Profit after tax for Q2/2024 was DKK 2,953 million (Q1/2024: DKK 3,011 million). Profit after tax for Q2/2024 was DKK 2,953 million (Q1/2024: DKK 3,544 million).

Income amounted to DKK 5,251 million (Q1/2024: DKK 6,012 million). Income from core business was at the same level in Q2/2024 as in Q1/2024, 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 1,676 million in Q2/2024 (Q1/2024: DKK 1,645 million).

Impairment charges for loans and advances were a net reversal of DKK 31 million (Q1/2024: net reversal of DKK 53 million).

Legacy derivatives resulted in a value adjustment of DKK 76 million (Q1/2024: DKK 52 million).



Profit after tax in Q2
DKK 2,953 million
(Q1/2024: DKK 3,544 million)

Balance sheet

Nominal mortgage lending stood at DKK 1,453.2 billion (end-2023: DKK 1,440.3 billion). Despite lower activity and continuous repayments, Nykredit again grew its loan portfolio adding new lending business. For mortgage lending, new lending chiefly related to major corporate clients in the business area Corporates & Institutions as well as Retail Business Banking.

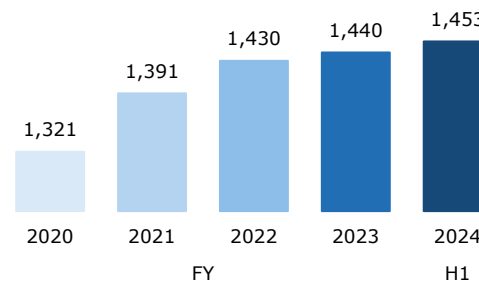
Also Totalkredit's loan portfolio grew in Q2/2024. Nominal lending was DKK 886.2 billion against DKK 878.5 billion at end-2023. Totalkredit's recorded new lending offsetting the natural portfolio run-off from customers' current repayments. About 911,000 homeowners had Totalkredit loans at end-June 2024.

Bank lending stood at DKK 97.4 billion at end-June 2024 (end-2023: DKK 94.4 billion).

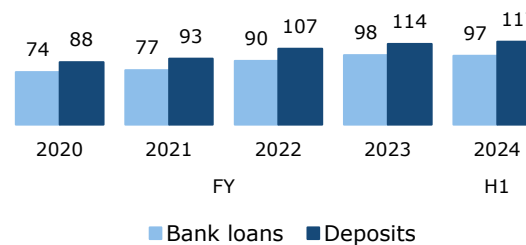
Equity

The Nykredit Realkredit Group's equity stood at DKK 102.0 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 into 2024. Furthermore, thanks to the solid credit quality and resilience of our customers, impairment charges for the period were a minor reversal.



Special accounting circumstances

No significant accounting circumstances occurred in H1/2024.

Other

Changes to the Executive Board

On 1 February 2024, Pernille Sindby joined the Group Executive Board. From this date, the Group Executive Board 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 Skiöld and Allan Kristiansen resigned from the Board of Directors, and Rasmus Fossing and Kathrin Helene Hattens were elected as new board members. Merete Eldrup, Preben Sunke, Michael Demsitz, Per W. Hallgren, Jørgen Høholt, Torsten Hagen Jørgensen, Vibeke Krag and Mie Krog were re-elected to the Board of Directors.

In addition, the Board of Directors includes four staff-elected members: Olav Bredgaard Brusen, 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

At an extraordinary general meeting to be held on 30 August 2024, the Board of Directors will recommend that Nykredit distribute extraordinary dividend of DKK 2.2 billion.

No events have occurred in the period up to the presentation of the H1 Interim Report 2024 which materially affect the Group's financial position.

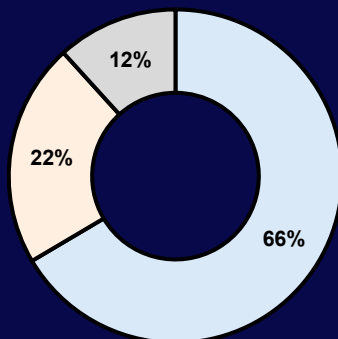


Business areas

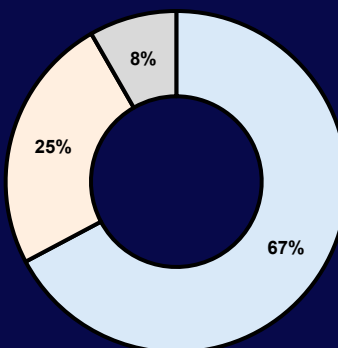
Nykredit's governance and organisational structure is based on these business areas:

- Banking
- Totalkredit Partners
- Wealth Management

Income



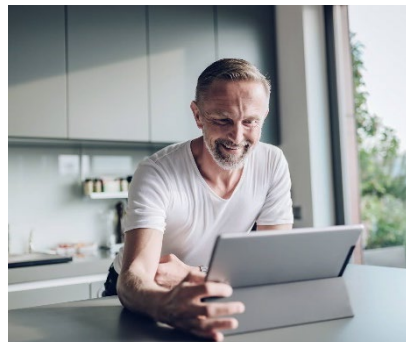
Business profit



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.

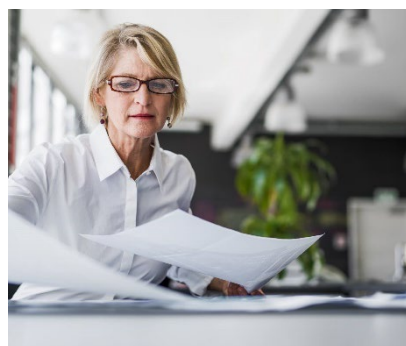
The unit supports Totalkredit's partner banks, ensuring that they are well-placed to help customers through digital tools, products, training etc.



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 very 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
- Engaging people who can, will and do make a difference



H1/2024 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 continue to enjoy unique benefits in 2024. 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 from 2024 to 2027. 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. In 2024, Nykredit's owner, Forenet Kredit, has decided to give back DKK 1,725 billion to customers via Nykredit.

Housing market activity slowed down in H1, and customers continue to prioritise financial discipline. Our customers are generally financially robust, but the changed market terms naturally generate financial uncertainty. 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 that ensure stability and security.

Nykredit was the first large Danish bank to offer all customers positive current account rates. In June, Danmarks Nationalbank delivered its first interest rate cut this year. Nykredit decided shortly thereafter to cut its deposit and loan rates accordingly, except for products which were already very attractively priced before the interest rate cut.

Following the interest rate reduction, customers who have their everyday banking and home financing with Nykredit are offered a 1.5% current account rate. Customers without home financing are offered a 1% current account rate. Customers with fixed-term deposits may enjoy a 2.95% interest rate and at the same time get a risk-free savings option for energy improvements, for instance.



Agriculture is one of the segments that face an unpredictable future relative 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.

Nykredit got off to a strong start in H1/2024, 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. With our new business banking services set-up launched in early 2024, we have grown both our market presence and optimised our ability to serve business customers around the country.

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

Business volumes with major corporate clients grew in H1/2024. Lending to Denmark's largest businesses and property investors increased. Clients in the energy and infrastructure sectors are seeking long-term, stable and transparent financing, which is exactly what Nykredit can offer. We have therefore seen demand from the energy and infrastructure sectors for our flexible mortgage solutions and bank financing.

Nykredit provides financing for the green transition and continues to work as a proficient financial partner to business customers wishing to go green. This includes helping SMEs produce carbon footprint calculations and sustainability reporting.

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. In June, Nykredit launched new propositions for personal customers wishing to climate-proof their homes against the increasingly wet and extreme weather conditions. This means

that green home loans and green savings can now also be used



for the installation of drainage systems. This is yet another element of Nykredit's ambition to give customers financial security.

Performance highlights in H1/2024

Banking delivered a profit before tax of DKK 4,510 million (H1/2023: DKK 4,296 million).

Total income rose to DKK 6,567 million (H1/2023: DKK 6,300 million) and mainly comprised 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 stood at DKK 4,248 million (H1/2023: DKK 4,202 million), corresponding to an increase of DKK 46 million on the same period last year, mainly driven by the higher interest rate level as well as an increase in nominal bank and mortgage lending.

Net interest from capitalisation was a gain of DKK 695 million (H1/2023: gain of DKK 498 million), driven by increased interest rate levels compared with 2023.

Costs amounted to DKK 2,336 million (H1/2023: DKK 2,239 million), which was mainly due to inflation-driven pay rises and general price increases. Furthermore, the period saw increased investments in digitisation and IT across the Group in addition to costs incurred in connection with the relocation to Nykredit's new headquarters in Nordhavn, Copenhagen.

Impairment charges for loans and advances were a net reversal of DKK 151 million (H1/2023: net reversal of DKK 203 million) related to the continued good credit quality of our Banking customers.

DKK million

Results –	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	
Banking						2023
Net interest income	4,248	4,202	2,117	2,131	2,215	8,707
Net fee income	946	902	422	524	406	1,929
Wealth management income	426	368	224	202	188	740
Net interest from capitalisation	695	498	357	337	248	932
Trading, investment portfolio and other income	253	331	92	161	104	556
Income	6,567	6,300	3,212	3,355	3,162	12,865
Costs	2,336	2,239	1,171	1,165	1,118	4,480
Business profit before impairment charges	4,232	4,061	2,042	2,190	2,044	8,385
Impairment charges for mortgage lending	(57)	(213)	(15)	(42)	(154)	(338)
Impairment charges for bank lending	(94)	10	(52)	(41)	80	48
Business profit	4,382	4,264	2,109	2,274	2,118	8,675
Legacy derivatives	127	32	76	52	43	59
Profit before tax	4,510	4,296	2,184	2,325	2,161	8,734

Results for Q2/2024 relative to Q1/2024

Banking delivered a profit before tax of DKK 2,184 million in Q2/2024 (Q1/2024: DKK 2,325 million).

Income amounted to DKK 3,212 million (Q1/2024: DKK 3,355 million).

Impairment charges for loans and advances were a net reversal of DKK 67 million (Q1/2024: net reversal of DKK 83 million).

Income from legacy derivatives was DKK 76 million (Q1/2024: DKK 52 million).



Profit before tax in Q2
DKK 2,184 million
(Q1/2024: DKK 2,325 million)

Activities

Loan volumes totalled DKK 792.6 billion (end-2023: DKK 782.0 billion), of which nominal mortgage lending was DKK 690.5 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 11.8 billion (end-2023: DKK 11.2 billion). Bank deposits in Retail Personal Banking amounted to DKK 50.0 billion (end-2023: DKK 48.2 billion). Bank lending in Retail Business Banking came to DKK 32.1 billion (end-2023: DKK 31.5 billion), relating primarily to small and medium-sized enterprises. Bank lending by Corporates & Institutions rose to DKK 45.3 billion (end-2023: DKK 42.6 billion), mainly driven by a few large clients.

					DKK million
Selected balance sheet items					
Banking	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Retail Personal Banking					
Lending	178,308	178,023	178,366	178,170	178,269
- of which mortgage lending, nominal value	153,655	154,271	154,802	156,128	156,804
- of which secured homeowner loans	12,880	12,439	12,376	11,996	12,060
- of which bank lending	11,773	11,313	11,188	10,046	9,405
Deposits	50,028	47,873	48,160	46,146	46,245
Retail Business Banking					
Lending	257,312	253,587	253,676	252,314	251,295
- of which mortgage lending, nominal value	225,184	222,279	222,210	221,535	220,961
- of which bank lending	32,128	31,308	31,465	30,779	30,334
Deposits	30,128	27,258	27,947	28,000	28,054
Corporates & Institutions					
Lending	356,911	352,105	349,978	348,151	344,235
- of which mortgage lending, nominal value	311,648	308,529	307,387	305,173	301,017
- of which bank lending	45,263	43,576	42,591	42,978	43,218
Deposits	14,956	11,993	17,810	13,599	11,138

Arrears

At the March due date, 75-day mortgage loan arrears were 0.20% which is identical to the same time in 2023.

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 and their continued strong ability to pay.



Total lending
DKK 792.6 billion
 (end-2023: DKK 782.0 billion)

Totalkredit Partners

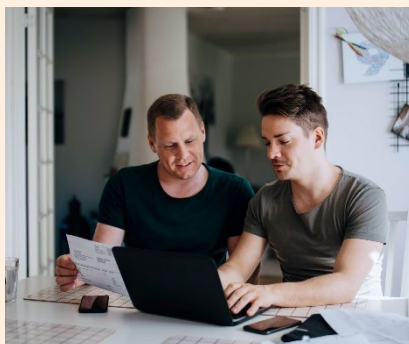
Nykredit's strategic ambition with Totalkredit Partners is to secure our future position as market leader in property financing.

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.



H1/2024 in summary

The housing market came to a halt in the first quarter of the year due to the new housing taxes, which also reduced mortgage lending activity. In Q2, the housing market picked up again. In addition to this, mortgage refinancing activity has been falling. Nominal mortgage lending thus increased by nearly DKK 8 billion in H1/2024. Still more than 900,000 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. Customers also get improved digital solutions via "Mit Hjem", a digital platform where they can find information about their property and Totalkredit's 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 Group's predominant customer segment, 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 benefit our customers also in the coming years.

Performance highlights in H1/2024

Totalkredit Partners delivered a profit after tax of DKK 1,705 million (H1/2023: DKK 1,625 million).

Income rose to DKK 2,207 million (H1/2023: DKK 2,126 million), driven by net interest from capitalisation due to higher interest rate levels compared with 2023.

Net interest income was DKK 1,525 million (H1/2023: DKK 1,547 million), and net fee income totalled DKK 406 million (H1/2023: DKK 381 million). The rise in net fee income was mainly due to high mortgage lending activity.

Costs amounted to DKK 404 million (H1/2023: DKK 439 million), chiefly due to adjustments to a lower activity level.

Impairment charges for loans and advances were DKK 98 million (H1/2023: DKK 62 million).

	DKK million					
Results –	H1/	H1/	Q2/	Q1/	Q2/	
Totalkredit Partners	2024	2023	2024	2024	2023	2023
Net interest income	1,525	1,547	769	757	771	3,114
Net fee income	406	381	207	199	192	828
Net interest from capitalisation	278	200	143	136	96	379
Trading, investment portfolio and other income	(3)	(2)	(4)	1	(2)	(8)
Income	2,207	2,126	1,115	1,092	1,058	4,313
Costs	404	439	242	162	224	853
Business profit before impairment charges	1,803	1,687	872	930	834	3,460
Impairment charges for mortgage lending	98	62	58	40	(9)	86
Profit before tax	1,705	1,625	814	890	843	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

Results for Q2/2024 relative to Q1/2024

Totalkredit Partners delivered a profit before tax of DKK 814 million (Q1/2024: DKK 890 million). The development in costs was due to a technical correction between Totalkredit Partners and Group Items in Q2/2024.

Income amounted to DKK 1,115 million (Q1/2024: DKK 1,092 million).

Impairment charges for loans and advances were DKK 58 million (Q1/2024: DKK 40 million).



Profit before tax in Q2
DKK 814 million
(Q1/2024: DKK 890 million)

Activities

Lending totalled DKK 736.0 billion at 30 June 2024 compared with DKK 730.2 billion at end-2023.

Total nominal lending to personal customers was DKK 722.2 billion (end-2023: DKK 717.2 billion) as a result of a housing market rebound in Q2/2024, as well as lower remortgaging activity.

Lending to business customers came to DKK 13.8 billion (end-2023: DKK 13.0 billion).

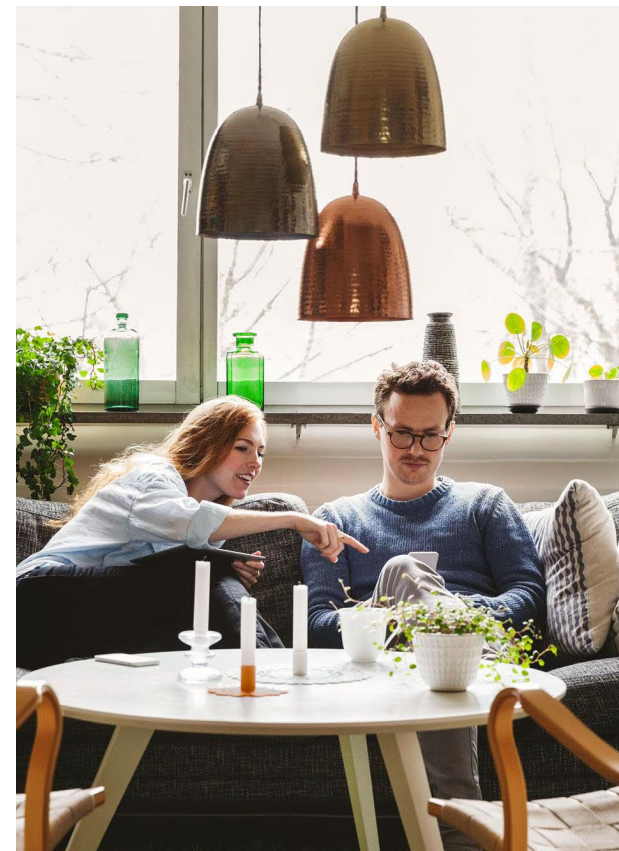
Arrears

At the March 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 2023.

Thanks to our customers' strong ability to pay, 75-day arrears remained low and were broadly on a level with the same time in 2023.

DKK million

Selected balance sheet items					
Totalkredit Partners	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Personal Banking					
Lending	722,219	717,243	717,196	715,700	715,628
- of which mortgage lending, nominal value	715,567	710,289	709,957	708,057	707,885
- of which secured homeowner loans	6,651	6,954	7,238	7,643	7,743
Business Banking					
Lending	13,803	13,374	12,981	12,642	12,465
- of which mortgage lending, nominal value	13,803	13,374	12,981	12,642	12,465



Total lending
DKK 736.0 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.



H1/2024 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. This is one of the reasons why Wealth Management has recorded strong client growth and positive net sales.

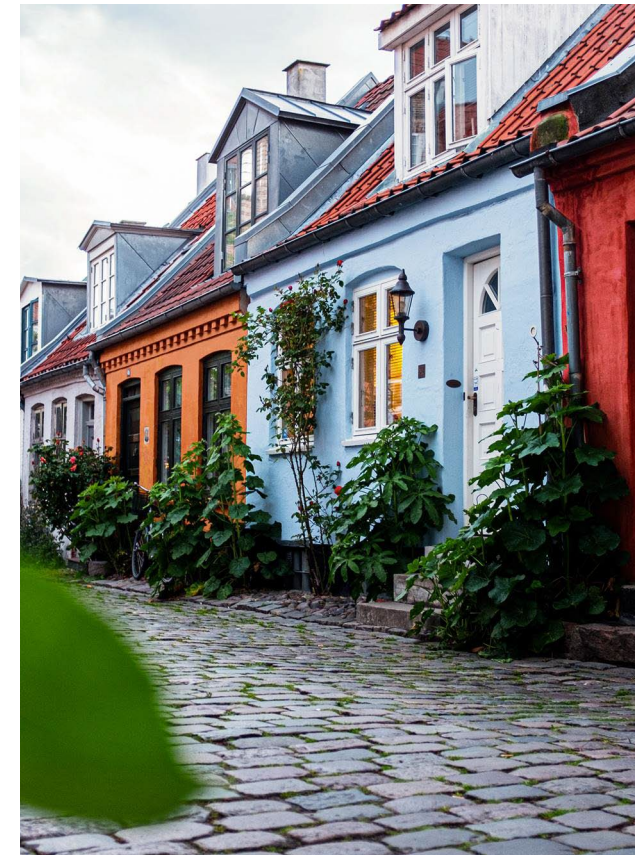
Balanced investment solutions and indexed equity mandates in particular were in demand among our clients.

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

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

In H1/2024, Wealth Management launched a number of initiatives consolidating the Group's solid position in wealth and investment. The purpose is to build simpler, more scalable and focused Wealth Management operations supporting continued growth. We have among other things launched a new 3-year platform programme to ensure a robust and scalable platform capable of managing 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 as well as WealthBriefing European Awards in the three categories "Best Domestic Clients Team", "Best Private Bank for Client Service" and "Best Private Bank for Talent Management".



Performance highlights in H1/2024

Wealth Management delivered a profit before tax of DKK 635 million (H1/2023: DKK 623 million).

Income amounted to DKK 1,178 million and were up on the preceding year (H1/2023: DKK 1,130 million).

Costs amounted to DKK 563 million (H1/2023: DKK 491 million), which was mainly due to inflation-driven pay rises and general price increases. Furthermore, the period saw increased investments in digitisation and IT across the Group in addition to costs incurred in connection with the relocation to Nykredit's new headquarters in Nordhavn, Copenhagen.

Impairment charges for loans and advances were a net reversal of DKK 20 million (H1/2023: a charge of DKK 16 million).

Awards received in H1/2024

WealthBriefing Awards (Private Banking)

- Talent Management
- Domestic Clients Team
- Client Service

Financial publisher Euromoney

- Best for Digital Solutions
- Best for Domestic Private Bank

Lipper Fund Awards

- Best Overall Large Fund Family Group
- Best Equity Large Fund Family Group

Privat Banking & Wealth Management

- Outstanding Private Banking Client Engagement

Results for Q2/2024 relative to Q1/2024

Wealth Management delivered a profit before tax of DKK 290 million in Q2/2024 (Q1/2024: DKK 345 million).

Income amounted to DKK 568 million (Q1/2024: DKK 610 million).

Costs amounted to DKK 292 million (Q1/2024: DKK 271 million). The higher costs are chiefly due to increased staff costs and general price rises.

Impairment charges for loans and advances were a net reversal of DKK 16 million (Q1/2024: net reversal of DKK 5 million).

	DKK million					
Results –	H1/	H1/	Q2/	Q1/	Q2/	
Wealth Management	2024	2023	2024	2024	2023	2023
Net interest income	213	253	100	113	132	498
Net fee income	20	20	11	10	13	44
Wealth management income	899	815	437	462	416	1,595
Net interest from capitalisation	21	21	9	12	10	39
Trading, investment portfolio and other income	25	21	11	15	10	40
Income	1,178	1,130	568	610	581	2,215
Costs	563	491	292	271	231	1,018
Business profit before impairment charges	615	639	276	339	350	1,197
Impairment charges for mortgage lending	(3)	1	(1)	(3)	0	1
Impairment charges for bank lending	(17)	15	(15)	(2)	(8)	12
Profit before tax	635	623	290	345	358	1,185



Profit before tax in Q2
DKK 290 million
(Q1/2024: DKK 345 million)

Activities

Assets under management increased by DKK 40 billion compared with end-2023 to a total of DKK 496 billion (end-2023: DKK 456 billion). This was in part due to positive net sales of DKK 16 billion driven by net growth from clients with the banks of the Sparinvest partnership, Retail and Private Banking Elite clients as well as institutional and international clients. To this should be added a positive return of DKK 24 billion.

Assets under administration totalled DKK 1,059 billion (end-2023: DKK 1,081 billion). This development is composed of negative net sales of 104 billion and a positive return of DKK 82 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					
Wealth Management	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Assets under management	496,038	486,166	455,755	432,316	431,321
Assets under administration	1,059,344	1,093,753	1,080,553	1,044,227	1,049,437
Lending/deposits					
Lending	22,044	21,792	21,926	21,614	21,332
- of which mortgage lending, nominal value	15,258	15,278	15,033	15,152	14,923
- of which secured homeowner loans	1,943	1,467	1,788	1,642	1,536
- of which bank lending	4,844	5,047	5,105	4,820	4,873
Deposits	17,012	16,576	17,655	17,642	17,442



Assets under management
DKK 496 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	H1/ 2024	H1/ 2023	Q2/ 2024	Q1/ 2024	Q2/ 2023	2023
Group Items						
Net interest income	22	3	12	10	3	(14)
Net fee income	(14)	3	(10)	(4)	15	(11)
Wealth management income	17	13	12	5	9	33
Net interest from capitalisation	213	173	100	113	76	369
Net income relating to customer benefits programmes	(278)	(215)	(142)	(135)	(99)	(404)
Trading, investment portfolio and other income	1,350	463	384	967	1	1,036
Income	1,310	440	355	955	5	1,009
Costs	19	40	(29)	48	0	204
Profit before impairment charges	1,291	399	384	907	5	805
Impairment charges for mortgage lending	(10)	10	(8)	(2)	9	12
Impairment charges for bank lending	(2)	0	1	(2)	1	2
Profit (loss)	1,303	389	392	911	(5)	790

Performance highlights in H1/2024

The profit of Group Items was DKK 1,303 million (H1/2023: DKK 389 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 H1.



Profit in H1/2024

DKK 1,303 million

(H1/2023: DKK 389 million)

Capital, funding and liquidity



CET1 capital ratio
19.9%
(end-2023: 20.4%)



Total capital ratio
23.1%
(end-2023: 23.7%)



Internal capital
adequacy requirement
10.4%
(end-2023: 10.6%)

Equity

The Nykredit Realkredit Group's equity stood at DKK 102.0 billion at end-June 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.

At an extraordinary general meeting to be held on 30 August 2024, the Board of Directors will recommend that Nykredit distribute extraordinary dividend of DKK 2.2 billion. Such distribution takes into account the Group's dividend and capital policies and was deducted from own funds for capital adequacy purposes at end-H1/2024. Deduction of dividend from equity carried for accounting purposes is pending approval at the General Meeting.

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)	30.06.2024	31.12.2023
Equity, beginning of period	101,006	96,829
Profit for the period	6,511	10,892
Other adjustments	(5,570)	(6,716)
Equity, end of period	101,947	101,006

Equity carried for accounting purposes includes Additional Tier 1 (AT1) capital of DKK 3,659 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	30.06.2024	31.12.2023
Equity (including AT1 capital)	101,947	101,006
AT1 capital etc	(3,761)	(3,759)
Proposed dividend	(2,200)	(5,400)
Other regulatory adjustments	(297)	(270)
CET1 capital	89,400	88,643
AT1 capital	3,659	3,660
AT1 regulatory deductions	-	(9)
Tier 1 capital	93,060	92,294
Tier 2 capital	10,642	10,676
Own funds	103,702	102,970
Credit risk	386,456	374,429
Market risk	26,633	27,981
Operational risk	34,469	30,944
Total risk exposure amount	447,558	433,354
CET1 capital ratio, %	19.9	20.4
Tier 1 capital ratio, %	20.7	21.2
Total capital ratio, %	23.1	23.7
Internal capital adequacy requirement, %	10.4	10.6

¹ Approximately 50% of profit for H1/2024 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-June 2024, Nykredit's risk exposure amount (REA) totalled DKK 447.6 billion (end-2023: DKK 433.3 billion). With own funds at DKK 103.7 billion, this corresponds to a total capital ratio of 23.1% (end-2023: 23.7%). The CET1 capital ratio was 19.9% (end-2023: 20.4%).

REA for credit risk increased to DKK 386.4 billion in H1/2024, mainly due to higher risk weightings as well as growth in lending to large corporate clients. REA for market risk decreased to about DKK 26.6 billion in the past 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 to DKK 34.5 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-June 2024, CET1 capital totalled DKK 89.4 billion after deduction of proposed extraordinary dividend of DKK 2.2 billion (end-2023: DKK 88.6 billion). AT1 capital after regulatory deductions was unchanged at DKK 3.7 billion (end-2023: DKK 3.7 billion). Tier 2 capital was DKK 10.6 billion excluding regulatory adjustments (end-2023: DKK 10.7 billion).

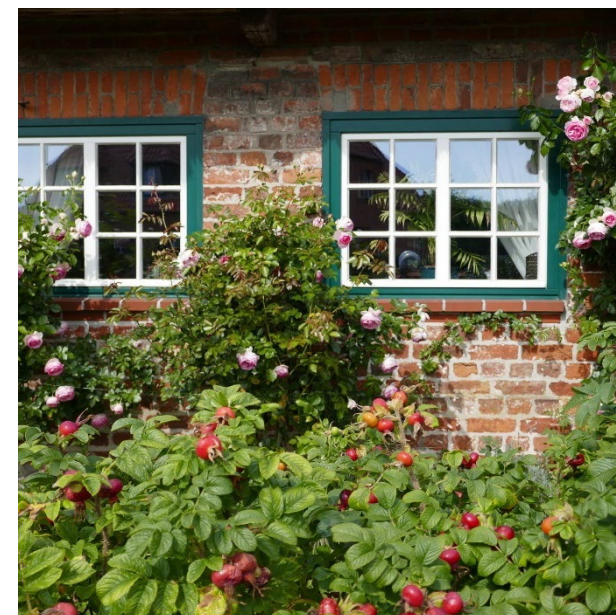
When determining own funds, minority interests have been excluded from AT1 capital and Tier 2 capital issued by the subsidiary Nykredit Realkredit A/S.

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 10.4% of the Group's REA at end-H1/2024, 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%. This requirement comprises a special SIFI buffer requirement of 2.0% applying to Nykredit as a systemically important financial institution (SIFI) 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 is currently 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, by way of an example, 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 Realkredit expects the new buffer to increase Nykredit's statutory minimum CET1 capital requirement by about 0.8 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.



Pillar II Guidance (P2G) was implemented in Denmark in H1/2024 in accordance with the EU's P2G approach. The adoption in May 2024 has had no net impact on Nykredit's capital policy and capital targets.

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 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 is currently 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 5.0% at end-June 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 15.5-16.5% of REA.
- For total own funds, the target is 20.5-21.5% 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 30 June 2024, Nykredit Bank's deposits equalled 117% 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 30 June 2024 compared with 147% at end-2023.

	Nykredit Realkredit Group	
	LCR determination	
	30.06.2024	31.12.2023
Nykredit Realkredit Group	308	310
Nykredit Realkredit Group, LCR requirement in EUR	225	400
Nykredit Realkredit and Totalkredit	571	585
Nykredit Realkredit and Totalkredit, including LCR Pillar II requirements	259	254
Nykredit Bank	215	191

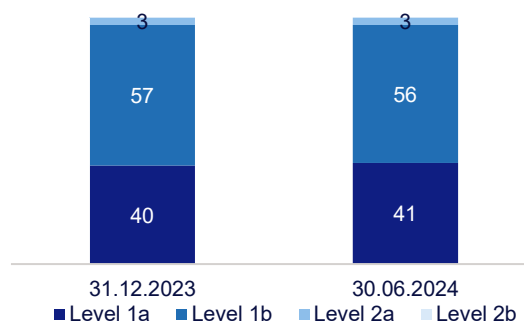
The composition of Nykredit's liquid assets used to comply with the LCR is shown in the figure below. 41% of the liquid assets are classified as Level 1, indicating that they have the highest LCR liquidity value. 56% of the liquid assets have the second highest LCR liquidity value, Level 2.

Liquid assets

The liquid assets are determined at market value. The Nykredit Realkredit Group's liquid assets came to DKK 178 billion at 30 June 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 110 billion at 30 June 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.

Stock of liquid assets by LCR level, %



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-June 2024, the Group had a nominal amount of DKK 1,245 billion of SDOs in issue and DKK 109 billion of ROs in issue.

Bonds of DKK 270.1 billion, funding floating-rate loans and adjustable-rate mortgage loans, will mature over the next year. The final refinancing volumes are typically lower than the total volumes maturing as a result of ordinary and extraordinary principal payments as well as loan refinancing.

Nykredit expects to refinance bonds worth DKK 52.5 billion and DKK 56.4 billion at the auctions in August and November 2024, respectively, and DKK 63.2 billion and DKK 55.3 billion at the auctions in February and May 2025, respectively. This corresponds to refinancing volumes of about DKK 227.4 billion over the next 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 H1 Nykredit issued about DKK 11 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	30.06.2024	31.12.2023
Covered bonds (ROs), see note 16 a	108,567	113,043
Covered bonds (SDOs), see note 16 b	1,425,368	1,412,023
Senior secured debt, see note 16 c	668	651
Senior preferred debt, Nykredit Realkredit A/S	9,332	9,317
Senior non-preferred debt	49,650	47,049
Tier 2 capital, see note 19	10,313	10,394
AT1 capital, see note 2, Nykredit Realkredit A/S	3,761	3,660
ECP issues, Nykredit Bank A/S	3,015	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 30 June 2024.

Nykredit Bank A/S	
Supervisory Diamond for banks	
	30.06.2024
Large exposures (limit value <175%)	109.1%
Lending growth (limit value <20%)	6.0%
Property exposure (limit value <25%)	11.0%
Liquidity benchmark (limit value >100%)	239.2%

Supervisory Diamond for mortgage lenders				
Benchmark	Nykredit Realkredit Group 30.06.2024	Nykredit Realkredit A/S 30.06.2024	Totalkredit 30.06.2024	Limit value
Lending growth by segment				
Personal customers	0.64%	(13.34)%	1.08%	15.0%
Commercial residential properties ¹	10.01%	9.84%	16.14%	15.0%
Agricultural properties	(0.31)%	(0.31)%	0.00%	15.0%
Other commercial	2.40%	2.22%	7.11%	15.0%
Borrower's interest rate risk				
Private residential and residential rental	13.88%	17.33%	13.06%	25.0%
Interest-only loans				
Personal customers	4.86%	2.43%	4.93%	10.0%
Loans with short-term funding				
Refinancing (annually)	13.11%	18.93%	9.73%	25.0%
Refinancing (quarterly)	2.64%	0.60%	3.82%	12.5%
Large exposures				
Loans and advances/equity	51.5%	50.2%	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.



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 how a company addresses risks relating to environmental, social and governance factors. 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.

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 **84** million
(H1/2023: net reversal of DKK
115 million)



Provisions related to
macroeconomic uncertainty
DKK **1,801** million
(end-2023: DKK 2,085 million)

Earnings impact in H1

Impairment charges for loans and advances were a net reversal of DKK 84 million (H1/2023: net reversal of DKK 115 million) owing to the continued strong Danish economy and the high credit quality of our customers. Impairment charges for loans and advances comprised a rise in individual impairment provisions of DKK 22 million and a net reversal of DKK 106 million from model-based impairments. In H1/2024, provisions related to the macroeconomic uncertainty following from geopolitical tensions were reduced by DKK 134 million. Provisions related to ESG increased in the same period as a result of a reassessment of ESG transition risks.

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 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. This stress applied to personal customers was milder in Q2/2024. The reason is that all factors have developed favourably. But as the situation is still somewhat uncertain, part of the provision taken is maintained. Provisions totalling DKK 491 million have been taken to counter such risk. Secondly, certain business customers in the construction, retail, wholesale, rental, production and manufacturing sectors are also expected to be affected due to delayed impacts from inflation, scarcity of goods and alignment 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 1,310 million for exposed sectors, and total provisions to manage the

increased risk now amount to DKK 1,801 million. For further information about the impacts of geopolitical tensions and macroeconomic trends, please refer to our Fact Book Q2 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 H1/2024, 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 own historical customer default and loss data.

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-H1/2024 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 3.2% and house price rises of 4.4% in 2024. At end-2023, the main scenario implied expected GDP growth of 2.7% and house price decreases of 1.8% in 2023.

The adverse scenario was included in the models with a weighting of 30%. This scenario implies expected GDP growth of 2.8% and house price increases of 1.2% in 2024.

	DKK million					
	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment charges for loans and advances, earnings impact	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Nykredit Realkredit Group						
Loans, advances, guarantees and impairment charges for loans and advances						
Mortgage lending, nominal value						
Nykredit Realkredit	567,006	561,773	3,646	3,770	(57)	(353)
Totalkredit	886,212	878,488	1,787	1,722	95	102
Total	1,453,218	1,440,262	5,433	5,492	38	(251)
Loans and advances etc						
Nykredit Bank	97,437	94,375	2,983	3,207	(160)	76
Total	97,437	94,375	2,983	3,207	(160)	76
Receivables from credit institutions	6,954	7,005	19	29	(10)	11
Reverse repurchase lending	39,204	33,965	-	-	-	-
Guarantees etc	9,464	6,932	376 ¹	328	47	(12)
Loan impairment, %²						
Nykredit Realkredit	-	-	0.64	0.67	(0.01)	(0.06)
Totalkredit	-	-	0.20	0.20	0.01	0.01
Total	-	-	0.37	0.38	0.00	(0.02)
Nykredit Bank	-	-	2.97	3.29	(0.16)	0.08
Total	-	-	2.97	3.29	(0.16)	0.08

¹ Impairment charges for loan commitments etc were DKK 95 million (Q4/2023: DKK 91 million).

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

The improved scenario carries a 10% 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 these weightings, impairment provisions totalled DKK 8,811 million as at 30 June 2024 (end-2023: DKK 9,056 million). If the main scenario carried a 100% weighting, total impairment provisions would decrease by DKK 109 million. Compared with the main scenario, total impairment provisions would rise by DKK 2,234 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 862 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 1,976 million. If the weighting of the improved scenario was 100%, total impairment provisions of such customers would be reduced by DKK 671 million. These sensitivities form part of the sensitivities mentioned above.

See our Factbook Q2 2024 for a sector breakdown by the impact of geopolitical tensions on these sectors at nykredit.com

At 30 June 2024, the impairment model applied the following main scenario and adverse scenario:

Nykredit Realkredit

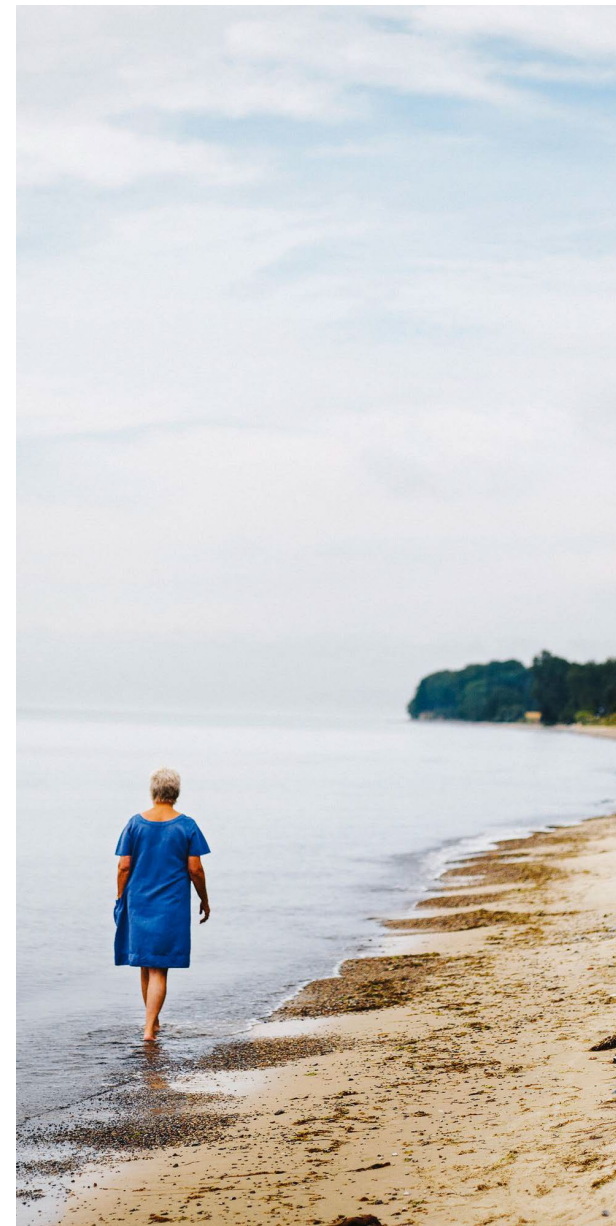
Group	%					
	Main scenario			Adverse scenario		
Scenarios for impairment calculations	2024	2025	2026	2024	2025	2026
Short-term rate ¹	3.4	2.0	1.7	4.1	4.7	4.1
Long-term rate ²	2.2	2.2	2.2	2.8	3.4	3.3
House prices ³	4.4	4.0	4.2	1.2	(7.9)	(1.3)
GDP ³	3.2	1.9	1.6	2.8	(0.3)	(0.1)
Unemployment ⁴	2.5	2.5	2.5	2.8	3.8	3.7

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-June 2024, post-model adjustments amounted to DKK 3,463 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.

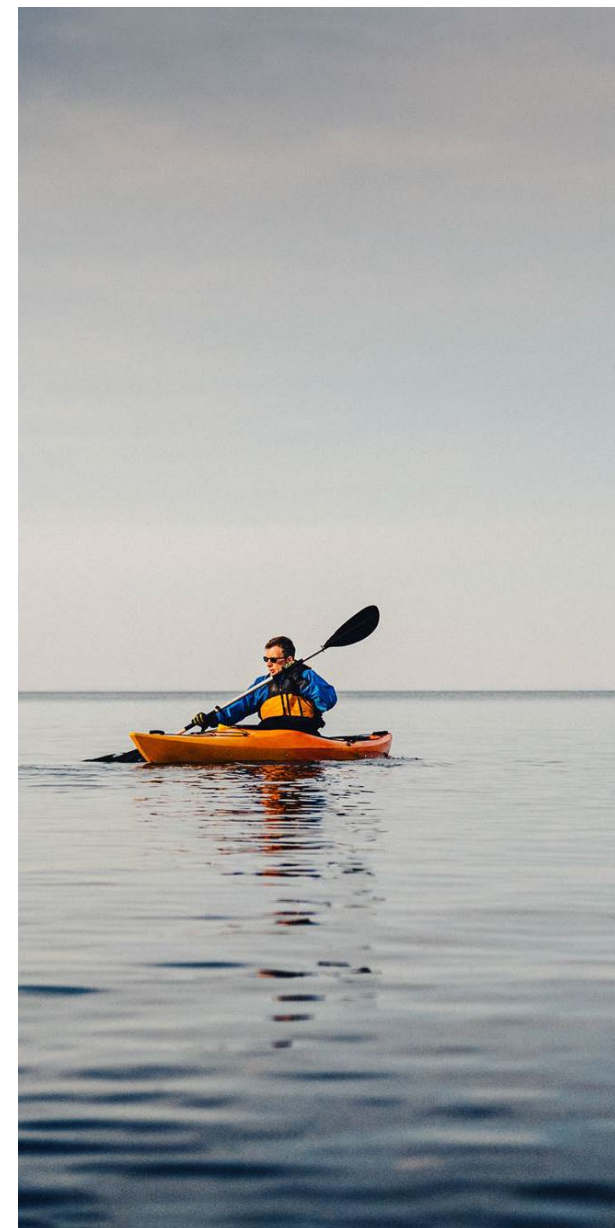
Physical and transition risks related to ESG will challenge Nykredit's business models in certain sectors and areas. At the same time, legislative measures may have a large impact on Nykredit's loan portfolio. On balance, the value of certain assets is expected to decrease. Provisions have been made 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. 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	
Nykredit Realkredit Group		
Specific macroeconomic risks and process-related circumstances	30.06.2024	31.12.2023
Agriculture	287	411
Geopolitical tensions	788	1,083
Concentration risks in loan portfolios	312	209
Total macroeconomic risks	1,387	1,703
Process-related	280	503
Coming model adjustments	218	0
ESG	1,057	669
Haircut, property values	184	226
Results of controlling	337	379
Total process-related circumstances	2,076	1,777
Total post-model adjustments	3,463	3,480

Note: At end-June 2024, another DKK 1,013 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).

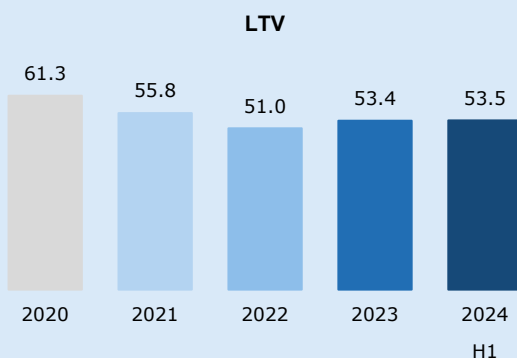


Mortgage lending

At end-June 2024, Nykredit's credit exposure in terms of nominal mortgage lending was DKK 1,453.2 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 0.37% of total mortgage lending, excluding credit institutions (end-2023: 0.37%). Total impairment provisions amounted to DKK 5,433 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.

Total impairment provisions for mortgage lending are mainly attributable to:

DKK million		
Nykredit Realkredit Group		
Total impairment provisions for mortgage lending	30.06.2024	31.12.2023
Individual impairment provisions (stage 3)	1,895	1,868
Model-based impairment provisions (stages 1, 2 and 3)	3,538	3,624
Total impairment provisions for mortgage lending	5,433	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 38 million (H1/2023: a net reversal of DKK 149 million). Of the impairment charges for loans and advances, DKK 39 million was attributable to owner-occupied dwellings, and a reversal of DKK 1 million was attributable to the business segment.



Arrears

Mortgage loan arrears are determined 75 days past the due date. Mortgage loan arrears were 0.15% of total mortgage payments due 75 days past the March due date (2023: 0.15%).

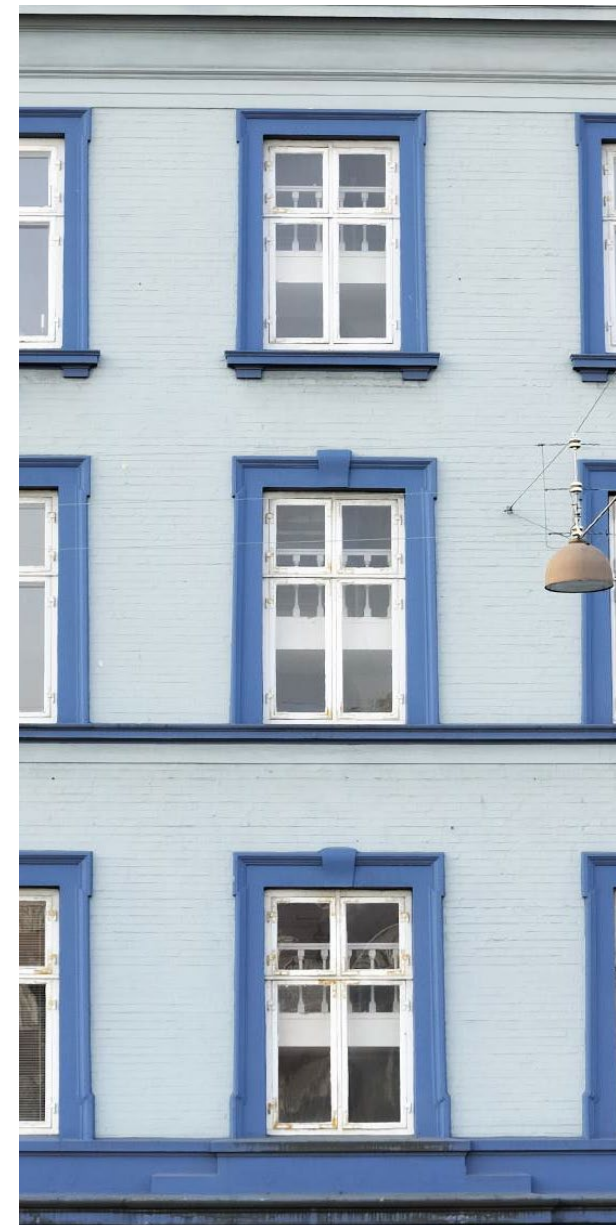
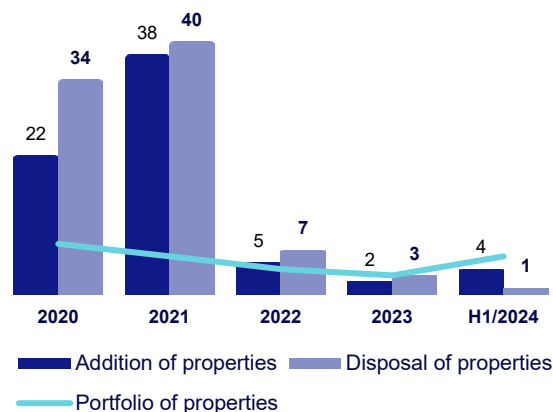
Bond debt outstanding affected by arrears of total bond debt outstanding was DKK 1.79 billion, which was unchanged from the March 2023 due date when it was also DKK 1.79 billion.

Nykredit Realkredit Group	Arrears relative to total mortgage payments	Debt outstanding in arrears relative to total debt outstanding	Debt outstanding affected by arrears
Arrears ratio – 75 days past due	%	%	DKK billion
Due date			
2024			
- March	0.15	0.12	1.79
2023			
- December	0.15	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 H1/2024, Nykredit acquired 4 properties and sold 1. The portfolio subsequently comprised 6 properties (end-2023: 3 properties).

Number of properties acquired by foreclosure



Mortgage lending

Owner-occupied dwellings accounted for DKK 850.5 million of the total debt outstanding on mortgage loans in H1/2024. The LTV of owner-occupied dwellings averaged 57.7% in H1/2024 (H1/2023: 56.7%).

Private rental made up 12.7% and office and retail accounted for 10.6% of the total debt outstanding (end-2023: 10.1% and 10.4%, respectively). With regard to total impairment provisions, owner-occupied dwellings accounted for 47.4% in H1/2024 (H1/2023: 48.1%) and agriculture accounted for 22.9% (H1/2023: 23.1%).



Nykredit Realkredit Group

Mortgage lending, debt outstanding relative to estimated property values

	LTV (loan-to-value)						DKK million	LTV avg, %	
	0-40	40-60	60-80	80-90	90-100	>100		H1/2024	H1/2023
Owner-occupied dwellings	609,736	175,402	62,303	2,528	250	267	850,486	57.7	56.7
Private rental	127,768	35,485	9,033	428	131	432	173,277	55.1	53.1
Industry and trades	19,105	4,304	272	22	5	6	23,714	48.8	45.3
Office and retail	116,621	26,156	1,771	141	95	172	144,956	48.7	47.6
Agriculture	59,374	17,756	3,273	109	61	89	80,663	55.3	55.6
Public housing		-	-	-	-	-	78,768	0.0	0.0
Other	12,457	2,028	348	53	39	38	14,964	45.1	44.4
Total H1/2024	945,062	261,131	77,000	3,281	581	1,004	1,366,827	53.6	52.4
Total 2023	937,357	233,724	51,633	1,635	598	798	1,292,119		

Nykredit Realkredit Group

Mortgage lending by property type¹

	30.06.2024		31.12.2023	
	Total impairment provisions	Total earnings impact	Total impairment provisions	Total earnings impact
Owner-occupied dwellings	2,574	39	2,619	19
Private rental	723	93	566	(71)
Industry and trades	53	(7)	74	8
Office and retail	560	(74)	666	53
Agriculture	1,243	14	1,246	(166)
Public housing	12	2	26	(5)
Cooperative housing	179	(22)	198	(74)
Other	89	(7)	97	(16)
Total	5,433	38	5,492	(251)

¹ The breakdown by property type is not directly comparable with Nykredit's business areas.

Bank lending

The total credit exposure came to DKK 158.1 billion (end-2023: DKK 151.4 billion), of which DKK 12.0 billion is intercompany guarantees. Bank lending at amortised cost amounted to DKK 97.4 billion (end-2023: DKK 94.4 billion), up DKK 3 billion since the turn of the year.

Reverse repurchase lending totalled DKK 39.2 billion (end-2023: DKK 34.0 billion). Guarantees provided amounted to DKK 9.5 billion (end-2023: DKK 7.0 billion).

Bank lending

The total credit exposure breaks down as shown in the table below.

	DKK million	
Nykredit Realkredit Group		
Bank loans, advances and guarantees	30.06.2024	31.12.2023
Bank loans and advances	97,437	94,375
Reverse repurchase lending	39,204	33,965
Guarantees	9,464	6,932
Intercompany guarantees	11,970	12,127
Total	158,075	147,399

Total provisions for bank loan impairment

Provisions for bank loan impairment (exclusive of credit institutions and guarantees) totalled DKK 2,983 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	30.06.2024	31.12.2023
Individual impairment provisions (stage 3)	1,746	1,776
Model-based impairment provisions (stages 1, 2 and 3)	1,237	1,431
- of the above attributable to geopolitical tensions	740	818
Total provisions for bank loan impairment	2,983	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 44.0 billion (end-2023: DKK 42.0 billion).

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

Finance and insurance accounted for 27.8% (end-2023: 27.7%) and personal customers for 15.5% (end-2023: 17.0%) of the total credit exposure.

At end-H1, impairment provisions for loans and advances excluding credit institutions totalled DKK 3,359 million (end-2023: DKK 3,535 million) or 2.1% 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	30.06.2024			31.12.2023		
	Lending, end of period	Total impairment provisions	Earnings impact	Lending, end of period	Total impairment provisions	Earnings impact
Public sector	481	0	0	466	0	(0)
Agriculture, hunting, forestry and fishing	4,182	239	18	4,337	225	(21)
Manufacturing, mining and quarrying	19,058	782	38	14,803	730	207
Energy supply	4,553	41	15	5,059	21	(77)
Construction	3,265	140	(27)	3,375	271	(119)
Trade	15,235	717	(138)	14,454	860	210
Transport, accommodation and food service activities	7,128	297	23	6,127	245	129
Information and communication	6,108	51	(5)	5,670	58	(38)
Finance and insurance	44,017	55	(7)	41,986	61	(15)
Real estate	16,793	386	92	16,376	294	(177)
Other	12,760	219	(12)	13,042	225	(47)
Business customers, total	133,097	2,927	(2)	125,229	2,990	52
Personal customers	24,496	432	(110)	25,666	545	11
Total	158,075	3,359	(112)	151,360	3,535	64
- of which provisions for losses under guarantees etc		376	47		328	(12)
Impairment provisions for credit institutions		1	0		1	(2)
- of which intercompany guarantees and total	11,970	3,360	(112)	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.

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 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.

"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".

"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.

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 – 30 June 2024 of Nykredit Realkredit A/S and the Nykredit Realkredit 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 30 June 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 – 30 June 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, 14 August 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 Bruzen*

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

DKK million

Nykredit Realkredit Group					
	Note	H1/2024	H1/2023	Q2/2024	Q2/2023
INCOME STATEMENT					
Interest income		25,320	21,361	12,598	11,009
Interest income based on the effective interest method		4,178	3,227	2,101	1,799
Interest expenses		21,846	17,026	11,004	8,952
Net interest income	6	7,652	7,562	3,695	3,856
Dividend on equities etc	6	480	223	105	51
Fee and commission income	5	2,174	2,107	1,085	1,066
Fee and commission expenses		2,024	2,025	1,031	1,001
Net interest and fee income		8,281	7,867	3,854	3,972
Value adjustments	6, 7	2,183	1,410	1,009	499
Other operating income		924	748	463	377
Staff and administrative expenses		3,065	2,914	1,556	1,430
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets		130	164	70	82
Other operating expenses		127	132	51	61
Impairment charges for loans, advances and receivables etc	8	(84)	(115)	(31)	(81)
Profit from investments in associates and Group enterprises	10	2	2	0	1
Profit before tax		8,152	6,932	3,680	3,357
Tax		1,655	1,539	728	764
Profit for the period		6,497	5,393	2,953	2,592
Distribution of profit for the period					
Shareholder of Nykredit Realkredit A/S		6,383	5,288	2,897	2,541
Minority interests		37	28	18	13
Holders of Additional Tier 1 capital notes		77	76	38	38
Profit for the period		6,497	5,393	2,953	2,592
COMPREHENSIVE INCOME					
Profit for the period		6,497	5,393	2,953	2,592
Other comprehensive income					
Items that cannot be reclassified to profit or loss:					
Actuarial gains/losses on defined benefit plans		19	22	(1)	1
Tax on actuarial gains/losses on defined benefit plans		(5)	(6)	(0)	(0)
Fair value adjustment of owner-occupied properties		-	(2)	-	(2)
Total items that cannot be reclassified to profit or loss		14	15	(1)	(1)
Other comprehensive income		14	15	(1)	(1)
Comprehensive income for the period		6,511	5,408	2,952	2,592
Distribution of comprehensive income					
Shareholder of Nykredit Realkredit A/S		6,398	5,303	2,896	2,541
Minority interests		37	28	18	13
Holders of Additional Tier 1 capital notes		77	76	38	38
Comprehensive income for the period		6,511	5,408	2,952	2,592

Statements of income and comprehensive income

DKK million

Nykredit Realkredit A/S					
	Note	H1/2024	H1/2023	Q2/2024	Q2/2023
INCOME STATEMENT					
Interest income		22,635	18,333	11,372	9,546
Interest expenses		20,693	16,309	10,453	8,571
Net interest income		1,942	2,024	919	975
Dividend on equities etc		475	220	103	50
Fee and commission income		615	545	319	297
Fee and commission expenses		213	219	105	105
Net interest and fee income		2,818	2,570	1,236	1,217
Value adjustments	7	1,579	662	734	269
Other operating income		1,206	908	594	446
Staff and administrative expenses		1,921	1,533	972	734
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets		109	143	59	71
Other operating expenses		109	115	42	54
Impairment charges for loans, advances and receivables etc	9	(62)	(217)	(35)	(152)
Profit from investments in associates and Group enterprises	10	3,589	3,379	1,679	1,652
Profit before tax		7,115	5,945	3,206	2,877
Tax		655	580	271	298
Profit for the period		6,460	5,365	2,935	2,580
Distribution of profit for the period					
Shareholder of Nykredit Realkredit A/S		6,383	5,288	2,897	2,541
Holders of Additional Tier 1 capital notes		77	76	38	38
Profit for the period		6,460	5,365	2,935	2,580
COMPREHENSIVE INCOME					
Profit for the period		6,460	5,365	2,935	2,580
Other comprehensive income					
Items that cannot be reclassified to profit or loss:					
Actuarial gains/losses on defined benefit plans		19	22	(1)	1
Tax on actuarial gains/losses on defined benefit plans		(5)	(6)	(0)	(0)
Fair value adjustment of owner-occupied properties		-	(2)	-	(2)
Total items that cannot be reclassified to profit or loss		14	15	(1)	(1)
Other comprehensive income		14	15	(1)	(1)
Comprehensive income for the period		6,474	5,380	2,934	2,579
Distribution of comprehensive income					
Shareholder of Nykredit Realkredit A/S		6,398	5,303	2,896	2,693
Holders of Additional Tier 1 capital notes		77	76	38	(114)
Comprehensive income for the period		6,474	5,380	2,934	2,579

Balance sheets

		DKK million		
Nykredit Realkredit A/S			Nykredit Realkredit Group	
31.12.2023	30.06.2024	Note	30.06.2024	31.12.2023
ASSETS				
12,101	3,515		55,034	61,056
37,194	37,669		6,954	7,005
1,392,091	1,418,640	11	1,367,200	1,355,312
196	184	12	136,936	128,645
30,255	30,925	13	89,262	94,486
3,813	3,801	14	1,676	1,688
6,956	7,863		8,237	7,457
30	29		54	55
78,128	81,519		-	(0)
-	-	15	6,485	4,173
448	489		2,350	2,323
Land and buildings				
-	-		20	20
450	1,222		1,237	466
450	1,222		1,258	486
213	266		281	231
(0)	0		11	46
-	-		166	168
6	8		37	6
11,383	10,651		14,152	18,075
274	438		589	393
1,573,537	1,597,220		1,690,681	1,681,605

Balance sheets

DKK million

Nykredit Realkredit A/S		Nykredit Realkredit Group		
31.12.2023	30.06.2024	Note	30.06.2024	31.12.2023
LIABILITIES AND EQUITY				
10,716	7,547		12,747	12,591
-	-	16	121,342	119,825
-	-		6,485	4,173
1,378,493	1,401,338	17	1,338,457	1,334,909
56,435	59,055	18	62,071	62,360
306	302	19	8,311	7,139
130	640		1,384	300
15,864	15,909		26,481	27,694
-	-		4	4
1,461,944	1,484,791		1,577,281	1,568,994
Provisions				
6	1		1	6
177	85		368	457
13	12		12	13
-	-		376	328
109	146		384	406
305	244		1,140	1,211
10,394	10,313	20	10,313	10,394
Equity				
1,182	1,182		1,182	1,182
Accumulated value adjustments				
-	-		5	3
Other reserves				
42,546	45,936		-	-
22,142	22,142		22,142	22,142
3,227	3,227		4,885	4,885
22,637	25,622		69,895	63,521
5,400	-		-	5,400
97,134	98,110		98,110	97,134
-	-		77	112
3,759	3,761		3,761	3,759
100,893	101,871		101,947	101,006
1,573,537	1,597,220		1,690,681	1,681,605
OFF-BALANCE SHEET ITEMS				
-	-		9,464	6,932
10,202	10,687		24,081	24,209
10,202	10,687		33,544	31,141

Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	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	-	-	-	-	6,383	-	6,383	37	77	6,497
Total other comprehensive income	-	-	-	-	14	-	14	-	-	14
Total comprehensive income	-	-	-	-	6,398	-	6,398	37	77	6,511
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(2)	-	(2)	-	2	-
Changes in subsidiary equity	-	-	-	-	(20)	-	(20)	-	-	(20)
Realised from the sale of properties	-	1	-	-	(1)	-	-	-	-	-
Distributed dividend	-	-	-	-	-	(5,400)	(5,400)	(69)	-	(5,469)
Other adjustments	-	-	-	-	-	-	-	(4)	-	(4)
Equity, 30 June	1,182	5	22,142	4,885	69,895	-	98,110	77	3,761	101,947
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	-	-	-	-	5,288	-	5,288	28	76	5,393
Total other comprehensive income	-	-	-	-	15	-	15	-	-	15
Total comprehensive income	-	-	-	-	5,303	-	5,303	28	76	5,408
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(5)	-	(5)	-	5	-
Changes in subsidiary equity	-	-	-	-	(21)	-	(21)	-	-	(21)
Distributed dividend	-	-	-	-	-	(4,650)	(4,650)	(65)	-	(4,715)
Other adjustments	-	-	-	-	-	-	-	(5)	-	(5)
Equity, 30 June	1,182	3	31,878	4,849	55,677	-	93,590	72	3,756	97,418

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	-	-	3,589	-	2,795	-	6,383	77	6,460
Total other comprehensive income	-	-	-	-	14	-	14	-	14
Total comprehensive income	-	-	3,589	-	2,809	-	6,398	77	6,474
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(2)	-	(2)	2	-
Distributed dividend	-	-	-	-	-	(5,400)	(5,400)	-	(5,400)
Dividend from Group enterprises	-	-	(178)	-	178	-	-	-	-
Changes in subsidiary equity	-	-	(20)	-	-	-	(20)	-	(20)
Equity, 30 June	1,182	3,227	45,936	22,142	25,622	-	98,110	3,761	101,871
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	-	-	3,379	-	1,909	-	5,288	76	5,365
Total other comprehensive income	-	-	-	-	15	-	15	-	15
Total comprehensive income	-	-	3,379	-	1,924	-	5,303	76	5,380
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(5)	-	(5)	5	-
Distributed dividend	-	-	-	-	-	(4,650)	(4,650)	-	(4,650)
Dividend from Group enterprises	-	-	(121)	-	-	121	-	-	-
Changes in subsidiary equity	-	-	(21)	-	-	-	(21)	-	(21)
Equity, 30 June	1,182	3,203	39,106	31,878	18,100	121	93,590	3,756	97,346

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	H1/2024	H1/2023
Profit for the period	6,497	5,393
Adjustments		
Net interest income	(7,652)	(7,562)
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	130	246
Profit from investments in associates	(2)	(2)
Impairment charges for loans, advances and receivables etc	(2)	(115)
Prepayments/deferred income, net	(196)	(157)
Tax calculated on profit for the period	1,655	1,539
Other adjustments	(4,401)	161
Total	(3,971)	(498)
Change in operating capital		
Loans, advances and other receivables	(20,177)	(8,363)
Deposits and payables to credit institutions	1,673	(12,841)
Bonds in issue	3,259	16,471
Other operating capital	4,680	(4,247)
Total	(14,535)	(9,478)
Interest income received	29,159	23,541
Interest expenses paid	(21,593)	(12,081)
Corporation tax paid, net	(653)	(521)
Cash flows from operating activities	(7,623)	1,461
Cash flows from investing activities		
Acquisition of associates	1	(3)
Dividend received from associates	2	4
Purchase and sale of bonds and equities, net	5,296	(503)
Purchase of intangible assets	(83)	(108)
Purchase of property, plant and equipment	-	(35)
Sale of property, plant and equipment	895	16
Total	6,110	(629)
Cash flows from financing activities		
Distributed dividend	(5,400)	(4,720)
Payment of lease liabilities	725	(68)
Total	(4,675)	(4,788)
Total cash flows for the period	(6,188)	(3,956)
Cash and cash equivalents, beginning of period	68,061	61,242
Foreign currency translation adjustment of cash	115	(444)
Total cash flows for the period	(6,188)	(3,956)
Cash and cash equivalents, end of period	61,988	56,842
Cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	55,034	48,504
Receivables from credit institutions and central banks	6,954	8,337
Total	61,988	56,842

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Nykredit Realkredit Group

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Nykredit Realkredit Group

1. ACCOUNTING POLICIES

General

The Parent Interim Financial Statements for H1/2024 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 H1/2024 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 1 January 2024, the following new or amended reporting standards and/or interpretations, which have not impacted the financial reporting, have been implemented:

- IAS 1 (presentation of liabilities)
- IAS 7 and IFRS 7 (supplier finance arrangements)
- IFRS 16 (lease liability in a sale and leaseback)

The accounting policies 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

DKK million

Nykredit Realkredit A/S		Nykredit Realkredit Group		
31.12.2023	30.06.2024		30.06.2024	31.12.2023
2. CAPITAL AND CAPITAL ADEQUACY				
100,893	101,871	Equity for accounting purposes	101,947	101,006
-	-	Minority interests not included	(77)	(112)
(3,759)	(3,761)	Carrying amount of Additional Tier 1 capital recognised in equity	(3,761)	(3,759)
-	(3,230)	Share of profit etc for the period not included	(3,230)	-
97,134	94,880	Equity excluding Additional Tier 1 capital and minority interests	94,880	97,134
(5,400)	(2,200)	Proposed dividend	(2,200)	(5,400)
(36)	(37)	Prudent valuation adjustment	(76)	(83)
-	-	Minority interests	38	54
(306)	(263)	Intangible assets excluding deferred tax liabilities	(2,100)	(2,154)
(270)	(297)	Other regulatory adjustments	(297)	(270)
(322)	(465)	Deduction for non-performing exposures	(844)	(639)
(6,333)	(3,262)	Common Equity Tier 1 regulatory deductions	(5,479)	(8,491)
90,801	91,618	Common Equity Tier 1 capital	89,400	88,643
3,652	3,654	Additional Tier 1 capital	3,659	3,660
-	-	Additional Tier 1 regulatory deductions	-	(9)
3,652	3,654	Total Additional Tier 1 capital after regulatory deductions	3,659	3,651
94,452	95,272	Tier 1 capital	93,060	92,294
10,665	10,634	Tier 2 capital	10,642	10,676
105,117	105,906	Own funds	103,702	102,970
548,820	570,713	Credit risk	386,456	374,429
12,976	10,956	Market risk	26,633	27,981
14,032	15,118	Operational risk	34,469	30,944
575,829	596,787	Total risk exposure amount	447,558	433,354
Financial ratios				
15.7	15.3	Common Equity Tier 1 capital ratio, %	19.9	20.4
16.4	15.9	Tier 1 capital ratio, %	20.7	21.2
18.2	17.7	Total capital ratio, %	23.1	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. Moreover, upon recommendation from the Danish Systemic Risk Council, as at 30 June 2024 the Danish government has activated a sector-specific systemic risk buffer requirement of 7% of exposures to property companies in Denmark to be fulfilled using CET1 capital.

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.

	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Totalcredit Partners	Wealth Management	Group Items	Total
Results									
H1/2024									
Results by business area									
Net interest income	1,268	1,597	2,865	1,384	4,248	1,525	213	22	6,009
Net fee income	310	263	573	373	946	406	20	(14)	1,358
Wealth management income	256	69	325	101	426	-	899	17	1,342
Net interest from capitalisation	94	268	361	333	695	278	21	213	1,207
Net income relating to customer benefits programmes ¹	-	(0)	(0)	-	(0)	-	-	(278)	(278)
Trading, investment portfolio and other income	21	48	69	184	253	(3)	25	1,350	1,625
Income	1,948	2,245	4,193	2,374	6,567	2,207	1,178	1,310	11,262
Costs	1,251	659	1,910	425	2,336	404	563	19	3,322
Business profit before impairment charges	697	1,586	2,282	1,949	4,232	1,803	615	1,291	7,941
Impairment charges for loans and advances	(210)	(52)	(262)	112	(151)	98	(20)	(12)	(84)
Business profit	907	1,638	2,545	1,838	4,382	1,705	635	1,303	8,025
Legacy derivatives	3	66	69	58	127	-	-	-	127
Profit before tax	910	1,704	2,614	1,896	4,510	1,705	635	1,303	8,152
BALANCE SHEET, 30 JUNE 2024									
Assets									
Mortgage loans etc at fair value	152,233	212,746	364,980	298,046	663,026	687,859	15,942	(0)	1,366,827
Reverse repurchase lending	-	-	-	-	-	-	-	39,204	39,204
Loans and advances at amortised cost	14,494	32,225	46,719	45,400	92,119	-	5,555	58	97,732
Assets by business area	166,727	244,971	411,698	343,447	755,145	687,859	21,497	39,262	1,503,763
Unallocated assets									186,918
Total assets									1,690,681
Liabilities and equity									
Repo deposits								4,401	4,401
Bank deposits and other payables at amortised cost	50,028	30,128	80,155	14,956	95,111	-	17,012	4,818	116,941
Liabilities by business area	50,028	30,128	80,155	14,956	95,111	-	17,012	9,219	121,342
Unallocated liabilities									1,467,392
Equity									101,947
Total liabilities and equity									1,690,681

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)

	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Totalcredit Partners	Wealth Management	Group Items	Total
Results									
H1/2023									
RESULTS BY BUSINESS AREA									
Net interest income	1,373	1,560	2,933	1,269	4,202	1,547	253	3	6,005
Net fee income	333	223	556	346	902	381	20	3	1,306
Wealth management income	228	62	290	78	368	-	815	13	1,197
Net interest from capitalisation	71	200	272	226	498	200	21	173	891
Net income relating to customer benefits programmes ¹	-	0	0	-	0	-	-	(215)	(215)
Trading, investment portfolio and other income	18	46	64	267	331	(2)	21	463	813
Income	2,023	2,091	4,114	2,185	6,300	2,126	1,130	440	9,995
Costs	1,185	659	1,844	395	2,239	439	491	40	3,210
Business profit before impairment charges	838	1,432	2,270	1,790	4,061	1,687	639	399	6,786
Impairment charges for loans and advances	(59)	(214)	(273)	69	(204)	62	16	10	(115)
Business profit	897	1,646	2,543	1,721	4,264	1,625	623	389	6,900
Legacy derivatives	3	7	9	23	32	-	(0)	-	32
Profit before tax	900	1,652	2,552	1,744	4,296	1,625	623	389	6,932
BALANCE SHEET, 30 JUNE 2023									
Assets									
Mortgage loans etc at fair value	150,393	200,705	351,098	273,423	624,521	661,348	14,406	-	1,300,275
Reverse repurchase lending								32,996	32,996
Loans and advances at amortised cost	12,741	30,437	43,178	43,364	86,542	-	5,491	302	92,335
Assets by business area	163,134	231,142	394,276	316,787	711,063	661,348	19,897	33,298	1,425,606
Unallocated assets									180,641
Total assets									1,606,247
Liabilities and equity									
Repo deposits								5,068	5,068
Bank deposits and other payables at amortised cost	46,207	28,031	74,238	11,129	85,367	-	17,427	4,276	107,070
Liabilities by business area	46,207	28,031	74,238	11,129	85,367	-	17,427	9,344	112,138
Unallocated liabilities									1,396,691
Equity									97,418
Total liabilities and equity									1,606,247

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

	H1/2024			H1/2023		
	Earnings presentation in Management Commentary	Reclassification	Income statement	Earnings presentation in Management Commentary	Reclassification	Income statement
Net interest income	6,009	1,643	7,652	6,005	1,558	7,562
Dividend on equities etc		480	480		223	223
Fee and commission income, net	1,358	(1,209)	150	1,306	(1,224)	81
Net interest and fee income		914	8,281		556	7,867
Wealth management income	1,342	(1,342)	-	1,197	(1,197)	-
Net interest from capitalisation	1,207	(1,207)	-	891	(891)	-
Net income relating to customer benefits programmes	(278)	278	-	(215)	215	-
Trading, investment portfolio and other income	1,625	(1,625)	-	813	(813)	-
Value adjustments		2,183	2,183		1,410	1,410
Other operating income		924	924		748	748
Income	11,262			9,995		
Costs	3,322	-	3,322	3,210	0	3,210
Business profit before impairment charges	7,941			6,786		
Impairment charges for loans and advances etc	(84)	-	(84)	(115)	0	(115)
Profit from investments in associates and Group enterprises		2	2		2	2
Business profit	8,025			6,900		
Legacy derivatives	127	(127)	-	32	(32)	-
Profit before tax	8,152	-	8,152	6,932	-	6,932

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

H1/2024

H1/2023

5. FEE AND COMMISSION INCOME

Revenue from contracts with customers (IFRS 15) by business area

Retail	314	313
Corporates & Institutions	172	158
Totalkredit Partners	219	285
Wealth Management	1,338	1,216
Group Items	91	88
Total	2,134	2,061
Total including income from financial guarantees	2,174	2,107

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

H1/2024	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	541	143	398	-	-	398
Lending and deposits	2,886	1,291	1,595	-	(1)	1,594
Repo transactions and reverse repurchase lending	928	321	606	-	-	606
Bonds	3	-	3	-	-	3
Subordinated debt	-	235	(235)	-	-	(235)
Other financial instruments	97	34	63	-	-	63
Total	4,454	2,023	2,431	-	(1)	2,430
Financial portfolios at fair value and financial instruments at fair value						
Mortgage loans and bonds in issue	24,498	19,823	4,675	-	96	4,771
- of which administration margin income	4,617	-	4,617	-	-	4,617
Bonds	1,437	-	1,437	-	846	2,283
Equities etc	-	-	-	480	886	1,366
Derivative financial instruments	(892)	-	(892)	-	93	(798)
Other liabilities	-	-	-	-	148	148
Total	25,044	19,823	5,221	480	2,069	7,769
Foreign currency translation adjustment					115	115
Net interest income etc and value adjustments	29,498	21,846	7,652	480	2,183	10,314
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	1,002					
H1/2023						
Financial portfolios at amortised cost						
Receivables from and payables to credit institutions and central banks	257	125	133	-	-	133
Lending and deposits	2,336	641	1,695	-	(3)	1,691
Repo transactions and reverse repurchase lending	635	324	311	-	-	311
Bonds	3	-	3	-	-	3
Subordinated debt	-	216	(216)	-	-	(216)
Other financial instruments	107	34	73	-	-	73
Total	3,338	1,340	1,998	-	(3)	1,995
Financial portfolios at fair value and financial instruments at fair value						
Mortgage loans and bonds in issue	20,687	15,651	5,035	-	2	5,037
- of which administration margin income	4,857	-	4,857	-	-	4,857
Bonds	1,095	-	1,095	-	1,161	2,255
Equities etc	-	-	-	223	212	435
Derivative financial instruments	(566)	-	(566)	-	(29)	(595)
Total	21,215	15,651	5,564	223	1,345	7,132
Foreign currency translation adjustment					68	68
Net interest income etc and value adjustments	24,553	16,991	7,562	223	1,410	9,195
Negative interest income	5	5	-			
Positive interest expenses	29	29	-			
Total	24,588	17,025	7,562			
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	790					

Notes

DKK million

Nykredit Realkredit A/S		Nykredit Realkredit Group	
H1/2023	H1/2024	H1/2024	H1/2023

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
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total impairment provisions										
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	1,316	1,353	771	1,037	0	10	228	138	2,315	2,538
Releases as a result of redemptions and change in credit risk	1,253	1,496	927	993	10	2	180	148	2,371	2,638
Impairment provisions written off	120	137	101	29	-	-	-	-	221	166
Other adjustments and interest from impaired facilities	-	-	34	31	-	-	-	-	34	31
Transferred to "Impairment provisions for properties acquired by foreclosure"	(2)	(1)	-	-	-	-	-	-	(2)	(1)
Total impairment provisions	5,433	5,639	2,983	3,178	19	27	376	330	8,811	9,174
Earnings impact										
Change in impairment provisions for loans and advances (stages 1-3)	63	(142)	(156)	44	(10)	9	47	(11)	(56)	(100)
Write-offs for the period, not previously written down for impairment	35	55	13	4	-	-	-	-	47	59
Recoveries on claims previously written off	(34)	(38)	(10)	(19)	-	-	-	-	(44)	(56)
Total	64	(125)	(154)	30	(10)	9	47	(11)	(52)	(97)
Value adjustment of assets in temporary possession	3	3	-	-	-	-	-	-	3	3
Value adjustment of claims previously written off	9	11	(6)	7	-	-	-	-	3	18
Losses offset, in accordance with partnership agreement ²	(38)	(38)	-	-	-	-	-	-	(38)	(38)
Earnings impact	38	(149)	(160)	37	(10)	9	47	(11)	(84)	(115)

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	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	438	(411)	(27)	125	(117)	(8)	34	(34)	(0)	-	
Transfer to stage 2	(30)	144	(114)	(21)	80	(59)	(4)	9	(6)	-	
Transfer to stage 3	(3)	(60)	63	(7)	(57)	64	(0)	(11)	12	-	
Impairment provisions for new loans and advances (additions)	103	140	50	50	113	32	13	43	7	550	
Additions as a result of change in credit risk	226	489	309	101	244	232	4	31	129	1,765	
Releases as a result of change in credit risk	607	300	346	235	370	332	67	81	33	2,371	
Previously written down for impairment, now written off	-	-	120	0	0	101	-	-	-	221	
Other adjustments and interest from impaired facilities	-	-	(2)	-	-	34	-	-	-	32	
Total impairment provisions, end of period	1,999	1,648	1,786	443	996	1,563	47	145	184	8,811	
Total, end of period	5,433			3,002			376			8,811	
Impairment provisions, end of period, are moreover attributable to:											
Credit institutions				19	-	-					19
Earnings impact, H1/2024	(279)	329	13	(85)	(13)	(68)	(49)	(6)	103	(56)	

	Loans and advances at fair value			Loans and advances at amortised cost			Guarantees etc			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Total, 1 January 2023	2,116	1,521	2,281	399	914	1,837	75	190	75	9,409
Transfer to stage 1	484	(429)	(55)	214	(202)	(11)	43	(42)	(0)	-
Transfer to stage 2	(48)	212	(164)	(56)	94	(37)	(6)	9	(3)	-
Transfer to stage 3	(4)	(73)	77	(1)	(98)	100	(0)	(4)	4	-
Impairment provisions for new loans and advances (additions)	77	160	85	93	140	49	14	22	8	646
Additions as a result of change in credit risk	185	490	356	171	357	238	13	68	13	1,892
Releases as a result of change in credit risk	850	314	331	299	254	441	59	75	15	2,638
Previously written down for impairment, now written off	-	-	137	-	-	29	-	-	-	166
Other adjustments and interest from impaired facilities	-	-	(1)	-	-	31	-	-	-	31
Total impairment provisions, end of period	1,959	1,567	2,112	519	951	1,736	80	168	82	9,174
Total, end of period	5,639			3,205			330			9,174
Impairment provisions, end of period, are moreover attributable to:										
Credit institutions				27	-	-				27
Earnings impact, H1/2023	(588)	336	110	(36)	243	(155)	(32)	15	6	(100)

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

30 June 2024	Stage 1	Stage 2	Stage 3	Total
Loans and advances at fair value, gross				
Loans and advances at fair value, gross	1,311,640	46,945	14,049	1,372,633
Total impairment provisions, end of period	1,999	1,648	1,786	5,433
Value, end of period	1,309,641	45,297	12,262	1,367,200
Loans and advances at amortised cost excluding credit institutions, gross				
Loans and advances at amortised cost excluding credit institutions, gross	112,935	23,618	3,366	139,919
Total impairment provisions, end of period	424	996	1,563	2,983
Value, end of period	112,511	22,622	1,803	136,936
Guarantees etc				
Guarantees etc	32,836	3,084	299	36,219
Total impairment provisions, end of period	47	145	184	376
Value, end of period	32,789	2,939	115	35,843
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						
Balance, 1 January	3,770	4,232	17	11	3,787	4,243
New impairment provisions as a result of additions and change in credit risk	681	679	-	4	681	683
Releases as a result of redemptions and change in credit risk	743	914	5	-	748	914
Impairment provisions written off	61	83	-	-	61	84
Transferred to "Impairment provisions for properties acquired by foreclosure"	-	(1)	-	-	-	(1)
Total impairment provisions	3,646	3,912	12	15	3,658	3,927
Earnings impact						
Change in impairment provisions for loans and advances (stages 1-3)	(63)	(236)	(5)	4	(68)	(232)
Write-offs for the period, not previously written down for impairment	13	28	-	-	13	28
Recoveries on claims previously written off	(20)	(22)	-	-	(20)	(22)
Total	(69)	(230)	(5)	4	(74)	(226)
Value adjustment of assets in temporary possession	1	3	-	-	1	3
Value adjustment of claims previously written off	11	6	-	-	11	6
Earnings impact	(57)	(221)	(5)	4	(62)	(217)

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	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	230	(218)	(12)	-
Transfer to stage 2	(23)	89	(66)	-
Transfer to stage 3	(2)	(31)	34	-
Impairment provisions for new loans and advances (additions)	93	121	36	250
Additions as a result of change in credit risk	133	182	116	431
Releases as a result of change in credit risk	330	175	243	748
Previously written down for impairment, now written off	-	-	61	61
Total impairment provisions, end of period	1,477	904	1,278	3,658
Impairment provisions, end of period, are moreover attributable to:				
Credit institutions	12			12
Earnings impact, H1/2024	(104)	128	(92)	(68)

	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	306	(260)	(47)	-
Transfer to stage 2	(39)	163	(124)	-
Transfer to stage 3	(4)	(45)	48	-
Impairment provisions for new loans and advances (additions)	66	130	68	264
Additions as a result of change in credit risk	42	218	159	419
Releases as a result of change in credit risk	477	199	238	914
Previously written down for impairment, now written off	-	-	83	83
Other adjustments and interest from impaired facilities	-	-	(1)	(1)
Total impairment provisions, end of period	1,372	980	1,575	3,927
Impairment provisions, end of period, are moreover attributable to:				
Credit institutions	15	-	0	15
Earnings impact, H1/2023	(369)	149	(11)	(232)

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

30 June 2024	Stage 1	Stage 2	Stage 3	Total
Loans and advances at fair value, gross				
Loans and advances at fair value, gross	508,329	26,880	8,231	543,440
Total impairment provisions, end of period	1,465	904	1,278	3,646
Value, end of period	506,865	25,976	6,953	539,794

End-2023	Stage 1	Stage 2	Stage 3	Total
Loans and advances at fair value, gross				
Loans and advances 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
Value, end of period	504,774	25,909	6,157	536,839

Notes

		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
H1/2023	H1/2024	H1/2024	H1/2023
9. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC (CONTINUED)			
9 d. Impairment provisions for properties acquired by foreclosure			
18	20	20	18
	Impairment provisions, beginning of period		
1	- Transfer from impairment provisions for loans and advances	2	1
3	1 Impairment provisions for the period	4	3
-	(0) Impairment provisions reversed	(0)	-
(1)	- Impairment provisions written off and other disposals	-	(1)
20	21	25	20
	Impairment provisions, end of period		
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)	(1) Profit from investments in associates	2	2
3,379	3,589 Profit from investments in Group enterprises	-	-
3,379	3,589	2	2
	Total		

Notes

		DKK million		
Nykredit Realkredit A/S		Nykredit Realkredit Group		
31.12.2023	30.06.2024		30.06.2024	31.12.2023
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
536,656	539,542	Mortgage loans	1,366,827	1,354,987
184	252	Arrears and outlays	373	325
855,252	878,846	Totalkredit mortgage loan funding	-	(0)
1,392,091	1,418,640	Total	1,367,200	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	30,724	New loans	98,588	220,887
1,320	64	Indexation	64	1,320
-	(852)	Foreign currency translation adjustment	(852)	-
(14,885)	(8,145)	Ordinary principal payments	(17,411)	(31,414)
(33,248)	(16,558)	Prepayments and extraordinary principal payments	(67,433)	(180,422)
561,773	567,006	Balance, end of period, nominal value	1,453,218	1,440,262
-	-	Loans transferred relating to properties in temporary possession	(1)	-
561,773	567,006	Total	1,453,217	1,440,262
(21,432)	(23,894)	Adjustment for interest rate risk etc	(81,079)	(79,912)
Adjustment for credit risk				
3,686	3,570	Impairment provisions	5,311	5,363
536,656	539,542	Balance, end of period, fair value	1,366,827	1,354,987
As collateral for loans and advances, Nykredit has received mortgages over real estate and:				
73,435	74,794	Supplementary guarantees totalling	92,362	103,422
2,057	2,040	Interim loan guarantees totalling	14,301	24,725
724	742	Mortgage registration guarantees etc totalling	15,563	14,885
11 b. Arrears and outlays				
241	309	Arrears before impairment provisions	480	425
27	21	Outlays before impairment provisions	15	28
84	77	Individual impairment provisions for arrears and outlays	122	128
184	252	Total	373	325
11 c. Totalkredit mortgage loan funding				
913,291	913,825	Balance, beginning of period, nominal value	-	-
238,683	123,662	New loans	-	-
(15,187)	(6,593)	Ordinary principal payments	-	-
(222,962)	(94,780)	Prepayments and extraordinary principal payments	-	-
913,825	936,115	Balance, end of period, nominal value	-	-
(58,573)	(57,269)	Adjustment for interest rate risk	-	-
855,252	878,846	Balance, end of period, fair value	-	-

Notes

		DKK million		
Nykredit Realkredit A/S		Nykredit Realkredit Group		
31.12.2023	30.06.2024		30.06.2024	31.12.2023
		12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST		
-	-	Bank loans and advances	100,420	97,582
4	4	Totalkredit mortgage loan funding	-	-
-	-	Mortgage loans	4	4
-	-	Reverse repurchase lending	39,204	33,965
192	179	Other loans and advances	291	301
196	184	Balance, end of period	139,919	131,852
		Adjustment for credit risk		
-	-	Impairment provisions	2,983	3,207
196	184	Balance after impairment provisions, end of period	136,936	128,645
		The fair value of loans, advances and other receivables at amortised cost came to DKK 137 billion (end-2023: DKK 129 billion)		
		13. BONDS AT FAIR VALUE		
51,324	37,077	Self-issued SDOs	101,591	94,972
13,555	12,781	Self-issued ROs	13,444	15,988
8,034	7,945	Self-issued senior debt	7,977	8,041
21,392	22,853	Other covered bonds	79,579	83,207
4,469	4,320	Government bonds	5,296	6,333
4,394	3,753	Other bonds	4,355	4,938
103,168	88,728	Total	212,242	213,480
(51,320)	(37,073)	Set-off of self-issued SDOs against "Bonds in issue at fair value"	(101,587)	(94,968)
(4)	(4)	Set-off of self-issued SDOs against "Bonds in issue at amortised cost"	(4)	(4)
(13,555)	(12,781)	Set-off of self-issued ROs against "Bonds in issue at fair value"	(13,444)	(15,988)
(8,034)	(7,945)	Set-off of self-issued senior debt against "Bonds in issue at fair value"	(7,945)	(8,034)
30,255	30,925	Total	89,262	94,486
		Of bonds at fair value before set-off of self-issued bonds:		
-	340	As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of	5,462	6,193
		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	960	Other covered bonds	960	967
587	583	Government bonds	583	587
2,259	2,259	Other bonds	134	134
3,813	3,801	Total	1,676	1,688

For the Nykredit Realkredit Group, the fair value of bonds measured at amortised cost for accounting purposes amounted to DKK 1,664 million at 30 June 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	30.06.2024	30.06.2024	31.12.2023	
15. ASSETS IN POOLED SCHEMES				
-	-	Cash deposits	466	208
-	-	Investment fund units	6,054	4,041
-	-	Other items	(34)	(77)
-	-	Total	6,485	4,173
16. DEPOSITS AND OTHER PAYABLES				
-	-	On demand	94,152	92,559
-	-	Time deposits	19,825	18,672
-	-	Special deposits	2,964	2,977
-	-	Repo deposits	4,401	5,618
-	-	Total	121,342	119,825
17. BONDS IN ISSUE AT FAIR VALUE				
112,262	107,197	ROs	109,493	114,759
1,330,395	1,343,363	SDOs	1,343,363	1,330,395
8,744	8,576	Senior secured debt	8,576	8,744
1,451,402	1,459,136	Total	1,461,433	1,453,899
(72,909)	(57,798)	Set off, self-issued bonds	(122,975)	(118,990)
1,378,493	1,401,338	Total	1,338,457	1,334,909
17 a. ROs				
110,640	106,355	ROs at nominal value	108,567	113,043
1,622	842	Fair value adjustment	926	1,716
112,262	107,197	ROs at fair value	109,493	114,759
(13,555)	(12,781)	Self-issued ROs	(13,444)	(15,988)
98,707	94,416	Total	96,049	98,771
1,908	1,479	Of which pre-issuance	1,479	1,908
3,454	1,336	ROs redeemed and maturing at next creditor payment date	1,336	3,541
17 b. SDOs				
1,412,023	1,425,368	SDOs at nominal value	1,425,368	1,412,023
(81,627)	(82,005)	Fair value adjustment	(82,005)	(81,627)
1,330,395	1,343,363	SDOs at fair value	1,343,363	1,330,395
(51,320)	(37,073)	Self-issued SDOs	(101,587)	(94,968)
1,279,076	1,306,290	Total	1,241,776	1,235,428
8,453	7,419	Of which pre-issuance	7,419	8,453
55,988	54,967	SDOs redeemed and maturing at next creditor payment date	54,967	55,988

Notes

		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
31.12.2023	30.06.2024	30.06.2024	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	(36)	(36)	59
8,744	8,576	8,576	8,744
Senior secured debt at fair value			
(8,034)	(7,945)	(7,945)	(8,034)
710	632	632	710
Total			
18. BONDS IN ISSUE AT AMORTISED COST			
-	-	5,140	8,050
5	4	4	5
56,366	58,982	58,982	56,366
69	73	73	69
56,439	59,059	64,200	64,489
Total			
-	-	(2,125)	(2,125)
(4)	(4)	(4)	(4)
56,435	59,055	62,071	62,360
Total			
For the Nykredit Realkredit Group, the fair value of bonds in issue at amortised cost amounted to DKK 61 billion (end-2023: DKK 61 billion)			
19. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE			
306	302	8,311	7,139
306	302	8,311	7,139
Total			

Notes

		DKK million	
Nykredit Realkredit A/S		Nykredit Realkredit Group	
31.12.2023	30.06.2024	30.06.2024	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	671	655	671
Nominally EUR 500 million. The loan matures on 28 July 2031, but may be redeemed at par (100) from 28 April 2026 to (and including) 28 July 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	3,450	3,466	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	3,732	3,672	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 subsequent interest payment date 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	193	187	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 subsequent interest payment date up to and including 17 October 2032. The loan rate will be fixed every three months.			
1,025	1,025	1,011	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	10,313	10,313	10,394
Total subordinate loan capital			
Subordinated debt that may be included in own funds			
10,665	10,634	10,642	10,676

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 H1 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 30 June 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. This amount totalled DKK 29.4 billion at 30 June 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 benefit. 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 58 million at 30 June 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 30 June 2024, the non-amortised minimum margin amounted to DKK 112 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 138 million at end-June 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 came to DKK 17 million at 30 June 2024 (end-2023: DKK 275 million). Credit value adjustments came to DKK 177 million at 30 June 2024 (end-2023: DKK 263 million).

Notes

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 9 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 30 June 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 384 million at 30 June 2024 (0.38% of equity at 30 June 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 30 June 2024, financial assets of DKK 3.8 billion (end-2023: DKK 2.0 billion) have been transferred from Listed prices to Observable inputs and DKK 2.9 billion (end-2023: DKK 8.7 billion) from Observable inputs to Listed prices. Financial liabilities of DKK 0.3 billion (end-2023: DKK 0.4 billion) were transferred from Listed prices to Observable inputs and DKK 0.1 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 30 June 2024, the amount was DKK 5.4 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.

Notes

DKK million

Nykredit Realkredit Group

22. FAIR VALUE DISCLOSURES (CONTINUED)

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

30 June 2024

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
Financial assets:				
- bonds at fair value	4,856	84,406	-	89,262
- equities measured at fair value through profit or loss	4,434	-	3,804	8,237
- positive fair value of derivative financial instruments	63	5,388	17	5,468
- mortgage loans, arrears and outlays	-	1,367,200	-	1,367,200
- owner-occupied properties	-	-	20	20
- assets in pooled schemes	6,054	431	-	6,485
Total	15,406	1,457,427	3,841	1,476,673
Percentage	1.0	98.7	0.3	100.0
Financial liabilities:				
- deposits in pooled schemes	-	6,485	-	6,485
- other non-derivative financial liabilities at fair value	1,008	7,302	-	8,311
- negative fair value of derivative financial instruments	139	6,288	-	6,427
- bonds in issue at fair value	1,337,805	652	-	1,338,457
Total	1,338,953	20,727	-	1,359,680
Percentage	98.5	1.5	-	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)	3	74	76
Purchases for the period	-	72	-	72
Sales for the period	-	(187)	(3)	(190)
Transferred from Listed prices and Observable inputs ¹	-	-	2	2
Transferred to Listed prices and Observable inputs ²	-	-	(331)	(331)
Fair value, end of period, assets	20	3,804	17	3,841

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.

Notes

DKK million

Nykredit Realkredit Group

22. FAIR VALUE DISCLOSURES (CONTINUED)

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

31 December 2023

Financial assets:	Listed prices	Observable inputs	Unobservable inputs	Total fair value
- bonds at fair value	8,782	85,704	-	94,486
- equities measured at fair value through profit or loss	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	100.0

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	1,334,177	731	-	1,334,909
Total	1,334,892	20,145	-	1,355,037
Percentage	98.5	1.5	-	100.0

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.

Notes

DKK million

Nykredit Realkredit Group	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
23. FIVE-YEAR FINANCIAL HIGHLIGHTS					
SUMMARY INCOME STATEMENT					
Net interest income	7,652	7,562	5,800	5,659	5,586
Net fee income etc	629	305	65	210	105
Net interest and fee income	8,281	7,867	5,865	5,869	5,691
Value adjustments	2,183	1,410	1,214	1,768	(28)
Other operating income	924	748	802	731	698
Staff and administrative expenses	3,065	2,914	2,819	2,683	2,581
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	130	164	146	159	147
Other operating expenses	127	132	126	143	106
Impairment charges for loans, advances and receivables etc	(84)	(115)	(226)	89	1,755
Profit from investments in associates and Group enterprises	2	2	2	4	4
Profit before tax	8,152	6,932	5,018	5,298	1,775
Tax	1,655	1,539	959	943	205
Profit for the period	6,497	5,393	4,059	4,355	1,570
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
Assets					
Cash balances and receivables from credit institutions and central banks	61,988	56,841	47,274	47,978	32,698
Mortgage loans at fair value	1,366,827	1,300,275	1,298,081	1,357,294	1,313,138
Bank loans excluding reverse repurchase lending	97,437	92,023	86,022	70,844	67,014
Bonds and equities etc	99,176	100,765	95,989	103,515	114,005
Remaining assets	65,254	56,343	61,068	75,042	71,048
Total assets	1,690,681	1,606,247	1,588,434	1,654,673	1,597,903
Liabilities and equity					
Payables to credit institutions and central banks	12,747	16,529	22,865	13,029	14,445
Deposits and other payables	127,827	114,724	102,987	98,440	97,171
Bonds in issue at fair value	1,338,457	1,275,043	1,267,818	1,349,776	1,313,990
Subordinated debt	10,313	9,998	10,419	10,806	10,951
Remaining liabilities	99,389	92,535	91,234	90,843	75,540
Equity	101,947	97,418	93,111	91,779	85,806
Total liabilities and equity	1,690,681	1,606,247	1,588,434	1,654,673	1,597,903
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	9,464	8,823	9,962	10,029	6,774
Other commitments	24,081	21,225	21,109	21,496	27,599
FINANCIAL RATIOS¹					
Total capital ratio, %	23.1	23.5	23.7	24.0	23.2
Tier 1 capital ratio, %	20.7	20.6	20.7	21.0	20.1
Return on equity before tax, %	8.0	7.1	5.4	5.8	2.1
Return on equity after tax, %	6.4	5.6	4.3	4.8	1.8
Income/cost ratio	3.5	3.2	2.8	2.7	1.4
Foreign exchange position, %	0.0	0.0	0.0	0.0	0.1
Loans and advances/equity (loan gearing)	14.8	14.6	15.3	16.0	16.5
Growth in loans and advances for the period, %	1.05	0.4	2.9	2.6	2.4
Impairment charges for the period, %	(0.00)	(0.01)	(0.01)	0.01	0.12
Return on capital employed, %	0.38	0.34	0.18	0.26	0.10

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

Notes

	DKK million				
Nykredit Realkredit A/S	H1/ 2024	H1/ 2023	H1/ 2022	H1/ 2021	H1/ 2020
23. FIVE-YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
SUMMARY INCOME STATEMENT					
Net interest income	1,942	2,024	1,986	1,990	2,003
Net fee income etc	876	546	421	363	359
Net interest and fee income	2,818	2,570	2,407	2,354	2,362
Value adjustments	1,579	662	(147)	857	(165)
Other operating income	1,206	908	890	721	639
Staff and administrative expenses	1,921	1,533	1,579	1,474	1,407
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	109	143	125	142	126
Other operating expenses	109	115	109	130	79
Impairment charges for loans, advances and receivables etc	(62)	(217)	(508)	(76)	1,230
Profit from investments in associates	3,589	3,379	2,576	2,477	1,499
Profit before tax	7,115	5,945	4,420	4,739	1,493
Tax	655	580	388	401	(63)
Profit for the period	6,460	5,365	4,032	4,338	1,556
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2024	30.06.2023	30.06.2022	30.06.2021	30.06.2020
Assets					
Cash balances and receivables from credit institutions and central banks	41,185	40,421	37,500	50,761	39,726
Mortgage loans at fair value	539,542	520,938	510,011	526,028	532,833
Totalkredit mortgage loan funding	878,846	828,961	831,274	886,576	821,123
Bonds and equities etc	42,589	42,392	36,953	36,286	42,521
Remaining assets	95,058	86,205	77,787	71,434	66,513
Total assets	1,597,220	1,518,917	1,493,525	1,571,084	1,502,715
Liabilities and equity					
Payables to credit institutions and central banks	7,547	11,934	3,532	2,021	1,117
Deposits and other payables	-	-	-	-	10,200
Bonds in issue	1,401,338	1,335,082	1,325,156	1,400,389	1,346,213
Subordinated debt	10,313	9,998	10,434	10,806	10,970
Remaining liabilities	76,151	64,558	61,368	66,172	48,490
Equity	101,871	97,346	93,034	91,694	85,726
Total liabilities and equity	1,597,220	1,518,917	1,493,525	1,571,084	1,502,715
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	10,687	7,422	8,909	10,884	12,857
FINANCIAL RATIOS¹					
Total capital ratio, %	17.7	18.1	19.0	19.8	19.6
Tier 1 capital ratio, %	15.9	15.9	16.6	17.3	17.1
Return on equity before tax, %	7.0	6.1	4.7	5.2	1.8
Return on equity after tax, %	6.4	5.5	4.3	4.8	1.8
Income/cost ratio	4.4	4.8	4.4	3.8	1.5
Foreign exchange position, %	0	0	0.0	0.0	0.1
Loans and advances/equity (loan gearing)	5.3	5.4	5.5	5.7	6.2
Growth in loans and advances for the period, %	0.9	0.7	1.7	(0.7)	0.1
Impairment charges for the period, %	(0.0)	(0.0)	(0.1)	(0.0)	0.2
Return on capital employed, %	0.40	0.35	0.27	0.28	0.10

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

Nykredit Realkredit A/S
Sundkrogsgade 25
DK-2150 Nordhavn