



**Nykredit Group**

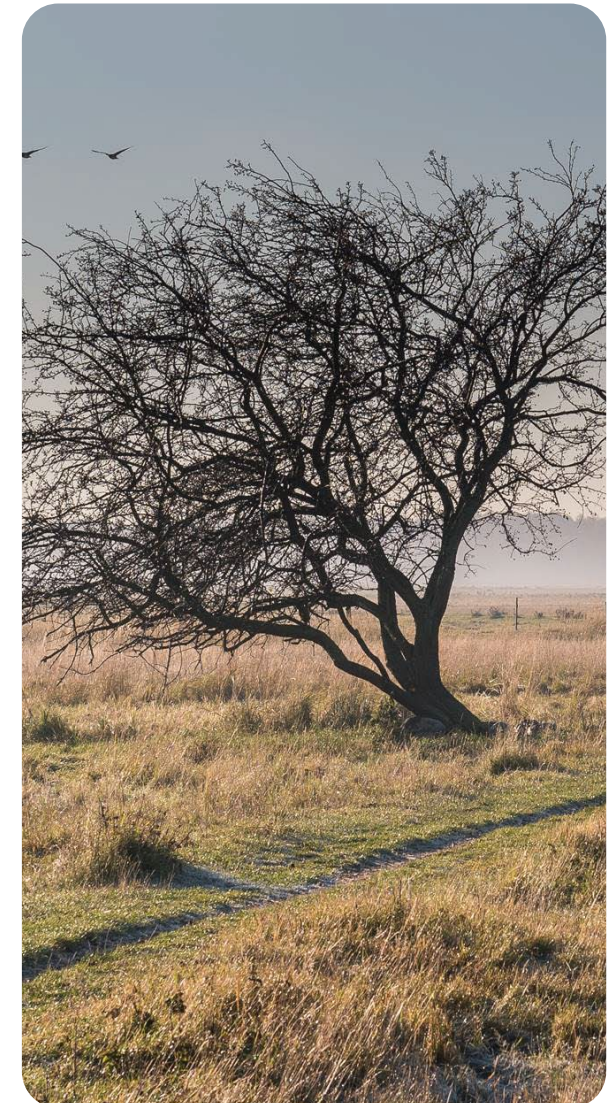
**Q1-Q3 Interim Report 2024**

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# **Management Commentary**



# Foreword

*"Today, we present Nykredit's strongest financial results ever recorded for the first nine months of the year, and at the same time we have raised our full-year profit guidance. Thanks to our mutual ownership and attractive prices on our value propositions, we continue to welcome new customers. As a result, Nykredit has never been stronger. I want to thank our customers for trusting Nykredit with their financial needs and all of my colleagues for their strong dedication and loyalty."*

Michael Rasmussen  
Group Chief Executive

Today, we present Nykredit's strongest financial results ever recorded for the first nine months of the year. At the same time we have raised our full-year guidance to a profit after tax of DKK 11.00-11.75 billion. This means that we expect profit for the year to exceed the level in 2023, the best year in Nykredit's history. For the fourth consecutive year, we are set to deliver our best full-year performance to date. This only goes to show that Nykredit is stronger than ever.

We have recorded business growth and expanded our market position in 2024. In Totalcredit, Nykredit Bank and our wealth management division, we continue to welcome new customers. We would like to thank our customers for trusting Nykredit with their financial needs and our colleagues all across the Group for their strong dedication and loyalty, which underlie our strong performance.

The final full-year financial results will in part depend on the global economic outlook, which is still marked by some uncertainty. This uncertainty is primarily driven by a generally tense geopolitical landscape, where unrest in the Middle East may continue to adversely affect global markets. At the same time, the impact of the US elections on the global economy is subject to uncertainty. We also anticipate increased volatility in financial markets, and all this adds uncertainty about the economy and our operating conditions.

## Danish homeowners and Totalcredit are in good shape

The Danish economy remains robust. Inflation is low, employment is high, and Danish households are resilient. We therefore expect decent growth in the Danish economy and increasing activity in large parts of the housing market in the near term. Totalcredit 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, which makes for low home loan rates for customers and a diverse selection of loan options. Many Danes continue to see growth in real wages, and both customers and Totalcredit are on a firm financial footing.

Totalcredit has navigated well through high inflation and interest rate rises in recent years. Totalcredit's success relies on our strong alliance with competent local partner banks throughout Denmark that

possess deep customer knowledge and provide sound, local advisory services. Combined with our strong customer-ownership structure, this has contributed to Totalcredit's current position of strength. We look forward to continuing our excellent collaboration.

In Q3 we entered into an agreement with the Danish Competition and Consumer Authority on the Totalcredit partnership agreement. We are pleased that there is now clarity about the conditions for the Totalcredit partnership. It has been imperative for us to reach an agreement that provides the best possible foundation for continuing our strong, long-term partnership with the Totalcredit partner banks. Together with the partner banks, we will look at ways to modernise our partnership so that we remain able to offer the best and most attractive home loans in the market to Danish homeowners all over the country.

Together with the other Totalcredit partner banks, we provide attractive home financing throughout the country, also in peripheral Denmark and areas challenged by climate change. Totalcredit currently offers a number of tools, for example for energy optimisation, and this autumn we have also started offering customers guidance on how to climate-proof their homes. We continuously enhance our green products 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 through various customer benefits.

This year, Nykredit's majority shareholder, Forenet Kredit, decided to give back a total of DKK 1.725 billion to Nykredit and Totalcredit; money that will benefit customers in the form of KundeKroner discounts and other benefits.



In early 2024, we raised the KundeKroner discount on administration margin payments to 0.20% from 0.15%, making it even more affordable 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 number of loan products by 0.75 percentage points, making it even more attractive for personal and business customers alike to bank with Nykredit. Full-service customers are currently offered a 1% loan rate, and with BoligRabat it is possible for first-time homebuyers to obtain a rate of 3.75% on home purchases. Thanks to our mutual ownership structure, we can differentiate our pricing from that of other banks and mortgage lenders, offering our customers attractive deposit and loan rates. And by offering 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 customer-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 customer-owned financial provider, we take pride in sharing our success with our 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. Our customer ownership structure comes with a unique responsibility that we strive to fulfil every day. We are firmly 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 not only receive excellent financial advice but also get reliable and competent advice on green initiatives. 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. 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 easier for our customers to climate-proof their homes. With loan rates at 1.5%, homeowners can now obtain affordable financing for energy renovation and climate adaptation. In this way, we want to make it easy and attractive for our customers to climate-proof their homes.

In 2024, 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 achieve the targets on our own. We will therefore strive to reach our targets while continuing 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 2024, 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 to provide our customers with premium advisory services – physically as well as digitally.

#### **Winning the Double 2.0 sets the course for Nykredit**

The financial results for Q3/2024 once again confirm that our Group strategy, Winning the Double 2.0, is setting 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 continuing to demonstrate 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



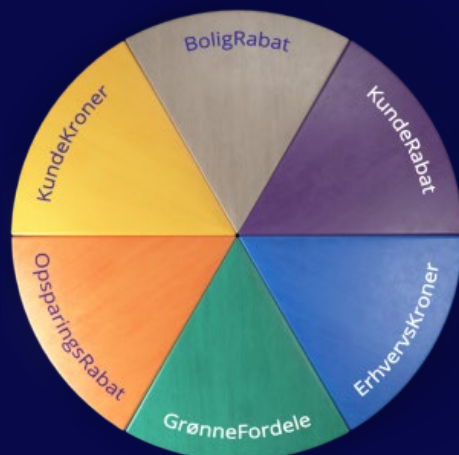
## Together we are more

At Nykredit<sup>1</sup>, 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 the Nykredit Group 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 customers of Nykredit as well as Totalkredit. Read more about our customer benefits at [nykredit.com](https://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 for future contributions to the Nykredit Group, serving as a guarantee to customers that they may receive KundeKroner and other benefits for the next four years.

#### 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



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



# Financial highlights



Income  
DKK **16,228** million  
(Q1-Q3/2023: DKK 15,286 million)



Costs  
DKK **5,040** million  
(Q1-Q3/2023: DKK 4,805 million)



Profit for the period  
DKK **8,958** million  
(Q1-Q3/2023: DKK 8,328 million)

DKK million

Nykredit Group	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	
<b>BUSINESS PROFIT AND PROFIT FOR THE PERIOD</b>							
Net interest income	8,992	9,106	2,983	2,998	3,011	3,101	12,305
Net fee income	2,011	1,950	652	630	728	644	2,789
Wealth management income	2,004	1,785	662	673	668	588	2,368
Net interest from capitalisation	1,849	1,312	642	609	597	421	1,719
Net income relating to customer benefits programmes <sup>1</sup>	(428)	(291)	(151)	(142)	(135)	(76)	(404)
Trading, investment portfolio and other income	1,802	1,423	177	482	1,143	610	1,625
<b>Income</b>	<b>16,228</b>	<b>15,286</b>	<b>4,966</b>	<b>5,250</b>	<b>6,012</b>	<b>5,290</b>	<b>20,402</b>
Costs	5,040	4,805	1,716	1,678	1,647	1,592	6,560
<b>Business profit before impairment charges</b>	<b>11,188</b>	<b>10,480</b>	<b>3,251</b>	<b>3,572</b>	<b>4,365</b>	<b>3,697</b>	<b>13,842</b>
Impairment charges for loans and advances	(141)	(141)	(57)	(31)	(53)	(26)	(177)
<b>Business profit</b>	<b>11,329</b>	<b>10,621</b>	<b>3,308</b>	<b>3,603</b>	<b>4,418</b>	<b>3,723</b>	<b>14,019</b>
Legacy derivatives	102	143	(25)	75	52	111	59
<b>Profit before tax</b>	<b>11,431</b>	<b>10,764</b>	<b>3,283</b>	<b>3,679</b>	<b>4,470</b>	<b>3,834</b>	<b>14,078</b>
Tax	2,473	2,435	819	728	926	897	3,191
<b>Profit for the period</b>	<b>8,958</b>	<b>8,328</b>	<b>2,463</b>	<b>2,951</b>	<b>3,544</b>	<b>2,938</b>	<b>10,887</b>
Other comprehensive income, remaining items	7	8	(8)	(1)	15	(7)	5
<b>Comprehensive income for the period</b>	<b>8,965</b>	<b>8,337</b>	<b>2,456</b>	<b>2,951</b>	<b>3,558</b>	<b>2,931</b>	<b>10,892</b>
Interest on Additional Tier 1 capital charged against equity	115	115	39	38	38	39	154
Minority interests	60	45	22	18	19	17	65

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



## Balance sheet and financial ratios



Profit after tax as % of average equity (RoE)  
**12.0%**  
(end-2023: 11.4%)



Cost/income ratio  
**31.1%**  
(end-2023: 32.2%)



People (FTE)  
**3,882**  
(end-2023: 3,973)

DKK million

Nykredit Group	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	FY 2023
Summary balance sheet							
<b>ASSETS</b>							
Receivables from credit institutions and central banks	60,723	59,058	60,723	61,988	59,689	59,058	68,061
Mortgage loans at fair value	1,406,234	1,305,477	1,406,234	1,366,827	1,357,741	1,305,477	1,354,987
Bank loans excluding reverse repurchase lending	99,933	92,235	99,933	97,437	94,546	92,235	94,375
Bonds and equities	99,849	101,361	99,849	99,176	103,132	101,361	103,631
Remaining assets	70,234	56,859	70,234	65,259	59,093	56,859	60,554
<b>Total assets</b>	<b>1,736,974</b>	<b>1,614,990</b>	<b>1,736,974</b>	<b>1,690,686</b>	<b>1,674,201</b>	<b>1,614,990</b>	<b>1,681,608</b>
<b>LIABILITIES AND EQUITY</b>							
Payables to credit institutions and central banks	15,299	14,545	15,299	12,747	14,890	14,545	12,591
Deposits excluding repo deposits	118,708	107,536	118,708	127,808	107,006	107,536	114,184
Bonds in issue at fair value	1,375,540	1,284,229	1,375,540	1,338,457	1,335,743	1,284,229	1,334,909
Subordinated debt	10,458	10,096	10,458	10,313	10,280	10,096	10,394
Remaining liabilities	114,744	100,058	114,744	99,392	107,094	100,058	108,502
Equity	102,224	98,526	102,224	101,969	99,187	98,526	101,029
<b>Total liabilities and equity</b>	<b>1,736,974</b>	<b>1,614,990</b>	<b>1,736,974</b>	<b>1,690,686</b>	<b>1,674,201</b>	<b>1,614,990</b>	<b>1,681,608</b>
<b>FINANCIAL RATIOS</b>							
Profit for the period as % pa of average equity <sup>1</sup>	12.0	11.7	9.8	12.0	14.5	12.2	11.4
Cost/income ratio (C/I), %	31.1	31.4	34.5	32.0	27.4	30.1	32.2
Total provisions for loan impairment and guarantees	8,731	9,082	8,731	8,792	8,859	9,082	9,027
Impairment charges for the period, %	(0.01)	(0.01)	(0.01)	0.00	0.00	(0.00)	(0.01)
Total capital ratio, %	22.3	23.2	22.3	22.4	22.9	23.2	23.0
CET1 capital ratio, %	19.9	20.1	19.9	19.9	20.5	20.1	20.4
Internal capital adequacy requirement, %	10.8	11.4	10.8	10.4	10.8	11.4	10.6
Average number of staff, full-time equivalent	3,882	3,973	3,912	3,867	3,864	3,966	3,973

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

## Financial review

### Performance highlights in Q1-Q3/2024

Nykredit delivered a satisfactory profit after tax for Q1-Q3/2024 of DKK 8,958 million (Q1-Q3/2023: DKK 8,328 million).

We last raised our full-year guidance for profit after tax in October 2024 to about DKK 11.00-11.75 billion from DKK 10.5-11.5 billion.

Bank lending came to DKK 99.9 billion at end-September 2024 (end-2023: DKK 94.4 billion). Nominal mortgage lending was DKK 1,465.5 billion (end-2023: DKK 1,440.3 billion).

### Income

Income totalled DKK 16,228 million in Q1-Q3/2024 (Q1-Q3/2023: DKK 15,286 million).

Net interest income amounted to DKK 8,992 million (Q1-Q3/2023: DKK 9,106 million).

Net fee income was DKK 2,011 million (Q1-Q3/2023: DKK 1,950 million).

Wealth management income increased to DKK 2,004 million (Q1-Q3/2023: DKK 1,785 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 1,849 million (Q1-Q3/2023: gain of DKK 1,312 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 1,802 million (Q1-Q3/2023: DKK 1,423 million).

In 2024 trading, investment portfolio and other income has been mainly driven by capital gains on equities held for business purposes, income from corporate bonds and a tightening of credit spreads of short-dated Danish covered bonds.

### Costs

Total costs amounted to DKK 5,040 million (Q1-Q3/2023: DKK 4,805 million). Pay rises and bonus payouts as well as general price growth due to inflation led to increased costs across the Group. Furthermore, the period saw large strategic investments in Nykredit's IT infrastructure and wealth management platform. The higher costs for pay rises etc were partially mitigated through streamlining and financial discipline as well as lower contributions to the Danish Resolution Fund scheme.

The average number of full-time equivalent staff totalled 3,882 (Q1-Q3/2023: 3,973). The number of people was adjusted as a result of a lower activity level as well as streamlining across the Group.



Profit after tax  
**DKK 8,958 million**  
(Q1-Q3/2023: DKK 8,328 million)



## Impairment charges for loans and advances

Impairment charges for loans and advances were a net reversal of DKK 141 million (Q1-Q3/2023: net reversal of DKK 141 million) owing to the continued strong Danish economy and the high credit quality of our customers.

Personal customers were less impacted by the geopolitical tensions. This is due to the more moderate risk scenario and the fact that our customers are more resilient to such stress, which has led to a significantly lower risk of loss. This resulted in a reversal of DKK 399 million. Total provisions for geopolitical risks subsequently came to DKK 1,686 million.

	DKK million	
Nykredit Group		
Impairment charges for loans and advances	Q1-Q3/2024	Q1-Q3/2023
Individual impairment provisions (stage 3)	(22)	92
Model-based impairment provisions (stages 1, 2 and 3)	(119)	(233)
<b>Impairment charges for loans and advances</b>	<b>(141)</b>	<b>(141)</b>

Provisions related to ESG were stable in Q3/2024 at a gain of DKK 19 million. However, the underlying components of this item have changed significantly. The provisions taken due to a carbon tax on agriculture have been subject to large reversals, as the Danish green tripartite agreement has mitigated the situation compared with the previous quarter. In addition, new ESG-related provisions were taken. These relate to the risks associated with the requirements of the Buildings Directive to raise the energy performance of commercial real estate. We have also taken the first provisions for climate risks arising when storms and flooding occur more frequently and with greater intensity. Provisions related to ESG also continue to allow for the carbon tax

imposed on industry. Total provisions related to ESG now amount to DKK 1,038 million.

For further information about the impacts of the geopolitical tensions, including the war in Ukraine, Nykredit's impairment charges for loans and advances and our portfolio distribution, please refer to our Fact Book Q3 2024, which is available at [nykredit.com](https://nykredit.com)

## Tax

Tax on profit for the period has been calculated at DKK 2,473 million (Q1-Q3/2023: DKK 2,435 million). In 2024 the tax rate has been raised from 25.2% to 26%.

## Results for Q3/2024 relative to Q2/2024

Profit after tax for Q3/2024 was DKK 2,456 million (Q2/2024: DKK 2,951 million).

Income amounted to DKK 4,966 million (Q2/2024: DKK 5,250 million). Income from core business was at the same level in Q3/2024 as in Q2/2024, 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 1,716 million in Q3/2024 (Q2/2024: DKK 1,678 million).

Impairment charges for loans and advances were a net reversal of DKK 57 million (Q2/2024: net reversal of DKK 31 million).

Legacy derivatives resulted in a negative value adjustment of DKK 25 million (Q2/2024: positive value adjustment of DKK 75 million).



Profit after tax in Q3  
**DKK 2,463 million**  
 (Q2/2024: DKK 2,951 million)

## Balance sheet

Nominal mortgage lending stood at DKK 1,465.5 billion (end-2023: DKK 1,440.3 billion). Despite lower activity and current repayments, Nykredit again grew its loan portfolio adding new lending business. New mortgage lending chiefly related to major corporate clients in the business areas Corporates & Institutions as well as Retail Business Banking.

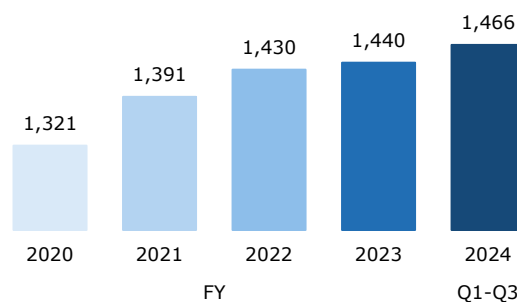
Also Totalkredit's mortgage loan portfolio grew in Q1-Q3/2024. Nominal lending was DKK 895.8 billion against DKK 878.5 billion at end-2023. Totalkredit recorded new lending offsetting the natural portfolio run-off from customers' current repayments. More than 900 thousand homeowners had Totalkredit loans at end-September 2024.

Bank lending was DKK 99.9 billion at end-September 2024 (end-2023: DKK 94.4 billion).

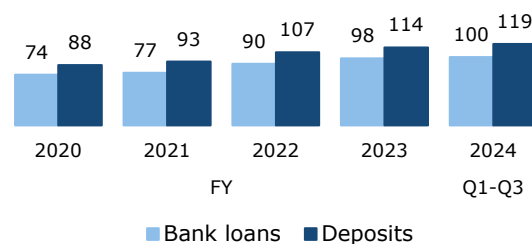
## Equity

The Nykredit Group's equity stood at DKK 102.2 billion (end-2023: DKK 101.0 billion).

Nominal mortgage lending, DKK billion



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



## Outlook and guidance for 2024

We last raised our full-year guidance for profit after tax in October 2024 to about DKK 11.00-11.75 billion from DKK 10.5-11.5 billion.

Recent years' business and customer growth in the Nykredit Group has continued into 2024. Furthermore, thanks to the solid credit quality and financial resilience of our customers, impairment charges for the period were a minor reversal.





## Special accounting circumstances

No significant accounting circumstances occurred in the period under review.

## Other

### Changes to the Executive Board

The most recent change was on 1 February 2024 when Pernille Sindby joined the Group Executive Board. From that date, the Group Executive Board has included Michael Rasmussen, Tonny Thierry Andersen, David Hellemann, Anders Jensen and Pernille Sindby.

### Changes to the Board of Directors

Following the Annual General Meeting held on 21 March 2024, the Board of Directors includes Merete Eldrup as Chair and Preben Sunke as Deputy Chair as well as John Christiansen, Michael Demsitz, Per W. Hallgren, Jørgen Høholt, Torsten Hagen Jørgensen, Vibeke Krag, Mie Krog and Lasse Nyby. In addition, the Board of Directors includes staff-elected members: Olav Bredgaard Brusen, Rasmus Fossing, Kathrin Helene Hattens, Peter Kofod and Inge Sand.

## Uncertainty as to recognition and measurement

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

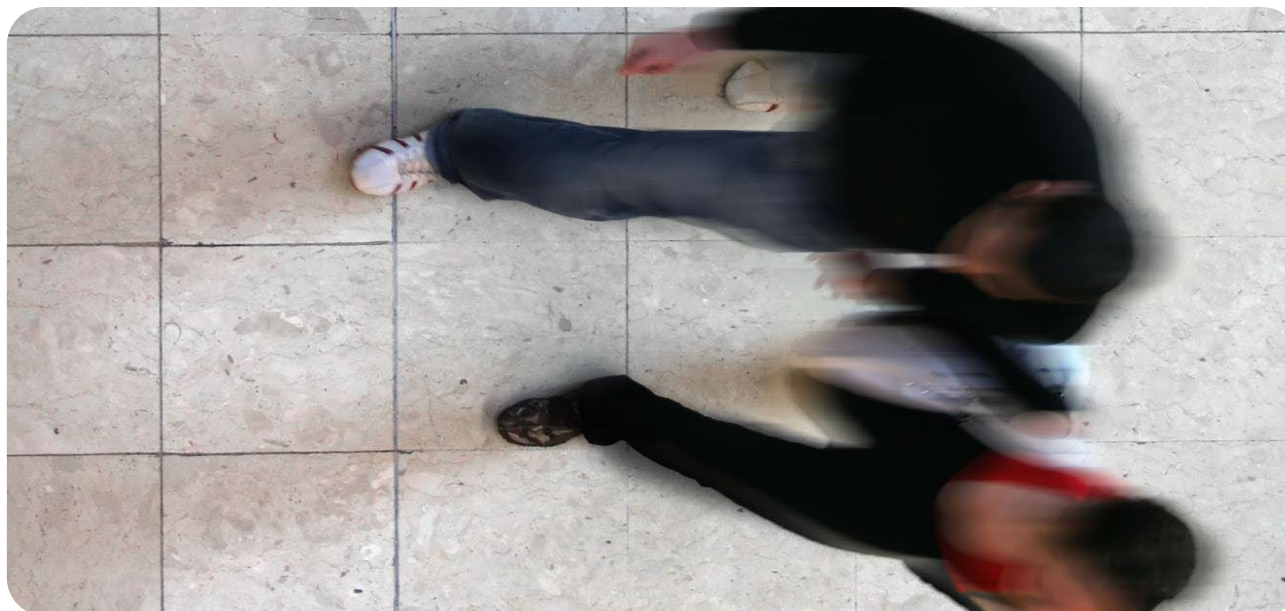
The areas in which assumptions and estimates significant to the Financial Statements have been made include provisions for loan and receivable impairment as well as valuation of unlisted financial instruments, including swaps, see note 1, accounting policies, to which reference is made.

## Material risks

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

## Events since the balance sheet date

No events have occurred in the period up to the presentation of the Q1-Q3 Interim Report 2024 which materially affect the Group's financial position.

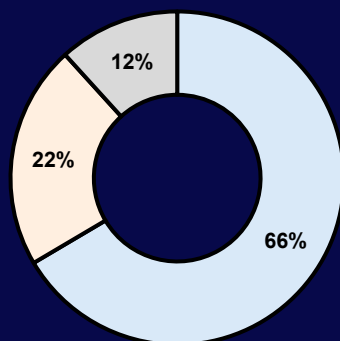


## Business areas

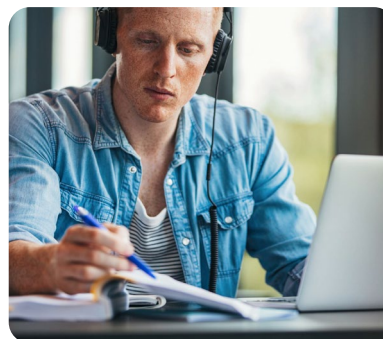
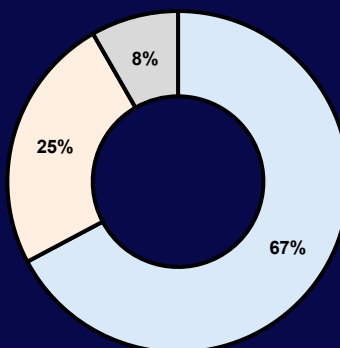
Nykredit's governance and organisational structure is based on these business areas (excluding Group Items):

- 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

### Q1-Q3/2024 in summary

Nykredit holds a strong position in the Danish banking market and continues to enjoy positive momentum in 2024. Thanks to Nykredit's mutual ownership structure, we can offer our customers attractive terms, whilst also ensuring robust earnings.

Nykredit's overall ambition is to provide financial security for our customers. We are committed to acting predictably and keeping our promises to customers. This is demonstrated through our continuous proactive efforts, where we contact customers when new market opportunities arise that could potentially benefit them. This strengthens our relationship with customers and provides them with greater stability and security.

When interest rates started rising, Nykredit took the lead and was the first large Danish bank to offer all customers positive current account rates. In September, Danmarks Nationalbank implemented its second interest rate cut this year, and shortly thereafter Nykredit decided to lower most of its deposit and loan rates accordingly. This is also part of acting predictably.

Following the interest rate reduction, customers who have their everyday banking and home financing with Nykredit get the most attractive current account rate. For customers without home financing, Nykredit also offers the highest current account rates in the market. If a higher rate is desired, customers can make fixed-term deposits and thereby get a risk-free savings option, for instance for energy improvements.

Customers looking to finance an electric car can take out a green car loan with Nykredit, which was ranked Best in Test by the Danish Consumer Council for the third year in a row.



Agriculture is one of the segments facing an unpredictable future relative to potential tax models designed 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 exemplifies how Nykredit can make a difference for the individual customer in an unpredictable world.

In addition, our business customers as well as personal customers have acknowledged our efforts with high customer satisfaction ratings. In the latest EPSI survey (comparing Danish banks), Nykredit took first place in business banking and third place in personal banking.

In Q1-Q3/2024, Nykredit continued 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 are continuously working to reduce our own carbon footprint. 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 have focused on strengthening our 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 continuously adapts to ensure the highest degree of accessibility, relevant services and speed to give our customers the best experience. With our new business banking service set-up launched in early 2024, we have strengthened both our market presence and our ability to serve business customers all 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.

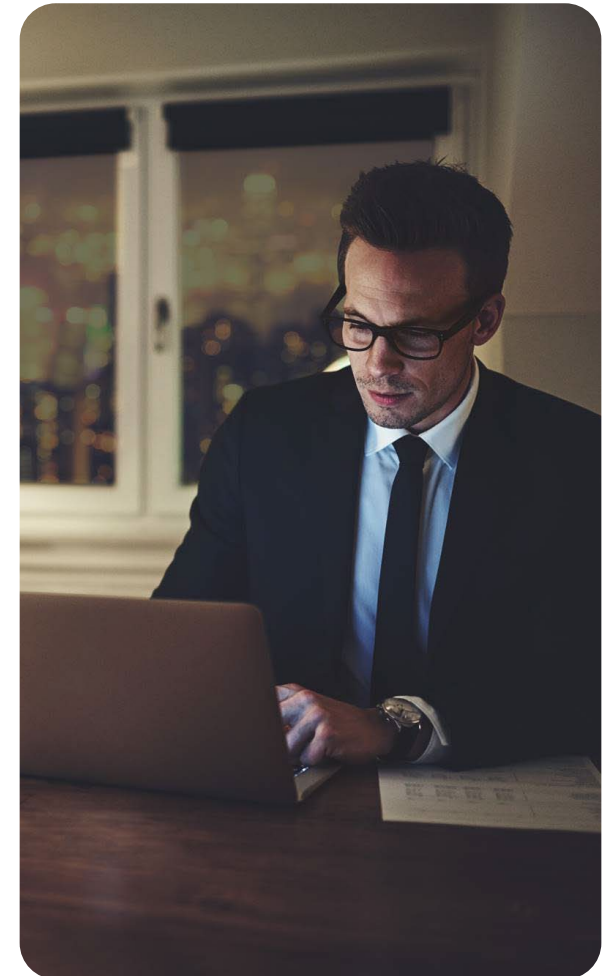
Business volumes with major corporate clients grew in Q1-Q3/2024. Lending to Denmark's largest businesses and property investors increased. Clients in the energy and infrastructure sectors are seeking long-term, stable and transparent financing, which is exactly what Nykredit can offer. We have therefore 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 serve 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 co-operatives 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 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 Q1-Q3/2024

Banking delivered a profit before tax of DKK 6,727 million (Q1-Q3/2023: DKK 6,571 million).

Total income rose to DKK 9,894 million (Q1-Q3/2023: DKK 9,557 million), mainly driven by net interest from capitalisation and wealth management income. The increase in net interest from capitalisation was due to the higher interest rates.

Net interest income amounted to DKK 6,357 million (Q1-Q3/2023: DKK 6,415 million), down DKK 58 million.

Net interest from capitalisation was a gain of DKK 1,064 million (Q1-Q3/2023: gain of DKK 713 million).

Costs amounted to DKK 3,479 million (Q1-Q3/2023: DKK 3,345 million), which was mainly due to pay rises and general price increases. Furthermore, the period under review 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 210 million (Q1-Q3/2023: net reversal of DKK 217 million), reflecting the continued good credit quality of our Banking customers.

DKK million							
Results –	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
Banking							
Net interest income	6,357	6,415	2,109	2,117	2,131	2,213	8,707
Net fee income	1,441	1,393	496	422	524	491	1,929
Wealth management income	651	550	225	224	202	183	740
Net interest from capitalisation	1,064	713	370	357	337	216	932
Trading, investment portfolio and other income	380	486	127	92	161	155	556
<b>Income</b>	<b>9,894</b>	<b>9,557</b>	<b>3,326</b>	<b>3,212</b>	<b>3,355</b>	<b>3,257</b>	<b>12,865</b>
Costs	3,479	3,345	1,143	1,171	1,165	1,106	4,480
<b>Business profit before impairment charges</b>	<b>6,415</b>	<b>6,211</b>	<b>2,183</b>	<b>2,042</b>	<b>2,190</b>	<b>2,151</b>	<b>8,385</b>
Impairment charges for mortgage lending	(157)	(258)	(100)	(15)	(42)	(45)	(338)
Impairment charges for bank lending	(52)	41	41	(52)	(41)	32	48
<b>Business profit</b>	<b>6,625</b>	<b>6,428</b>	<b>2,242</b>	<b>2,109</b>	<b>2,274</b>	<b>2,164</b>	<b>8,675</b>
Legacy derivatives	102	143	(25)	76	52	111	59
<b>Profit before tax</b>	<b>6,727</b>	<b>6,571</b>	<b>2,217</b>	<b>2,184</b>	<b>2,325</b>	<b>2,275</b>	<b>8,734</b>

## Results for Q3/2024 relative to Q2/2024

Banking delivered a profit before tax of DKK 2,217 million in Q3/2024 (Q2/2024: DKK 2,184 million).

Income amounted to DKK 3,326 million (Q2/2024: DKK 3,212 million).

Impairment charges for loans and advances were a net reversal of DKK 59 million (Q2/2024: net reversal of DKK 67 million).

Legacy derivatives generated a loss of DKK 25 million (Q2/2024: gain of DKK 76 million).



Profit before tax in Q3  
**DKK 2,217 million**  
(Q2/2024: DKK 2,184 million)

## Activities

Loan volumes totalled DKK 798.9 billion (end-2023: DKK 782.0 billion), of which nominal mortgage lending was DKK 694.4 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.

In Retail Personal Banking, bank lending came to DKK 11.6 billion (end-2023: DKK 11.2 billion) and bank deposits amounted to DKK 50.4 billion (end-2023: DKK 48.2 billion). In Retail Business Banking, bank lending came to DKK 33.6 billion (end-2023: DKK 31.5 billion), relating primarily to small and medium-sized enterprises. Bank lending by Corporates & Institutions rose to DKK 45.5 billion (end-2023: DKK 42.6 billion), mainly driven by a few large clients.

					DKK million
Selected balance sheet items					
Banking	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023
Retail Personal Banking					
Lending	179,320	178,308	178,023	178,366	178,170
- of which mortgage lending, nominal value	154,018	153,655	154,271	154,802	156,128
- of which secured homeowner loans	13,653	12,880	12,439	12,376	11,996
- of which bank lending	11,649	11,773	11,313	11,188	10,046
Deposits	50,372	50,028	47,873	48,160	46,146
Retail Business Banking					
Lending	259,250	257,312	253,587	253,676	252,314
- of which mortgage lending, nominal value	225,630	225,184	222,279	222,210	221,535
- of which bank lending	33,620	32,128	31,308	31,465	30,779
Deposits	28,417	30,128	27,258	27,947	28,000
Corporates & Institutions					
Lending	360,301	356,911	352,105	349,978	348,151
- of which mortgage lending, nominal value	314,815	311,648	308,529	307,387	305,173
- of which bank lending	45,486	45,263	43,576	42,591	42,978
Deposits	16,661	14,956	11,993	17,810	13,599

## Arrears

At the end-September due date, 75-day mortgage loan arrears were 0.20% which is unchanged relative to the same point 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 798.9 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.



## Q1-Q3/2024 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, however, the housing market picked up again, and this trend continued into Q3, and nominal mortgage lending increased by nearly DKK 7.9 billion in Q3/2024. 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 of 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, the Nykredit Group decided to increase KundeKroner discounts to private homeowners from 0.15% to 0.20% annually. To enhance customers' financial visibility, the discounts are guaranteed up to and including 2027. Indeed, by raising KundeKroner discounts, Totalkredit is going the extra mile for the Group's largest 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.

Totalkredit now also offers climate check-ups, giving customers an overview of initiatives and repair methods – when water is flooding in from every direction – to help customers better secure their homes. Climate check-ups are a supplement to the existing energy check-ups. Energy and climate check-ups are carried out by NRGi Consulting, Totalkredit's collaboration partner. Customers with loans from Totalkredit receive a discount on energy and climate check-ups.

Since 2017, the Nykredit Group 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 will benefit our customers in the coming years.

Totalkredit and Nykredit have entered into an agreement with the Danish Competition and Consumer Authority in 2024. In 2003 the Danish competition authorities approved the Totalkredit partnership. The latest agreement concerns the exit terms of the partnership agreement behind the Totalkredit alliance.



DKK million

Results –	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
Totalkredit Partners	2024	2023	2024	2024	2024	2023	2023
Net interest income	2,300	2,313	775	769	757	767	3,114
Net fee income	552	525	146	207	199	144	828
Net interest from capitalisation	418	292	139	143	136	92	379
Trading, investment portfolio and other income	(2)	(4)	1	(4)	1	(2)	(8)
<b>Income</b>	<b>3,268</b>	<b>3,127</b>	<b>1,061</b>	<b>1,115</b>	<b>1,092</b>	<b>1,001</b>	<b>4,313</b>
Costs	599	625	195	242	162	186	853
<b>Business profit before impairment charges</b>	<b>2,668</b>	<b>2,503</b>	<b>865</b>	<b>872</b>	<b>930</b>	<b>815</b>	<b>3,460</b>
Impairment charges for mortgage lending	99	55	1	58	40	(8)	86
<b>Profit before tax</b>	<b>2,569</b>	<b>2,448</b>	<b>864</b>	<b>814</b>	<b>890</b>	<b>823</b>	<b>3,374</b>



Profit before tax in Q3  
**DKK 864 million**  
 (Q2/2024: DKK 814 million)

## Performance highlights in Q1-Q3/2024

Totalkredit Partners recorded a profit before tax of DKK 2,569 million (Q1-Q3/2023: DKK 2,448 million).

Income rose to DKK 3,268 million (Q1-Q3/2023: DKK 3,127 million), primarily driven by net interest from capitalisation due to higher interest rate levels compared with 2023.

Net interest income was DKK 2,300 million (Q1-Q3/2023: DKK 2,313 million), and net fee income totalled DKK 552 million (Q1-Q3/2023: DKK 525 million).

Costs amounted to DKK 599 million (Q1-Q3/2023: DKK 625 million), chiefly due to adjustments to a lower activity level.

Impairment charges for loans and advances were DKK 99 million (Q1-Q3/2023: DKK 55 million).

## Activities

Lending totalled DKK 744.0 billion at 30 September 2024 compared with DKK 730.2 billion at end-2023.

Total nominal lending to personal customers was DKK 730.1 billion (end-2023: DKK 717.2 billion) as a result of a housing market rebound in Q2/2024.

Nominal 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%.

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.

## Business partners all across Denmark

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

## Results for Q3/2024 relative to Q2/2024

Totalkredit Partners delivered a profit before tax of DKK 864 million (Q2/2024: DKK 814 million).

Income amounted to DKK 1,061 million (Q2/2024: DKK 1,115 million).

Impairment charges for loans and advances were DKK 1 million (Q2/2024: DKK 58 million).

DKK million

### Selected balance sheet items

Totalkredit Partners	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023
Personal Banking					
Lending	730,077	722,219	717,243	717,196	715,700
- of which mortgage lending, nominal value	723,718	715,567	710,289	709,957	708,057
- of which secured homeowner loans	6,360	6,651	6,954	7,238	7,643
Business banking					
Lending	13,839	13,803	13,374	12,981	12,642
- of which mortgage lending, nominal value	13,839	13,803	13,374	12,981	12,642



Total lending  
**DKK 744.0 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.



### Q1-Q3/2024 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 clients and partners in order to offer the best possible services and advice. This is one of the reasons behind our strong client growth and positive net sales.

Our clients have shown a particular interest in balanced investment solutions and indexed equity mandates.

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

- better mobile and online investment solutions with improved market monitoring for personal customers
- sustainability in advisory services, products and concepts that provide our customers with even more and better opportunities to invest sustainably
- customer benefits in the form of a savings discount
- a higher awareness of alternative investments.

In Q1-Q3/2024, 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 to accommodate 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 Q1-Q3/2024

Wealth Management delivered a profit before tax of DKK 943 million (Q1-Q3/2023: DKK 932 million).

Income amounted to DKK 1,746 million and was up on the preceding year (Q1-Q3/2023: DKK 1,686 million).

Costs amounted to DKK 824 million (Q1-Q3/2023: DKK 746 million), which was mainly attributable to wage increases and general price increases due to inflation. Furthermore, in the period under review, investments in digitisation and IT increased 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 21 million (Q1-Q3/2023: DKK 8 million).

### Awards received in Q1-Q3/2024

#### 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 Q3/2024 relative to Q2/2024

Wealth Management delivered a profit before tax of DKK 308 million in Q3/2024 (Q2/2024: DKK 290 million).

Income amounted to DKK 568 million (Q2/2024: DKK 568 million).

Costs amounted to DKK 261 million (Q2/2024: DKK 292 million).

Impairment charges for loans and advances were a net reversal of DKK 1 million (Q2/2024: net reversal of DKK 16 million).

DKK million

Results –	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
Wealth Management							
Net interest income	313	380	100	100	113	127	498
Net fee income	31	31	10	11	10	10	44
Wealth management income	1,332	1,214	433	437	462	399	1,595
Net interest from capitalisation	38	30	17	9	12	9	39
Trading, investment portfolio and other income	34	32	8	11	15	11	40
<b>Income</b>	<b>1,746</b>	<b>1,686</b>	<b>569</b>	<b>568</b>	<b>610</b>	<b>556</b>	<b>2,215</b>
Costs	824	746	261	292	271	254	1,018
<b>Business profit before impairment charges</b>	<b>922</b>	<b>940</b>	<b>307</b>	<b>276</b>	<b>339</b>	<b>301</b>	<b>1,197</b>
Impairment charges for mortgage lending	1	1	4	(1)	(3)	(1)	1
Impairment charges for bank lending	(22)	7	(5)	(15)	(2)	(8)	12
<b>Profit before tax</b>	<b>943</b>	<b>932</b>	<b>308</b>	<b>290</b>	<b>345</b>	<b>310</b>	<b>1,185</b>



Profit before tax in Q3  
**DKK 308 million**  
(Q2/2024: DKK 290 million)

## Activities

Assets under management increased by DKK 58 billion compared with end-2023 to a total of DKK 514 billion (end-2023: DKK 456 billion). This was in part due to positive net sales of DKK 19 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 39 billion.

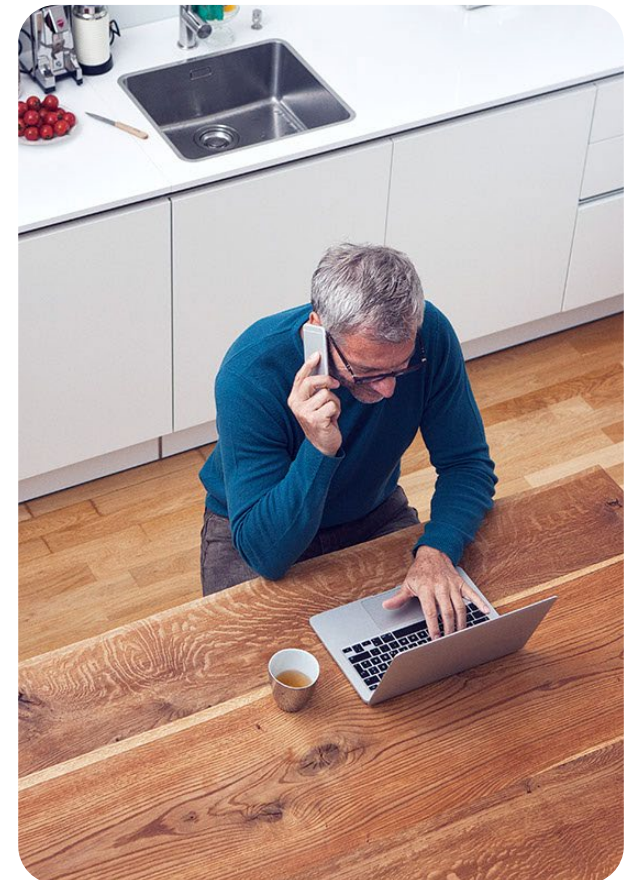
Assets under administration totalled DKK 1,092 billion (end-2023: DKK 1,081 billion). This included negative net sales of 102 billion and a positive return of DKK 113 billion. The negative net sales were in part due to the implementation of a simpler and more scalable business model for Nykredit Portefølje Administration.



Assets under  
management  
**DKK 514 billion**

(end-2023: DKK 456 billion)

					DKK million
Selected balance sheet items					
Wealth Management	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023
Assets under management	513,616	496,038	486,166	455,755	432,316
Assets under administration	1,091,778	1,059,344	1,093,753	1,080,553	1,044,227
Lending/deposits					
Lending	22,491	22,044	21,792	21,926	21,614
- of which mortgage lending, nominal value	15,599	15,258	15,278	15,033	15,152
- of which secured homeowner loans	1,973	1,943	1,467	1,788	1,642
- of which bank lending	4,918	4,844	5,047	5,105	4,820
Deposits	18,294	17,012	16,576	17,655	17,642



## Group Items

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

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

DKK million

Results –	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
Group Items							
Net interest income	22	(2)	(0)	12	10	(5)	(14)
Net fee income	(13)	1	1	(10)	(4)	(1)	(11)
Wealth management income	21	21	4	12	5	7	33
Net income relating to customer benefits programmes	(428)	(291)	116	100	113	(404)	(405)
Net interest from capitalisation	328	277	(151)	(142)	(135)	105	369
Trading, investment portfolio and other income	1,390	910	40	383	967	446	1,037
<b>Income</b>	<b>1,320</b>	<b>916</b>	<b>10</b>	<b>355</b>	<b>960</b>	<b>475</b>	<b>1,009</b>
Costs	138	90	116	(27)	50	46	210
<b>Profit (loss) before impairment charges</b>	<b>1,182</b>	<b>826</b>	<b>(105)</b>	<b>383</b>	<b>910</b>	<b>430</b>	<b>799</b>
Impairment charges for mortgage lending	(10)	12	0	(8)	(2)	2	12
Impairment charges for bank lending	(3)	2	(1)	1	(2)	2	2
<b>Profit (loss)</b>	<b>1,192</b>	<b>812</b>	<b>(107)</b>	<b>390</b>	<b>914</b>	<b>426</b>	<b>785</b>

## Performance highlights in Q1-Q3/2024

The profit of Group Items was DKK 1,192 million (Q1-Q3/2023: DKK 812 million).

This was mainly due to trading, investment portfolio and other income which was affected by value adjustments of equities held for business purposes and short-dated mortgage bonds in Q1-Q3.



Profit in Q1-Q3

**DKK 1,192 million**

(Q1-Q3/2023: DKK 812 million)



# Capital, funding and liquidity



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



Total capital ratio  
**22.3%**  
(end-2023: 23.0%)



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

## Equity

The Nykredit Group's equity stood at DKK 102.2 billion at end-September 2024.

In March 2024 dividend of DKK 5.4 billion was distributed to the Company's shareholders. 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.

Moreover, in September 2024, Nykredit distributed extraordinary dividend of DKK 2.2 billion as a result of the Group's strong capital position.

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 Group		
Equity (including AT1 capital)	30.09.2024	31.12.2023
Equity, beginning of period	101,029	96,858
Profit for the period	8,965	10,887
Other adjustments	(7,770)	(6,716)
<b>Equity, end of period</b>	<b>102,224</b>	<b>101,029</b>

Equity carried for accounting purposes includes Additional Tier 1 (AT1) capital of DKK 102.2 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 Group		
Capital and capital adequacy	30.09.2024	31.12.2023
Equity (including AT1 capital)	102,224	101,029
AT1 capital etc	(3,799)	(3,759)
Proposed dividend	-	(5,400)
Other regulatory adjustments	(3,547)	(3,472)
<b>CET1 capital</b>	<b>90,329</b>	<b>88,398</b>
Additional Tier 1 capital	2,734	2,663
AT1 regulatory deductions	-	(9)
<b>Tier 1 capital</b>	<b>93,064</b>	<b>91,052</b>
Tier 2 capital	8,440	8,395
<b>Own funds</b>	<b>101,503</b>	<b>99,447</b>
Credit risk	392,078	373,439
Market risk	26,887	27,981
Operational risk	34,470	30,945
<b>Total risk exposure amount</b>	<b>453,434</b>	<b>432,364</b>
CET1 capital ratio, %	19.9	20.4
Tier 1 capital ratio, %	20.5	21.0
Total capital ratio, %	22.3	23.0
Internal capital adequacy requirement, %	10.8	10.6

<sup>1</sup> Approximately 25.8% of profit for Q1-Q3/2024 has been included as authorised by the Danish FSA.

## Capital and capital adequacy

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

At end-September 2024, Nykredit's risk exposure amount (REA) totalled DKK 453.4 billion (end-2023: DKK 432.4 billion). With own funds at DKK 101.5 billion, this corresponds to a total capital ratio of 22.3% (end-2023: 23.0%). The CET1 capital ratio was 19.9% (end-2023: 20.4%).

REA for credit risk increased to DKK 392.1 billion in Q1-Q3/2024, mainly due to higher risk weighting as well as growth in lending. REA for market risk decreased to about DKK 26.9 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. REA for operational risk went up to DKK 34.5 billion driven by higher earnings.

The Nykredit 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. The latter effect was reversed during Q3 when the observed interest rate declines gave rise to a significant increase in 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-September 2024, CET1 capital totalled DKK 90.3 billion (end-2023: DKK 88.4 billion). AT1 capital after regulatory deductions was unchanged at DKK 2.7 billion (end-2023: DKK 2.7 billion). Tier 2 capital was DKK 8.4 billion excluding regulatory adjustments (end-2023: DKK 8.4 billion).

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

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors and the Executive Board to ensure that Nykredit has the required own funds. The required own funds are the minimum capital required, in Management's judgement, to cover all significant risks. Required own funds were 10.8% of the Group's REA at end-Q3/2024, equal to the internal capital adequacy requirement.

In addition to the internal capital adequacy requirement, the Nykredit 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.

As at end-Q2/2024, the sector-specific systemic risk buffer was activated upon recommendation by the Danish Systemic Risk Council. This entails introducing 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. More specifically, 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 of 0-15%. The new buffer has increased the Nykredit Group'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.



## 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.

## Leverage ratio

The leverage ratio, which reflects the relationship between Tier 1 capital and the balance sheet (including off-balance sheet items), was 5.0% at end-September 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 of 15.5-16.5% of REA
- Total own funds of 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 September 2024, Nykredit Bank's deposits equalled 115% 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.

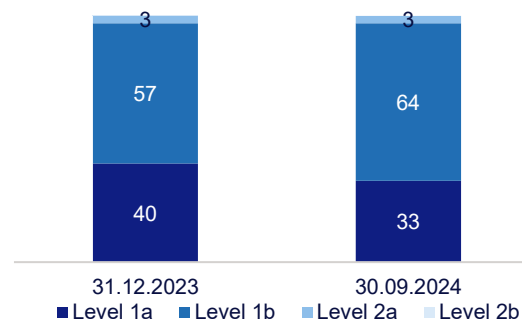
## Liquidity

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 Group was 146% at 30 September 2024 compared with 146% at end-2023.

	(%)	
Nykredit Group		
LCR determination	30.09.2024	31.12.2023
Nykredit Realkredit Group	401	310
Nykredit Realkredit Group, LCR requirement in EUR	316	400
Nykredit Realkredit and Totalkredit	858	585
Nykredit Realkredit and Totalkredit, including LCR Pillar II requirements	313	254
Nykredit Bank	248	191

Stock of liquid assets by LCR level, %



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

## Liquid assets

The liquid assets are determined at market value. The Nykredit Realkredit Group's liquid assets came to DKK 200 billion at 30 September 2024 compared with DKK 190 billion at end-2023<sup>1</sup>. 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 September 2024 compared with DKK 106 billion at end-2023. The main difference between the stock of liquid assets and the stock of liquid assets determined under the LCR is the holdings of self-issued bonds.

<sup>1</sup> In future, the liquidity reserves will be calculated such that it will show the total amount of assets available. This means that the amount at end-2023 will be changed from DKK 172 billion to DKK 190 billion.

## 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-September 2024, the Group had a nominal amount of DKK 1,439.5 billion of SDOs in issue and DKK 120.2 billion of ROs in issue.

Bonds of DKK 255 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 repayments and prepayments as well as loan refinancing.

Nykredit expects to refinance bonds worth DKK 56 billion at the auctions in November 2024 and DKK 65 billion, DKK 56 billion and DKK 54 billion at the auctions in February, May and August 2025, respectively. This corresponds to refinancing volumes of about DKK 232 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 Q1-Q3 Nykredit issued about DKK 15 billion-worth of senior non-preferred debt for meeting the 2% debt buffer requirement, the 8% requirement and the ALAC criterion. Nykredit expects to issue up to DKK 15-20 billion in addition to the issuance of mortgage covered bonds (SDOs and ROs) towards end-2025.

	DKK million	
Nykredit Group		
Bonds in issue	30.09.2024	31.12.2023
Covered bonds (ROs), see note 16 a	120,189	113,043
Covered bonds (SDOs), see note 16 b	1,439,461	1,412,023
Senior secured debt, see note 16 c	643	710
Senior preferred debt, Nykredit Realkredit A/S	9,320	9,317
Senior non-preferred debt	59,943	47,049
Tier 2 capital, see note 19	10,458	10,394
AT1 capital, see note 2, Nykredit Realkredit A/S	3,799	3,660
ECP issues, Nykredit Bank A/S	5,208	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 September 2024.

#### Supervisory Diamond for mortgage lenders

	Benchmark	Nykredit Realkredit Group 30.09.2024	Nykredit Realkredit A/S 30.09.2024	Totalkredit 30.09.2024
<b>Lending growth by segment</b>				
Personal customers	15.0%	1.66%	(13.30)%	2.12%
Commercial residential properties	15.0%	9.95%	9.83%	14.53% <sup>1</sup>
Agricultural properties	15.0%	(0.86)%	(0.86)%	0.00%
Other commercial	15.0%	1.84%	1.67%	6.16%
<b>Borrower's interest rate risk</b>				
Private residential and residential rental	25.0%	13.63%	16.53%	12.94%
<b>Interest-only loans</b>				
Personal customers	10.0%	4.76%	2.43%	4.82%
<b>Loans with short-term funding</b>				
Refinancing (annually)	25.0%	13.18%	20.92%	8.71%
Refinancing (quarterly)	12.5%	3.79%	10.22%	0.08%
<b>Large exposures</b>				
Loans and advances/CET1 capital	100.0%	51.4%	50.1%	6.6%

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

#### Supervisory Diamond for banks

	Benchmark	Nykredit Bank A/S 30.09.2024
Large exposures	<175%	112.5%
Lending growth	<20%	8.6%
Property exposure	<25%	10.3%
Liquidity benchmark	>100%	292.2%





## 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](https://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
<b>Nykredit Realkredit A/S</b>						
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		
<b>Nykredit Bank A/S</b>						
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 **141** million  
(Q1-Q3/2023: net reversal of  
DKK 141 million)



Provisions related to  
macroeconomic uncertainty  
DKK **1,686** million  
(end-2023: DKK 2,085 million)

## Earnings impact in Q1-Q3

Impairment charges for loans and advances were a net reversal of DKK 141 million (Q1-Q3/2023: net reversal of DKK 141 million) owing to the continued strong Danish economy and the high credit quality of our customers. Impairment charges for loans and advances comprised a decline in individual impairment provisions of DKK 22 million and a net reversal of DKK 119 million from model-based impairments. In Q1-Q3/2024, provisions related to macroeconomic uncertainty taken to counter geopolitical tensions were reduced by DKK 1,686 million. Provisions related to ESG increased in the same period as a result of a reassessment of ESG transition risks and the introduction of new provisions related to the Buildings Directive and climate 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. However, this scenario is gradually looking milder than first assumed.

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 Q3/2024. The reason is that all factors have developed favourably. But as the situation is still somewhat uncertain, part of the provisions taken is maintained. Provisions totalling DKK 334 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 1,352 million for exposed sectors, and total provisions to manage the increased risk now amount to DKK 1,686 million. For further information about the impacts of geopolitical tensions and macroeconomic trends, please refer to our Fact Book Q3 2024, which is available at [nykredit.com](https://nykredit.com)

## Macroeconomic impacts on impairment levels

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

The loan portfolio measured at nominal value developed positively in Q1-Q3/2024, 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. At end-Q1-Q3, the scenarios were updated to reflect updated macroeconomic conditions and other resulting market conditions that are expected to impact, and partly already have impacted, the economy. The main scenario must reflect the economic environment. The main scenario carries a 60% weighting. The main scenario used for the impairment models implies expected GDP growth of 1.8% and house price rises of 2.6% in 2024. At end-2023, the main scenario implied expected GDP growth of 1.2% and house price increases of 2.6% in 2024.

The adverse scenario was included in the models with a weighting of 25%. This scenario implies expected GDP growth of 1.8% and house price increases of 2.6% in 2024.

	DKK million					
Nykredit Group	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment charges for loans and advances, earnings impact	
Loans, advances, guarantees and impairment charges for loans and advances	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Mortgage lending, nominal value						
Nykredit Realkredit	569,688	561,773	3,558	3,770	(139)	(353)
Totalkredit	895,766	878,488	1,759	1,722	83	102
<b>Total</b>	<b>1,465,454</b>	<b>1,440,262</b>	<b>5,318</b>	<b>5,492</b>	<b>(57)</b>	<b>(251)</b>
Loans and advances etc						
Nykredit Bank	99,933	94,375	3,064	3,207	(96)	76
<b>Total</b>	<b>99,933</b>	<b>94,375</b>	<b>3,064</b>	<b>3,207</b>	<b>(96)</b>	<b>76</b>
Receivables from credit institutions	10,942	7,005	19	29	(10)	11
Reverse repurchase lending	40,900	33,965	-	-	-	-
Guarantees etc	12,095	6,932	349 <sup>1</sup>	328	21	(12)
Loan impairment, % <sup>2</sup>						
Nykredit Realkredit	-	-	0.62	0.67	(0.02)	(0.06)
Totalkredit	-	-	0.20	0.20	0.01	0.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.36</b>	<b>0.38</b>	<b>(0.00)</b>	<b>(0.02)</b>
Nykredit Bank	-	-		3.29		0.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.98</b>	<b>3.29</b>	<b>(0.09)</b>	<b>0.08</b>

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

<sup>2</sup> Loan impairment excluding receivables from credit institutions, reverse repurchase lending and guarantees.



The improved scenario carries a 15% weighting and is based on the macroeconomic conditions observed at the date of this Report. This scenario uses realised levels of interest rates, GDP, house prices and unemployment. Based on this weighting, impairment provisions totalled DKK 8,751 million as at 30 September 2024 (end-2023: DKK 9,056 million). If the main scenario carried a 100% weighting, total impairment provisions would decrease by DKK 70 million. Compared with the main scenario, total impairment provisions would rise by DKK 293 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 167 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 2,507 million. If the weighting of the improved scenario was 100%, total impairment provisions of such customers would be reduced by DKK 819 million. These sensitivities form part of the sensitivities mentioned above.

See our Factbook Q3 2024 for a sector breakdown by the impact of geopolitical tensions on these sectors at [nykredit.com](https://nykredit.com).

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

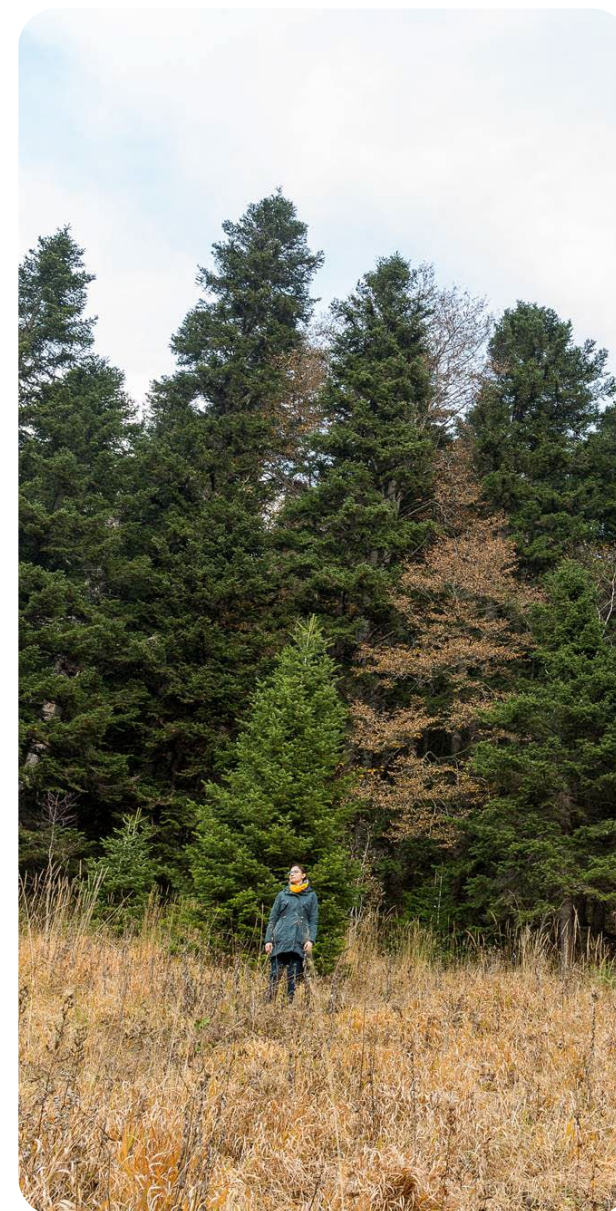
Nykredit Group				%		
Scenarios for impairment calculations	Main scenario			Adverse scenario		
	2024	2025	2026	2024	2025	2026
Short-term rate <sup>1</sup>	3.6	2.6	2.2	3.7	4.7	4.7
Long-term rate <sup>2</sup>	2.4	2.2	2.2	2.5	3.4	3.4
House prices <sup>3</sup>	2.6	3.5	3.8	2.6	(6.1)	(4.8)
GDP <sup>3</sup>	1.8	1.6	1.3	1.8	(0.2)	0.0
Unemployment <sup>4</sup>	2.5	2.5	2.5	2.6	3.7	3.8

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

<sup>2</sup> Long-term rate reflects 10-year Danish government bonds.

<sup>3</sup> House prices and GDP reflect annual percentage changes.

<sup>4</sup> 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-September 2024, post-model adjustments amounted to DKK 3,227 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 macro-economic 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 Group		
Specific macroeconomic risks and process-related circumstances	30.09.2024	31.12.2023
Agriculture	322	411
Geopolitical tensions	529	1,083
Concentration risks in loan portfolios	302	209
<b>Total macroeconomic risks</b>	<b>1,153</b>	<b>1,703</b>
Process-related	256	503
Coming model adjustments	290	0
ESG	1,038	669
Haircut, property values	178	226
Results of controlling	312	379
<b>Total process-related circumstances</b>	<b>2,074</b>	<b>1,777</b>
<b>Total post-model adjustments</b>	<b>3,227</b>	<b>3,480</b>

Note: At end-September 2024, another DKK 1,157 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).



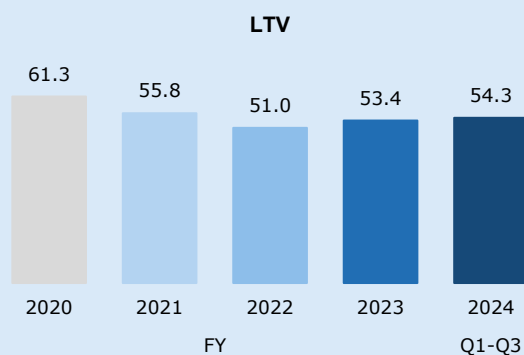


## Mortgage lending

Nykredit's credit exposure in terms of nominal mortgage lending was DKK 1,465.5 billion at end-September 2024 (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 54.3% (end-2023: 53.4%).



## Total provisions for mortgage loan impairment

Total provisions for mortgage loan impairment equalled 0.36% of total mortgage lending, excluding credit institutions (end-2023: 0.37%). Total impairment provisions amounted to DKK 5,318 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		
<b>Nykredit Group</b>		
<b>Total impairment provisions for mortgage lending</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Individual impairment provisions (stage 3)	1,864	1,868
Model-based impairment provisions (stages 1, 2 and 3)	3,455	3,624
<b>Total impairment provisions for mortgage lending</b>	<b>5,318</b>	<b>5,492</b>

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 57 million (Q1-Q3/2023: net reversal of DKK 203 million). Of the impairment charges for loans and advances, DKK 26 million was attributable to owner-occupied dwellings, and a reversal of DKK 35 million was attributable to the business segment.





## Arrears

Mortgage loan arrears are determined 75 days past the due date. Mortgage loan arrears were 0.16% of total mortgage payments due 75 days past the June due date (June due date 2023: 0.16%).

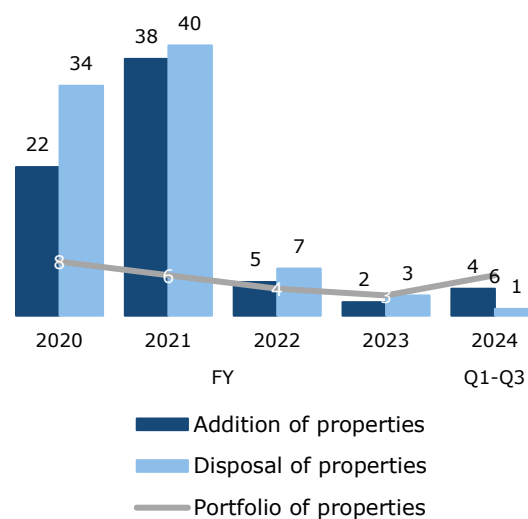
The proportion of total bond debt outstanding affected by arrears was DKK 1.87 billion compared with DKK 1.80 billion at the June 2023 due date.

	Arrears relative to total mortgage payments	Debt outstanding in arrears relative to total debt outstanding	Debt outstanding affected by arrears
<b>Nykredit Group</b>			
<b>Arrears ratio – 75 days past due</b>	%	%	DKK billion
<b>Due date</b>			
<b>2024</b>			
- June	0.16	0.13	1.87
- March	0.15	0.12	1.79
<b>2023</b>			
- 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
<b>2022</b>			
- December	0.16	0.12	1.69
- September	0.16	0.11	1.55
- June	0.15	0.11	1.53
- March	0.16	0.11	1.55

## Properties acquired by foreclosure

In Q1-Q3/2024, 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 878.8 million of the total debt outstanding on mortgage loans in Q1-Q3/2024. The LTV of owner-occupied dwellings averaged 58.7% in Q1-Q3/2024 (end-2023: 56.7%).

Private rental made up 178.6% and office and retail accounted for 147.9% of the total debt outstanding.

With regard to total impairment provisions, owner-occupied dwellings accounted for DKK 2,509 million in Q1-Q3/2024 (end-2023: DKK 2,619 million) and agriculture accounted for DKK 1,073 million (end-2023: DKK 1,246 million).



### Nykredit 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		Q1-Q3/ 2024	2023
Owner-occupied dwellings	621,456	184,593	68,801	3,432	272	282	878,835	58.7	56.7
Private rental	130,031	37,654	10,172	460	129	156	178,601	55.9	53.1
Industry and trades	18,481	4,376	359	19	7	11	23,254	49.6	45.3
Office and retail	118,867	26,650	1,936	151	110	137	147,851	48.9	47.6
Agriculture	59,688	17,946	3,191	85	37	50	80,998	55.1	55.6
Public housing	-	-	-	-	-	-	81,418	0.0	0.0
Other	12,548	2,186	410	54	43	35	15,277	46.2	44.4
<b>Total Q1-Q3/2024</b>	<b>961,071</b>	<b>273,405</b>	<b>84,870</b>	<b>4,201</b>	<b>598</b>	<b>672</b>	<b>1,406,234</b>	<b>54.3</b>	<b>52.3</b>
<b>Total 2023</b>	<b>937,357</b>	<b>258,530</b>	<b>74,124</b>	<b>3,625</b>	<b>634</b>	<b>707</b>	<b>1,354,987</b>		<b>53.4</b>

### Nykredit Group

#### Mortgage lending by property type<sup>1</sup>

	30.09.2024		31.12.2023	
	Total impairment provisions	Total earnings impact	Total impairment provisions	Total earnings impact
Owner-occupied dwellings	2,509	(26)	2,619	19
Private rental	811	187	566	(71)
Industry and trades	63	3	74	8
Office and retail	590	(45)	666	53
Agriculture	1,073	(159)	1,246	(166)
Public housing	9	(1)	26	(5)
Cooperative housing	174	(27)	198	(74)
Other	90	7	97	(16)
<b>Total</b>	<b>5,318</b>	<b>(57)</b>	<b>5,492</b>	<b>(251)</b>

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

## Bank lending

The total credit exposure came to DKK 164.9 billion (end-2023: DKK 147.4 billion), of which DKK 12.0 billion is intercompany guarantees. Bank lending at amortised cost amounted to DKK 99.9 billion (end-2023: DKK 94.4 billion).

Reverse repurchase lending totalled DKK 40.9 billion (end-2023: DKK 34.0 billion). Guarantees provided amounted to DKK 12.1 billion (end-2023: DKK 7.0 billion).

### Bank lending

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

		DKK million
Nykredit Group		
Bank loans, advances and guarantees	30.09.2024	31.12.2023
Bank loans and advances	99,933	94,375
Reverse repurchase lending	40,900	33,965
Guarantees	12,095	6,932
Intercompany guarantees	11,970	12,127
Total	164,898	147,399

### Total provisions for bank loan impairment

Provisions for bank loan impairment (exclusive of credit institutions and guarantees) totalled DKK 3,064 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 Group		
Total provisions for bank loan impairment	30.09.2024	31.12.2023
Individual impairment provisions (stage 3)	1,798	1,776
Model-based impairment provisions (stages 1, 2 and 3)	1,266	1,431
- of the above attributable to geopolitical tensions	780	818
Total provisions for bank loan impairment	3,064	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 28.6% (end-2023: 27.7%) and personal customers for 16.2% (end-2023: 17.0%) of the total credit exposure.

At end-September, impairment provisions for loans and advances excluding credit institutions totalled DKK 3,414 million (end-2023: DKK 3,535 million) or 2.0% of total lending (end-2023: 2.3%).



DKK million

Nykredit Group	30.09.2024			31.12.2023		
	Lending, end of period	Total impairment provisions	Earnings impact	Lending, end of period	Total impairment provisions	Earnings impact
<b>Credit exposures in terms of bank lending, reverse repurchase lending and guarantees by sector<sup>1</sup></b>						
<b>Public sector</b>	<b>496</b>	<b>0</b>	<b>0</b>	466	0	(0)
Agriculture, hunting, forestry and fishing	4,754	210	(11)	4,337	225	(21)
Manufacturing, mining and quarrying	19,029	783	41	14,803	730	207
Energy supply	5,167	26	2	5,059	21	(77)
Construction	3,295	159	(1)	3,375	271	(119)
Trade	16,148	788	(81)	14,454	860	210
Transport, accommodation and food service activities	7,120	325	51	6,127	245	129
Information and communication	6,389	51	(6)	5,670	58	(38)
Finance and insurance	47,046	56	(8)	41,986	61	(15)
Real estate	16,476	392	88	16,376	294	(177)
Other	11,943	205	(14)	13,042	225	(47)
<b>Business customers, total</b>	<b>137,367</b>	<b>2,997</b>	<b>61</b>	<b>125,229</b>	<b>2,990</b>	<b>52</b>
<b>Personal customers</b>	<b>26,633</b>	<b>417</b>	<b>(135)</b>	<b>25,666</b>	<b>545</b>	<b>11</b>
<b>Total</b>	<b>164,496</b>	<b>3,414</b>	<b>(75)</b>	<b>151,360</b>	<b>3,535</b>	<b>64</b>
- of which provisions for losses under guarantees etc		349	21	-	328	(12)
Impairment provisions for credit institutions		1	0	-	1	(2)

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

## Business entities

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

- Nykredit Bank Group
- Totalkredit A/S

### *Nykredit Bank*

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

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

Wealth Management offers asset management and portfolio administration services.

### *Totalkredit A/S*

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



## Nykredit Bank

Nykredit Bank delivered satisfactory results for Q1-Q3/2024 with a profit after tax of DKK 2,764 million (Q1-Q3/2023: DKK 2,669 million).

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

Results were positively impacted by net fee income, growth in wealth management activities and our customers' good credit quality.



Income  
DKK **6,075** million  
(Q1-Q3/2023: DKK 5,929 million)



Costs  
DKK **2,584** million  
(Q1-Q3/2023: DKK 2,473 million)



Profit after tax  
DKK **2,764** million  
(Q1-Q3/2023: DKK 2,669 million)

DKK million

Nykredit Bank Group	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
<b>BUSINESS PROFIT AND PROFIT FOR THE PERIOD</b>							
Net interest income	2,736	2,838	889	914	934	1,015	3,915
Net fee income	581	562	187	189	205	195	735
Wealth management income	2,004	1,785	662	674	668	588	2,368
Net interest from capitalisation	668	480	235	215	218	159	632
Net income relating to customer benefits programmes <sup>1</sup>	(44)	(59)	(19)	(16)	(9)	(12)	(96)
Trading, investment portfolio and other income	129	323	120	(159)	168	94	295
<b>Income</b>	<b>6,075</b>	<b>5,929</b>	<b>2,075</b>	<b>1,816</b>	<b>2,185</b>	<b>2,039</b>	<b>7,849</b>
Costs	2,584	2,473	845	885	854	840	3,362
<b>Business profit before impairment charges</b>	<b>3,491</b>	<b>3,457</b>	<b>1,230</b>	<b>931</b>	<b>1,331</b>	<b>1,199</b>	<b>4,487</b>
Impairment charges for loans and advances	(75)	50	38	(67)	(46)	26	62
<b>Business profit</b>	<b>3,566</b>	<b>3,407</b>	<b>1,192</b>	<b>998</b>	<b>1,376</b>	<b>1,173</b>	<b>4,425</b>
Legacy derivatives	102	143	(25)	76	52	111	59
<b>Profit before tax for the period</b>	<b>3,668</b>	<b>3,550</b>	<b>1,167</b>	<b>1,073</b>	<b>1,428</b>	<b>1,284</b>	<b>4,484</b>
Tax	904	881	285	261	357	320	1,116
<b>Profit for the period</b>	<b>2,764</b>	<b>2,669</b>	<b>881</b>	<b>812</b>	<b>1,071</b>	<b>964</b>	<b>3,367</b>
Minority interests	60	45	22	18	19	17	65
<b>SUMMARY BALANCE SHEET</b>	<b>31.09.2024</b>	<b>30.09.2023</b>	<b>31.09.2024</b>	<b>30.06.2024</b>	<b>31.03.2024</b>	<b>30.09.2023</b>	<b>31.12.2023</b>
Reverse repurchase lending	40,900	33,470	40,900	39,204	32,406	33,470	33,965
Loans, advances and other receivables at amortised cost	99,933	92,235	99,933	97,437	94,546	92,235	94,375
Payables to credit institutions and central banks	38,325	41,391	38,325	46,231	43,676	41,391	44,960
Repo deposits	4,375	3,080	4,375	4,401	4,006	3,080	5,618
Deposits and other payables	119,048	107,704	119,048	117,229	112,461	107,704	114,333
Equity	39,479	36,095	39,479	38,598	37,879	36,095	36,808
<b>SELECTED FINANCIAL RATIOS</b>							
Profit for the period as % pa of average equity	9.5	10.1	8.8	8.3	11.3	10.7	9.4
Cost/income ratio (C/I), %	40.9	41.7	40.3	43.4	39.1	41.2	42.8
Average number of staff, full-time equivalent	1,024	1,014	1,032	1,020	1,019	1,017	1,022

<sup>1</sup> Comparative figures have been restated.



## Customer benefits

Being a mutual company, Nykredit has a unique opportunity to share its success with customers. To this end, Nykredit Bank's customer benefits programme includes a customer discount, a savings discount, a discount on bank home loans and a number of green benefits.

The **customer discount** is offered to full-service banking customers as a discount on some of the charges paid during the year, and in proportion to their business with Nykredit.

We offer a **savings discount** to full-service customers who invest through one of our wealth management propositions. The savings discount is 25% of the customer's direct investment management fee.

The **home loan discount** is offered to customers who do everyday banking and home financing with Nykredit Bank. The home loan discount is 0.20% of a customer's debt outstanding, which is paid into their account. The discount is guaranteed until end-2027.

## Long-term value for customers and business partners

Nykredit Bank is working to create long-term value for our customers and business partners. Our ambition is to be Denmark's leading bank for homeowners. To this end, we have a special focus on helping first-time buyers enter the housing market, offering them particularly attractive loans and solutions. Danish homeowners are increasingly concerned about the extreme weather conditions. Therefore, Nykredit Bank has launched a range of climate protection initiatives aimed at securing our customers' homes. This includes attractive loan and savings options and the opportunity to get a home climate check-up. In Nykredit Wealth Management, we focus on enhancing digital investment solutions as well as incorporating sustainability in advisory services. As part of our ambition to become customers' preferred business bank in Denmark, we strive to be a long-term financial partner for Danish businesses. Focus is on strengthening our strategic advisory services and making our value propositions even more attractive.

## Focus on green choices

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

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

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

Nykredit collaborates with stakeholders in the agricultural sector to promote the green transition, and together with Forenet Kredit and SEGES, Nykredit has developed the **ESGreen Tool** aimed at providing the agricultural sector with tools and knowledge of how to find a viable, documentable and effective path forward in the green transition.





## Q1-Q3 in summary

Business profit came to DKK 3,566 million in Q1-Q3/2024 (Q1-Q3/2023: DKK 3,407 million), and profit for the period after tax was DKK 2,764 million (Q1-Q3/2023: DKK 2,669 million).

Income totalled DKK 6,075 million (Q1-Q3/2023: DKK 5,929 million), and net interest income amounted to DKK 2,736 million (Q1-Q3/2023: DKK 2,838 million). Net interest income is falling compared with the same period last year due to a decline in income from deposits, driven by our decision to raise deposit rates in April, particularly for personal customers.

Wealth management income increased to DKK 2,004 million (Q1-Q3/2023: DKK 1,785 million), mainly driven by rising asset management income driven as a result of higher net selling across the different business areas.

Net fee income amounted to DKK 581 million (Q1-Q3/2023: DKK 562 million), positively affected by the high activity level of corporate clients in the business area Corporates & Institutions and of personal customers.

Net interest from capitalisation, which comprises return on equity and interest on subordinated capital, was a gain of DKK 668 million (Q1-Q3/2023: gain of DKK 480 million). The increase compared with Q1-Q3/2023 was due to higher interest rates.

Trading, investment portfolio and other income, which includes income from Nykredit Markets and value adjustments of swaps, came to DKK 129 million (Q1-Q3/2023: DKK 323 million).

Total costs amounted to DKK 2,584 million (Q1-Q3/2023: DKK 2,473 million). Pay rises and bonuses as well as general inflation-driven price growth led to increased costs across the Nykredit Bank Group. The period also saw large strategic investments in Nykredit's IT infrastructure and Wealth Management platform. Costs attributable to pay rises were partially mitigated through streamlining and financial discipline.

The average number of full-time equivalent staff totalled 1,024 (Q1-Q3/2023: 1,014).

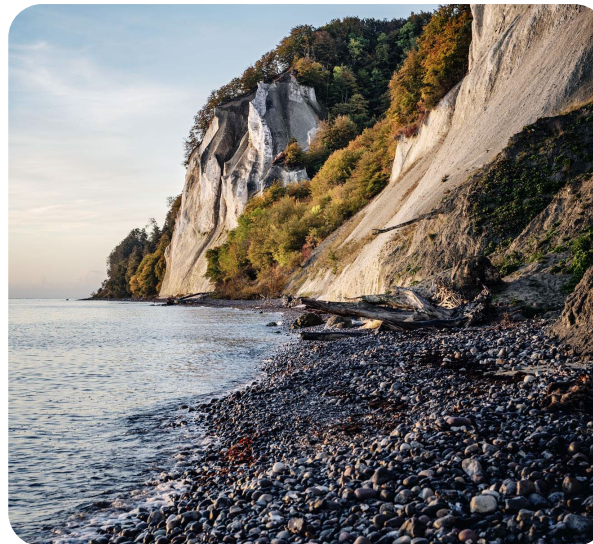
Impairment charges for loans and advances were a net reversal of DKK 75 million (Q1-Q3/2023: Impairment charges for loans and advances of DKK 50 million) owing to the continued strong performance of the Danish economy and our customers' good credit quality.

Legacy derivatives were a gain of DKK 102 million (Q1-Q3/2023: gain of DKK 143 million). Legacy derivatives are derivatives Nykredit no longer offers to customers.

Lending rose by DKK 99.9 billion at end-September 2024 (Q1-Q3/2023: DKK 92.2 billion).

Deposits and other payables amounted to DKK 119.0 billion (Q1-Q3/2023: DKK 107.7 billion).

Deposits exceeded lending at amortised cost by DKK 16.1 billion (Q1-Q3/2023: DKK 12.1 billion).



Lending  
**DKK 99.9 billion**  
(Q1-Q3/2023 2023: DKK 92.2 billion)

## Totalkredit

Totalkredit delivered a satisfactory profit after tax for Q1-Q3/2024 of DKK 2,598 million (Q1-Q3/2023: DKK 2,559 million), marking the highest profit after tax for the period in Totalkredit A/S's history.



Income  
DKK **4,044** million  
(Q1-Q3/2023: DKK 4,053 million)



Costs  
DKK **801** million  
(Q1-Q3/2023: DKK 786 million)



Profit after tax  
DKK **2,598** million  
(Q1-Q3/2023: DKK 2,559 million)

DKK million

Totalkredit	Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q2/ 2024	Q1/ 2024	Q3/ 2023	2023
<b>BUSINESS PROFIT AND PROFIT FOR THE PERIOD</b>							
Net interest income	2,768	2,777	934	926	908	924	3,743
Net fee income	531	556	132	214	186	140	812
Net interest from capitalisation	773	525	278	260	235	182	701
Net income relating to customer benefits programmes	(344)	(199)	(117)	(115)	(112)	(50)	(268)
Trading, investment portfolio and other income	315	393	131	95	89	192	569
<b>Income</b>	<b>4,044</b>	<b>4,053</b>	<b>1,358</b>	<b>1,380</b>	<b>1,306</b>	<b>1,387</b>	<b>5,556</b>
Costs	801	786	268	256	278	242	1,054
<b>Business profit before impairment charges</b>	<b>3,242</b>	<b>3,267</b>	<b>1,090</b>	<b>1,124</b>	<b>1,029</b>	<b>1,145</b>	<b>4,504</b>
Impairment charges for loans and advances	73	104	(15)	71	17	30	104
<b>Profit before tax</b>	<b>3,169</b>	<b>3,163</b>	<b>1,105</b>	<b>1,053</b>	<b>1,012</b>	<b>1,116</b>	<b>4,401</b>
Tax	571	604	203	190	178	217	851
<b>Profit for the period</b>	<b>2,598</b>	<b>2,559</b>	<b>902</b>	<b>863</b>	<b>833</b>	<b>899</b>	<b>3,550</b>
Interest on Additional Tier 1 capital not recognised in profit or loss	216	193	70	72	73	70	266
<b>SUMMARY BALANCE SHEET</b>							
	31.09.2024	30.09.2023	31.09.2024	30.06.2024	31.03.2024	30.09.2023	31.12.2023
Mortgage loans at fair value	856,292	781,193	856,292	827,406	822,354	781,193	818,473
Bonds at fair value	50,954	48,413	50,954	84,198	68,564	48,413	65,073
Payables to credit institutions and central banks	873,072	799,476	873,072	879,111	855,751	799,476	855,655
Bonds in issue at fair value	2,206	2,593	2,206	2,296	2,388	2,593	2,496
Equity	42,915	39,618	42,915	42,084	41,295	39,618	40,536
<b>FINANCIAL RATIOS</b>							
Profit for the period as % pa of average equity <sup>1</sup>	8.4	9.2	8.6	8.4	9.0	9.4	9.4
Cost/income ratio (C/I), %	21.5	19.4	21.8	18.5	21.3	17.4	19.0
Average number of staff, full-time equivalent	231	249	219	236	241	248	248

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

## Partnership activities

Totalkredit believes that our customers are best served by local banking advisers who know them, their financial situation and the local area well. We share this belief with the 41 local and regional banks that make up the unique Totalkredit alliance.

The alliance with the Totalkredit partner banks is the foundation for our commitment to contribute to development and growth and offer attractive and secure loans all over Denmark at all times. The Totalkredit alliance is strong, and our partner satisfaction and customer satisfaction scores remain high. Together with our partner banks, which are responsible for the direct customer contact, we are committed to helping our customers, also in difficult times.

## Joint IT platform

The Totalkredit alliance is continually working to develop a future-proofed IT platform to optimise the advisory tools and home financing options available to all members of the partnership and their customers. 70% of Totalkredit loans are produced in the new home finance universes made available to partner banks via their IT providers. The new universes offer better loan 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.

## Business banking

We have seen growth in Totalkredit business mortgages offered to the segments office and retail, housing cooperatives, residential rental as well as industry and trades.

## Green initiatives

Sustainability has become an important part of our work, and we are working all across the Group to support Denmark's green transition. Totalkredit has launched a suite of initiatives that will make it easier and more affordable for our customers to make green choices.

**Ideas:** The energy calculator helps customers to pinpoint swiftly and easily which energy improvements would benefit them most.

**Home energy and climate check-up:** Customers who opt for a Totalkredit home energy and climate check-up get a visit by an energy consultant who provides advice and concrete recommendations for home energy improvements and maintenance, as well as advice on how to prevent flooding during heavy rainfall and prolonged rainy seasons.

**Cash voucher:** Totalkredit offers a cash voucher of DKK 10,000 to customers who replace their oil- or gas-fired boiler with a heat pump. This is possible because Totalkredit is backed by a green contribution from Forenet Kredit.

**Low-cost financing:** Customers with an oil- or gas-fired boiler can obtain a loan on favourable terms if they switch to a greener heat source. Specifically, customers do not have to pay up-front and registration fees.

**Advice and help:** Customers wishing to replace their boiler with an air-to-water heat pump can, as a special feature, receive an "all-inclusive" offer with advice and help from a heat pump consultant from NRGi. The offer includes all aspects of the entire process: from a visit by an expert who helps the customer choose and order the right heat pump to delivery and installation, as well as an inspection and an annual service check in the first two years.





## Q1-Q3 in summary

Profit after tax amounted to DKK 2,598 million (Q1-Q3/2023: DKK 2,559 million). Profit for the period as % pa of average equity came to 6.2% (Q1-Q3/2023: 9.2%).

Income amounted to DKK 4,044 million (Q1-Q3/2023: DKK 4,053 million).

Net interest income decreased to DKK 2,768 million (Q1-Q3/2023: DKK 2,777 million), and net fee income fell to DKK 531 million (Q1-Q3/2023: DKK 556 million).

Trading, investment portfolio and other income came to DKK 315 million (Q1-Q3/2023: DKK 393 million). The item relates to value adjustments of the portfolio of self-issued bonds due to lower price spreads.

Total costs amounted to DKK 801 million (Q1-Q3/2023: DKK 786 million). The increase in costs was primarily due to pay rises and general inflation-driven price growth. Furthermore, the period saw large investments in Nykredit's IT infrastructure. The higher costs for pay rises etc were partially mitigated through streamlining and financial discipline as well as lower contributions to the Danish Resolution Fund scheme.

The average number of full-time equivalent staff totalled 231 (Q1-Q3/2023: 249).

Impairment charges for loans and advances were DKK 73 million (Q1-Q3/2023: DKK 104 million). The credit quality is still considered to be satisfactory. The decrease in impairment charges to cover risks associated with higher interest rates, expected rising unemployment and falling house prices is driven by our customers' improved financial situation and a generally stronger economy.

In Q1-Q3/2024, Totalkredit maintained its overall level of mortgage lending. Mortgage lending measured at nominal value totalled DKK 895.8 billion against DKK 878.5 billion at end-2023. Totalkredit has experienced growth in total mortgage lending, primarily due to lower prepayment.



Lending, nominal value  
**DKK 895.8 billion**  
(end-2023: DKK 878.5 billion)





## Alternative performance measures

In the opinion of Management, the Management Commentary should be based on the internal management and business division reporting, which also forms part of Nykredit's financial governance. This will provide readers of the financial reports with information that is relevant to their assessment of Nykredit's financial performance.

The income statement format of the financial highlights on pages 7 og 8 and the business areas (pages 14-24 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, implying that the profit for the period 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 period, %.* 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 September 2024 of Nykredit A/S and the Nykredit Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Report and the Management Commentary have been prepared in accordance with statutory requirements, including the Danish Financial Business Act. Moreover, the Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's assets, liabilities, equity and financial position at 30 September 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 September 2024.

Further, in our opinion, the Management Commentary gives a fair review of the development in the operations and financial circumstances of the Group and the Parent as well as a description of the material risk and uncertainty factors which may affect the Group and the Parent.

The Interim Report has not been subject to audit or review.

Copenhagen, 7 November 2024

### Executive Board

Michael Rasmussen  
Group Chief Executive

Tonny Thierry Andersen  
Group Managing Director

David Hellemann  
Group Managing Director

Anders Jensen  
Group Managing Director

Pernille Sindby  
Group Managing Director

### Board of Directors

Merete Eldrup  
Chair

Preben Sunke  
Deputy Chair

Olav Bredgaard Brusen\*

John Christiansen

Michael Demsitz

Rasmus Fossing\*

Per W. Hallgren

Kathrin Helene Hattens\*

Jørgen Høholt

Torsten Hagen Jørgensen

Peter Kofod\*

Vibeke Krag

Mie Krog

Lasse Nyby

Inge Sand\*

\* *Staff-elected member*

# Statement of income and comprehensive income

		DKK million			
Nykredit Group		Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q3/ 2023
	Note				
<b>INCOME STATEMENT</b>					
Interest income		38,028	33,550	12,709	12,223
Interest income based on the effective interest method		6,155	5,210	1,977	1,985
Interest expenses		32,785	27,104	10,940	10,115
<b>Net interest income</b>	6	<b>11,398</b>	<b>11,656</b>	<b>3,746</b>	<b>4,093</b>
Dividend on equities etc	6	504	230	24	7
Fee and commission income	5	3,290	3,099	1,116	992
Fee and commission expenses		3,100	2,978	1,075	953
<b>Net interest and fee income</b>		<b>12,092</b>	<b>12,007</b>	<b>3,811</b>	<b>4,139</b>
Value adjustments	6, 7	2,843	2,291	660	882
Other operating income		1,393	1,126	470	378
Staff and administrative expenses		4,653	4,393	1,586	1,476
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets		209	219	79	55
Other operating expenses		178	194	51	61
Impairment charges for loans, advances and receivables etc	8	(141)	(141)	(57)	(26)
Profit (loss) from investments in associates and Group enterprises	9	2	4	(0)	2
<b>Profit before tax</b>		<b>11,431</b>	<b>10,763</b>	<b>3,283</b>	<b>3,834</b>
Tax		2,473	2,435	819	897
<b>Profit for the period</b>		<b>8,958</b>	<b>8,328</b>	<b>2,463</b>	<b>2,938</b>
<b>Distribution of profit for the period</b>					
Shareholders of Nykredit A/S		8,784	8,168	2,402	2,882
Minority interests		60	45	22	17
Holders of Additional Tier 1 capital notes		115	115	39	39
<b>Profit for the period</b>		<b>8,958</b>	<b>8,328</b>	<b>2,463</b>	<b>2,938</b>
<b>COMPREHENSIVE INCOME</b>					
<b>Profit for the period</b>		<b>8,958</b>	<b>8,328</b>	<b>2,463</b>	<b>2,938</b>
<b>Other comprehensive income</b>					
<b>Items that cannot be reclassified to profit or loss:</b>					
Actuarial gains/losses on defined benefit plans		9	13	(10)	(9)
Tax on actuarial gains/losses on defined benefit plans		(2)	(3)	3	2
Fair value adjustment of owner-occupied properties		-	(2)	-	(2)
<b>Total items that cannot be reclassified to profit or loss</b>		<b>7</b>	<b>8</b>	<b>(8)</b>	<b>(9)</b>
<b>Other comprehensive income</b>		<b>7</b>	<b>8</b>	<b>(8)</b>	<b>(9)</b>
<b>Comprehensive income for the period</b>		<b>8,965</b>	<b>8,336</b>	<b>2,456</b>	<b>2,929</b>
<b>Distribution of comprehensive income</b>					
Shareholders of Nykredit A/S		8,790	8,176	2,395	2,873
Minority interests		60	45	22	17
Holders of Additional Tier 1 capital notes		115	115	39	39
<b>Comprehensive income for the period</b>		<b>8,965</b>	<b>8,336</b>	<b>2,456</b>	<b>2,929</b>



# Statements of income and comprehensive income

DKK million					
Nykredit A/S		Q1-Q3/ 2024	Q1-Q3/ 2023	Q3/ 2024	Q3/ 2023
	Note				
<b>INCOME STATEMENT</b>					
Interest income		0	1	-	0
Interest expenses		0	-	0	-
<b>Net interest income</b>		<b>0</b>	<b>1</b>	<b>(0)</b>	<b>-</b>
Staff and administrative expenses		6	4	2	1
Profit from investments in associates and Group enterprises	9	8,787	8,171	2,404	2,917
<b>Profit before tax</b>		<b>8,782</b>	<b>8,167</b>	<b>2,402</b>	<b>2,916</b>
Tax		(2)	(1)	(0)	(0)
<b>Profit for the period</b>		<b>8,784</b>	<b>8,168</b>	<b>2,402</b>	<b>2,916</b>
<b>Distribution of profit for the period</b>					
Shareholders of Nykredit A/S		8,784	8,168	2,402	2,916
<b>Profit for the period</b>		<b>8,784</b>	<b>8,168</b>	<b>2,402</b>	<b>2,916</b>
<b>COMPREHENSIVE INCOME</b>					
<b>Profit for the period</b>		<b>8,784</b>	<b>8,168</b>	<b>2,402</b>	<b>2,916</b>
<b>Other comprehensive income</b>					
<b>Items that cannot be reclassified to profit or loss:</b>					
Share of comprehensive income in associates and Group enterprises		7	9	(8)	(5)
<b>Total items that cannot be reclassified to profit or loss</b>		<b>7</b>	<b>9</b>	<b>(8)</b>	<b>(5)</b>
<b>Other comprehensive income</b>		<b>7</b>	<b>9</b>	<b>(8)</b>	<b>(5)</b>
<b>Comprehensive income for the period</b>		<b>8,790</b>	<b>8,178</b>	<b>2,395</b>	<b>2,910</b>
<b>Distribution of comprehensive income</b>					
Shareholders of Nykredit A/S		8,790	8,178	2,395	2,910
<b>Comprehensive income for the period</b>		<b>8,790</b>	<b>8,178</b>	<b>2,395</b>	<b>2,910</b>

# Balance sheets

		DKK million		
Nykredit A/S		Nykredit Group		
31.12.2023	30.09.2024	Note	30.09.2024	31.12.2023
<b>ASSETS</b>				
-	-		49,781	61,056
24	17		10,942	7,005
-	-	10	1,406,590	1,355,312
-	-	11	141,120	128,645
-	-	12	90,188	94,486
-	-	13	1,726	1,688
-	-		7,935	7,457
-	-		52	55
97,134	98,306		-	-
-	-	14	7,753	4,173
-	-		2,377	2,323
<b>Land and buildings</b>				
-	-		20	20
-	-		1,208	466
-	-		<b>1,228</b>	<b>486</b>
-	-		291	231
2	4		29	48
1	0		159	169
-	-		39	6
-	-		16,240	18,075
1	1		524	394
<b>97,162</b>	<b>98,329</b>		<b>1,736,974</b>	<b>1,681,608</b>

# Balance sheets

		DKK million		
Nykredit A/S		Nykredit Group		
31.12.2023	30.09.2024	Note	30.09.2024	31.12.2023
<b>LIABILITIES AND EQUITY</b>				
0	0		15,299	12,591
-	-	15	123,083	119,801
-	-		7,753	4,173
-	-	16	1,375,540	1,334,909
-	-	17	65,218	62,360
-	-	18	5,832	7,139
-	-		1,928	300
4	3		28,294	27,698
-	-		3	4
<b>5</b>	<b>3</b>		<b>1,622,952</b>	<b>1,568,975</b>
<b>Provisions</b>				
-	-		0	6
-	-		633	457
-	-		12	13
-	-		349	328
-	-		345	406
-	-		<b>1,339</b>	<b>1,211</b>
-	-	19	<b>10,458</b>	<b>10,394</b>
<b>Equity</b>				
1,327	1,327		1,327	1,327
<b>Accumulated value adjustments</b>				
-	-		5	3
<b>Other reserves</b>				
78,953	80,125		-	-
-	-		22,142	22,142
-	-		4,885	4,885
11,477	16,874		69,967	63,399
5,400	-		-	5,400
<b>97,157</b>	<b>98,326</b>		<b>98,326</b>	<b>97,157</b>
<b>Shareholders of Nykredit A/S</b>				
-	-		99	112
-	-		3,799	3,759
<b>97,157</b>	<b>98,326</b>		<b>102,224</b>	<b>101,029</b>
<b>97,162</b>	<b>98,329</b>		<b>1,736,974</b>	<b>1,681,608</b>
<b>Total liabilities and equity</b>				
<b>OFF-BALANCE SHEET ITEMS</b>				
-	-		12,095	6,932
-	-		19,846	24,209
-	-		<b>31,942</b>	<b>31,141</b>
<b>Total</b>				



# Statement of changes in equity

DKK million

Nykredit Group

	Share capital <sup>1</sup>	Revaluation reserves	Series reserves	Non-distributable reserve fund <sup>2</sup>	Retained earnings	Proposed dividend	Shareholders of Nykredit A/S	Minority interests	Additional Tier 1 capital <sup>3</sup>	Total equity
<b>2024</b>										
<b>Equity, 1 January</b>	<b>1,327</b>	<b>3</b>	<b>22,142</b>	<b>4,885</b>	<b>63,399</b>	<b>5,400</b>	<b>97,157</b>	<b>112</b>	<b>3,759</b>	<b>101,029</b>
Profit for the period	-	-	-	-	6,584	2,200	8,784	60	115	8,958
Total other comprehensive income	-	-	-	-	7	-	7	-	-	7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,590</b>	<b>2,200</b>	<b>8,790</b>	<b>60</b>	<b>115</b>	<b>8,965</b>
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(1)	-	(1)	-	1	-
Premiums relating to acquisition of minority interest	-	-	-	-	(20)	-	(20)	-	-	(20)
Realised from the sale of properties	-	1	-	-	(1)	-	-	-	-	-
Distributed dividend	-	-	-	-	-	(7,600)	(7,600)	(69)	-	(7,669)
Other adjustments	-	-	-	-	-	-	-	(4)	-	(4)
<b>Equity, 30 September</b>	<b>1,327</b>	<b>5</b>	<b>22,142</b>	<b>4,885</b>	<b>69,967</b>	<b>-</b>	<b>98,326</b>	<b>99</b>	<b>3,799</b>	<b>102,224</b>
<b>2023</b>										
<b>Equity, 1 January</b>	<b>1,327</b>	<b>3</b>	<b>31,878</b>	<b>4,849</b>	<b>50,285</b>	<b>4,650</b>	<b>92,992</b>	<b>114</b>	<b>3,751</b>	<b>96,858</b>
Profit for the period	-	-	-	-	6,318	1,850	8,168	45	115	8,328
Total other comprehensive income	-	-	-	-	8	-	8	-	-	8
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,326</b>	<b>1,850</b>	<b>8,176</b>	<b>45</b>	<b>115</b>	<b>8,336</b>
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	-	-	(77)	(77)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	-	(10)	-	(10)	-	10	-
Premiums relating to acquisition of minority interest	-	-	-	-	(21)	-	(21)	-	-	(21)
Distributed dividend	-	-	-	-	-	(6,500)	(6,500)	(65)	-	(6,565)
Other adjustments	-	-	-	-	-	-	-	(5)	-	(5)
<b>Equity, 30 September</b>	<b>1,327</b>	<b>3</b>	<b>31,878</b>	<b>4,849</b>	<b>56,579</b>	<b>-</b>	<b>94,637</b>	<b>89</b>	<b>3,800</b>	<b>98,526</b>

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

<sup>2</sup> A non-distributable reserve fund in Totalkredit A/S and Nykredit Realkredit A/S.

<sup>3</sup> 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 A/S

	Share capital <sup>1</sup>	Statutory reserves <sup>2</sup>	Retained earnings	Proposed dividend	Total equity
<b>2024</b>					
<b>Equity, 1 January</b>	<b>1,327</b>	<b>78,953</b>	<b>11,477</b>	<b>5,400</b>	<b>97,157</b>
Profit for the period	-	8,787	(2,203)	2,200	8,784
Total other comprehensive income	-	7	-	-	7
<b>Total comprehensive income</b>	<b>-</b>	<b>8,794</b>	<b>(2,203)</b>	<b>2,200</b>	<b>8,790</b>
Distributed dividend	-	-	-	(7,600)	(7,600)
Dividend received from subsidiaries	-	(7,600)	7,600	-	-
Adjustment relating to subsidiaries	-	(21)	-	-	(21)
<b>Equity, 30 September</b>	<b>1,327</b>	<b>80,125</b>	<b>16,874</b>	<b>-</b>	<b>98,326</b>
<b>2023</b>					
<b>Equity, 1 January</b>	<b>1,327</b>	<b>74,783</b>	<b>12,233</b>	<b>4,650</b>	<b>92,992</b>
Profit for the period	-	8,171	(1,853)	1,850	8,168
Total other comprehensive income	-	9	-	-	9
<b>Total comprehensive income</b>	<b>-</b>	<b>8,181</b>	<b>(1,853)</b>	<b>1,850</b>	<b>8,178</b>
Distributed dividend	-	-	-	(6,500)	(6,500)
Dividend received from subsidiaries	-	(6,500)	6,500	-	-
Adjustment relating to subsidiaries	-	(33)	-	-	(33)
<b>Equity, 30 September</b>	<b>1,327</b>	<b>76,430</b>	<b>16,880</b>	<b>-</b>	<b>94,637</b>

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

<sup>2</sup> The item relates to a transfer to reserves for net revaluation according to the equity method. The item includes a non-distributable reserve fund of DKK 1,646 million in Totalkredit A/S and DKK 3,203 million in Nykredit Realkredit A/S.

# Cash flow statement

DKK million

Nykredit Group	Q1-Q3/2024	Q1-Q3/2023
<b>Profit for the period</b>	<b>8,958</b>	<b>8,328</b>
<b>Adjustments</b>		
Net interest income	(11,398)	(11,656)
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	209	330
Profit from investments in associates	(2)	(4)
Impairment charges for loans, advances and receivables etc	(24)	(141)
Prepayments/deferred income, net	(129)	(110)
Tax calculated on profit for the period	2,473	2,435
Other adjustments	(896)	104
<b>Total</b>	<b>(808)</b>	<b>(714)</b>
<b>Change in operating capital</b>		
Loans, advances and other receivables	(63,729)	(14,288)
Deposits and payables to credit institutions	5,990	(16,314)
Bonds in issue	43,490	21,828
Other operating capital	3,180	220
<b>Total</b>	<b>(11,877)</b>	<b>(9,268)</b>
Interest income received	42,477	37,744
Interest expenses paid	(32,510)	(21,905)
Corporation tax paid, net	(653)	(526)
<b>Cash flows from operating activities</b>	<b>(2,563)</b>	<b>6,045</b>
<b>Cash flows from investing activities</b>		
Acquisition and sale of associates	3	(5)
Dividend received from associates	5	6
Purchase and sale of bonds and equities, net	4,405	(949)
Purchase of intangible assets	(138)	(152)
Purchase of property, plant and equipment	(926)	(43)
Sale of property, plant and equipment	-	16
<b>Total</b>	<b>3,348</b>	<b>(1,126)</b>
<b>Cash flows from financing activities</b>		
Distributed dividend	(7,600)	(6,571)
Payment of lease liabilities	(706)	(84)
<b>Total</b>	<b>(8,306)</b>	<b>(6,655)</b>
<b>Total cash flows for the period</b>	<b>(7,521)</b>	<b>(1,736)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>68,061</b>	<b>61,242</b>
Foreign currency translation adjustment of cash	183	(447)
Total cash flows for the period	(7,521)	(1,736)
<b>Cash and cash equivalents, end of period</b>	<b>60,723</b>	<b>59,058</b>
<b>Cash and cash equivalents, end of period:</b>		
Cash balances and demand deposits with central banks	49,781	47,835
Receivables from credit institutions and central banks	10,942	11,224
<b>Total</b>	<b>60,723</b>	<b>59,058</b>

# Notes

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## Nykredit Group

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# Notes

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Nykredit Group

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## 1. ACCOUNTING POLICIES

### General

The Parent Interim Financial Statements for Q1-Q3/2024 have been prepared in accordance with statutory requirements, including the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (the Danish Executive Order on Financial Reports) issued by the Danish Financial Supervisory Authority (FSA).

The Consolidated Financial Statements for Q1-Q3/2024 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 (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 A/S		Nykredit Group		
31.12.2023	30.09.2024		30.09.2024	31.12.2023
<b>2. CAPITAL AND CAPITAL ADEQUACY</b>				
97,157	98,326	Equity for accounting purposes	102,224	101,029
-	-	Minority interests not included	(99)	(112)
-	-	Carrying amount of Additional Tier 1 capital recognised in equity	(3,799)	(3,759)
-	(4,392)	Share of profit etc for the period not included	(4,449)	-
<b>97,157</b>	<b>93,934</b>	<b>Equity excluding Additional Tier 1 capital and minority interests</b>	<b>93,877</b>	<b>97,157</b>
(5,400)	-	Proposed dividend	-	(5,400)
-	-	Prudent valuation adjustment	(71)	(83)
-	-	Minority interests	49	54
-	-	Intangible assets excluding deferred tax liabilities	(2,139)	(2,154)
-	-	Other regulatory adjustments	(290)	(270)
(268)	(149)	Deduction for own shares	(149)	(268)
-	-	Deduction for non-performing exposures	(947)	(639)
<b>(5,668)</b>	<b>(149)</b>	<b>Common Equity Tier 1 regulatory deductions</b>	<b>(3,547)</b>	<b>(8,759)</b>
<b>91,489</b>	<b>93,786</b>	<b>Common Equity Tier 1 capital</b>	<b>90,329</b>	<b>88,398</b>
-	-	Additional Tier 1 capital	2,734	2,663
-	-	Additional Tier 1 regulatory deductions	-	(9)
-	-	<b>Total Additional Tier 1 capital after regulatory deductions</b>	<b>2,734</b>	<b>2,654</b>
<b>91,489</b>	<b>93,786</b>	<b>Tier 1 capital</b>	<b>93,064</b>	<b>91,052</b>
-	-	Tier 2 capital	8,440	8,395
<b>91,489</b>	<b>93,786</b>	<b>Own funds</b>	<b>101,503</b>	<b>99,447</b>
359,397	363,735	Credit risk	392,078	373,439
-	-	Market risk	26,887	27,981
0	1	Operational risk	34,470	30,945
<b>359,398</b>	<b>363,736</b>	<b>Total risk exposure amount</b>	<b>453,434</b>	<b>432,364</b>
<b>Financial ratios</b>				
25.4	25.7	Common Equity Tier 1 capital ratio, %	19.9	20.4
25.4	25.7	Tier 1 capital ratio, %	20.5	21.0
25.4	25.7	Total capital ratio, %	22.3	23.0

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 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
<b>Results</b>									
<b>Q1-Q3/2024</b>									
<b>Results by business area</b>									
Net interest income	1,875	2,394	4,269	2,088	6,357	2,300	313	22	8,992
Net fee income	462	409	872	570	1,441	552	31	(13)	2,011
Wealth management income	394	103	497	154	651	-	1,332	21	2,004
Net interest from capitalisation	143	409	552	512	1,064	418	38	328	1,849
Net income relating to customer benefits programmes <sup>1</sup>	-	(0)	(0)	-	(0)	-	-	(428)	(428)
Trading, investment portfolio and other income	33	63	96	284	380	(2)	34	1,390	1,802
<b>Income</b>	<b>2,908</b>	<b>3,378</b>	<b>6,285</b>	<b>3,608</b>	<b>9,894</b>	<b>3,268</b>	<b>1,747</b>	<b>1,320</b>	<b>16,228</b>
Costs	1,870	978	2,848	630	3,479	599	824	138	5,040
<b>Business profit before impairment charges</b>	<b>1,038</b>	<b>2,399</b>	<b>3,437</b>	<b>2,978</b>	<b>6,415</b>	<b>2,668</b>	<b>923</b>	<b>1,182</b>	<b>11,188</b>
Impairment charges for loans and advances	(303)	(98)	(401)	191	(210)	99	(21)	(10)	(141)
<b>Business profit</b>	<b>1,340</b>	<b>2,497</b>	<b>3,838</b>	<b>2,787</b>	<b>6,625</b>	<b>2,569</b>	<b>943</b>	<b>1,192</b>	<b>11,329</b>
Legacy derivatives	2	34	36	66	102	-	-	-	102
<b>Profit before tax</b>	<b>1,342</b>	<b>2,531</b>	<b>3,873</b>	<b>2,853</b>	<b>6,727</b>	<b>2,569</b>	<b>943</b>	<b>1,192</b>	<b>11,431</b>

## BALANCE SHEET, 30 SEPTEMBER 2024

<b>Assets</b>									
Mortgage loans etc at fair value	155,942	216,311	372,253	305,554	677,807	711,902	16,526	-	1,406,234
Reverse repurchase lending	-	-	-	-	-	-	-	40,900	40,900
Loans and advances at amortised cost	15,137	33,717	48,854	45,617	94,470	-	5,603	147	100,220
<b>Assets by business area</b>	<b>171,079</b>	<b>250,028</b>	<b>421,106</b>	<b>351,171</b>	<b>772,277</b>	<b>711,902</b>	<b>22,129</b>	<b>41,047</b>	<b>1,547,355</b>
Unallocated assets									189,620
<b>Total assets</b>									<b>1,736,974</b>
<b>Liabilities and equity</b>									
Repo deposits								4,375	4,375
Bank deposits and other payables at amortised cost	50,372	28,417	78,789	16,661	95,451	-	18,294	4,964	118,708
<b>Liabilities by business area</b>	<b>50,372</b>	<b>28,417</b>	<b>78,789</b>	<b>16,661</b>	<b>95,451</b>	<b>-</b>	<b>18,294</b>	<b>9,339</b>	<b>123,083</b>
Unallocated liabilities									1,511,667
Equity									102,224
<b>Total liabilities and equity</b>									<b>1,736,974</b>

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

# Notes

DKK million

Nykredit Group

## 3. BUSINESS AREAS (CONTINUED)

	Personal Banking	Business Banking	Total Retail	Corporates & Institutions	Total Banking	Totalkredit Partners	Wealth Management	Group Items	Total
<b>Results</b>									
<b>Q1-Q3/2023</b>									
<b>Results by business area</b>									
Net interest income	2,088	2,380	4,468	1,947	6,415	2,313	380	(2)	9,106
Net fee income	515	357	872	521	1,393	525	31	1	1,950
Wealth management income	341	92	433	117	550	-	1,214	21	1,785
Net interest from capitalisation	106	277	383	330	713	292	30	277	1,312
Net income relating to customer benefits programmes <sup>1</sup>	-	(0)	(0)	-	(0)	-	-	(291)	(291)
Trading, investment portfolio and other income	28	77	105	381	486	(4)	32	910	1,423
<b>Income</b>	<b>3,078</b>	<b>3,184</b>	<b>6,262</b>	<b>3,295</b>	<b>9,557</b>	<b>3,127</b>	<b>1,686</b>	<b>916</b>	<b>15,286</b>
Costs	1,765	980	2,746	600	3,345	625	746	90	4,805
<b>Business profit before impairment charges</b>	<b>1,313</b>	<b>2,204</b>	<b>3,516</b>	<b>2,695</b>	<b>6,211</b>	<b>2,503</b>	<b>940</b>	<b>826</b>	<b>10,480</b>
Impairment charges for loans and advances	(80)	(116)	(196)	(21)	(217)	55	8	14	(141)
<b>Business profit</b>	<b>1,392</b>	<b>2,320</b>	<b>3,712</b>	<b>2,716</b>	<b>6,428</b>	<b>2,448</b>	<b>932</b>	<b>812</b>	<b>10,621</b>
Legacy derivatives	5	62	67	76	143	-	(0)	-	143
<b>Profit before tax</b>	<b>1,398</b>	<b>2,382</b>	<b>3,779</b>	<b>2,792</b>	<b>6,571</b>	<b>2,448</b>	<b>932</b>	<b>812</b>	<b>10,764</b>

## BALANCE SHEET, 30 SEPTEMBER 2023

### Assets

Mortgage loans etc at fair value	150,129	201,338	351,467	277,351	628,819	661,941	14,717	-	1,305,477
Reverse repurchase lending								33,470	33,470
Loans and advances at amortised cost	13,024	30,881	43,905	43,120	87,025	-	5,439	76	92,540
<b>Assets by business area</b>	<b>163,153</b>	<b>232,219</b>	<b>395,372</b>	<b>320,471</b>	<b>715,843</b>	<b>661,941</b>	<b>20,156</b>	<b>33,545</b>	<b>1,431,486</b>
Unallocated assets									183,503
<b>Total assets</b>									<b>1,614,990</b>

### Liabilities and equity

Repo deposits								3,080	3,080
Bank deposits and other payables at amortised cost	46,074	27,956	74,031	13,577	87,608	-	17,615	2,313	107,536
<b>Liabilities by business area</b>	<b>46,074</b>	<b>27,956</b>	<b>74,031</b>	<b>13,577</b>	<b>87,608</b>	<b>-</b>	<b>17,615</b>	<b>5,393</b>	<b>110,615</b>
Unallocated liabilities									1,405,849
Equity									98,526
<b>Total liabilities and equity</b>									<b>1,614,990</b>

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



# Notes

DKK million

Nykredit Group

## 4. RECONCILIATION OF INTERNAL AND REGULATORY INCOME STATEMENT

	Q1-Q3/2024			Q1-Q3/2023		
	Earnings presentation in Management Com- mentary	Reclassification	Income statement	Earnings presentation in Management Com- mentary	Reclassification	Income statement
Net interest income	8,992	2,407	11,398	9,106	2,550	11,656
Dividend on equities etc		504	504		230	230
Fee and commission income, net	2,011	(1,820)	190	1,950	(1,830)	121
<b>Net interest and fee income</b>		<b>1,090</b>	<b>12,092</b>		<b>951</b>	<b>12,007</b>
Wealth management income	2,004	(2,004)	-	1,785	(1,785)	-
Net interest from capitalisation	1,849	(1,849)	-	1,312	(1,312)	-
Net income relating to customer benefits programmes	(428)	428	-	(291)	291	-
Trading, investment portfolio and other income	1,802	(1,802)	-	1,423	(1,423)	-
Value adjustments		2,843	2,843		2,291	2,291
Other operating income		1,393	1,393		1,126	1,126
<b>Income</b>	<b>16,228</b>			<b>15,286</b>		
Costs	5,040	(0)	5,040	4,805	-	4,805
<b>Business profit before impairment charges</b>	<b>11,188</b>			<b>10,480</b>		
Impairment charges for loans and advances etc	(141)	-	(141)	(141)	-	(141)
Profit from investments in associates and Group enterprises		2	2		4	4
<b>Business profit</b>	<b>11,329</b>			<b>10,621</b>		
Legacy derivatives	102	(102)	-	143	(143)	-
<b>Profit before tax</b>	<b>11,431</b>	<b>-</b>	<b>11,431</b>	<b>10,763</b>	<b>-</b>	<b>10,763</b>

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 Group

Q1-Q3/2024

Q1-Q3/2023

## 5. FEE AND COMMISSION INCOME

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

Retail	480	461
Corporates & Institutions	256	263
Totalkredit Partners	394	392
Wealth Management	1,960	1,785
Group Items	139	128
<b>Total</b>	<b>3,229</b>	<b>3,030</b>
Total including income from financial guarantees	3,290	3,099

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 Group

## 6. NET INTEREST INCOME ETC AND VALUE ADJUSTMENTS

Q1-Q3/2024	Interest income	Interest expenses	Net interest income	Dividend on equities	Value adjustments	Total
<b>Financial portfolios at amortised cost</b>						
Receivables from and payables to credit institutions and central banks	734	195	539	-	-	539
Lending and deposits	4,278	1,975	2,303	-	(3)	2,300
Repo transactions and reverse repurchase lending	1,378	464	914	-	-	914
Bonds	5	-	5	-	-	5
Subordinated debt	-	352	(352)	-	-	(352)
Other financial instruments	157	56	100	-	-	100
<b>Total</b>	<b>6,552</b>	<b>3,042</b>	<b>3,510</b>	<b>-</b>	<b>(3)</b>	<b>3,507</b>
<b>Financial portfolios at fair value and financial instruments at fair value</b>						
Mortgage loans and bonds in issue	36,760	29,743	7,017	-	(39)	6,978
- of which administration margin income	6,944	-	6,944	-	-	6,944
Bonds	2,100	-	2,100	-	2,508	4,608
Equities etc	-	-	-	504	653	1,156
Derivative financial instruments	(1,229)	-	(1,229)	-	607	(622)
Other liabilities	-	-	-	-	(1,065)	(1,065)
<b>Total</b>	<b>37,632</b>	<b>29,743</b>	<b>7,889</b>	<b>504</b>	<b>2,664</b>	<b>11,056</b>
Foreign currency translation adjustment					183	183
<b>Net interest income etc and value adjustments</b>	<b>44,184</b>	<b>32,785</b>	<b>11,398</b>	<b>504</b>	<b>2,843</b>	<b>14,745</b>
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	1,506					
<b>Q1-Q3/2023</b>						
<b>Financial portfolios at amortised cost</b>						
Receivables from and payables to credit institutions and central banks	479	166	312	-	-	312
Lending and deposits	3,711	1,114	2,597	-	(5)	2,592
Repo transactions and reverse repurchase lending	1,029	484	545	-	-	545
Subordinated debt	-	334	(334)	-	-	(334)
Other financial instruments	151	58	93	-	-	93
<b>Total</b>	<b>5,375</b>	<b>2,157</b>	<b>3,218</b>	<b>-</b>	<b>(5)</b>	<b>3,213</b>
<b>Financial portfolios at fair value and financial instruments at fair value</b>						
Mortgage loans and bonds in issue	32,448	24,905	7,543	-	(1)	7,541
- of which administration margin income	7,281	-	7,281	-	-	7,281
Bonds	1,850	-	1,850	-	1,692	3,542
Equities etc	-	-	-	230	376	606
Derivative financial instruments	(955)	-	(955)	-	158	(797)
<b>Total</b>	<b>33,343</b>	<b>24,905</b>	<b>8,438</b>	<b>230</b>	<b>2,224</b>	<b>10,892</b>
Foreign currency translation adjustment					72	72
<b>Net interest income etc and value adjustments</b>	<b>38,718</b>	<b>27,062</b>	<b>11,656</b>	<b>230</b>	<b>2,291</b>	<b>14,177</b>
Negative interest income	7	7	-			
Positive interest expenses	35	35	-			
<b>Total</b>	<b>38,761</b>	<b>27,104</b>	<b>11,656</b>			
KundeKroner and ErhvervsKroner discounts are offset against interest income and for the period amounted to	1,183					

<sup>1</sup> Recognised at fair value under the fair value option.

# Notes

		DKK million	
Nykredit A/S		Nykredit Group	
Q1-Q3/2023	Q1-Q3/2024	Q1-Q3/2024	Q1-Q3/2023
	<b>7. VALUE ADJUSTMENTS</b>		
	<b>Assets measured at fair value through profit or loss</b>		
-	- Mortgage loans	23,455	(8,712)
-	- Other loans, advances and receivables at fair value	(3)	(5)
-	- Bonds	2,508	1,692
-	- Equities etc	653	376
-	- Foreign exchange	183	72
-	- Foreign exchange, interest rate and other contracts as well as derivative financial instruments	606	158
-	- Other assets	1	-
-	- Assets in pooled schemes	505	52
-	- Deposits in pooled schemes	(505)	(52)
	<b>Liabilities measured at fair value through profit or loss</b>		
-	- Bonds in issue	(23,494)	8,711
-	- Other liabilities	(1,065)	-
-	- <b>Total</b>	<b>2,843</b>	<b>2,291</b>



# Notes

DKK million

Nykredit 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 <sup>1</sup>	Guarantees etc <sup>1</sup>	Total	Total
Impairments	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Impairment provisions as at 1 January</b>	<b>5,492</b>	<b>5,919</b>	<b>3,207</b>	<b>3,132</b>	<b>29</b>	<b>18</b>	<b>328</b>	<b>340</b>	<b>9,056</b>	<b>9,409</b>
New impairment provisions as a result of additions and change in credit risk	1,499	1,591	1,014	1,288	0	13	216	147	2,729	3,038
Releases as a result of redemptions and change in credit risk	1,536	1,790	1,095	1,208	10	2	195	177	2,836	3,177
Impairment provisions written off	135	159	109	44	-	-	-	-	244	203
Other adjustments and interest from impaired facilities	-	(1)	47	46	-	-	-	-	47	45
Transferred to "Impairment provisions for properties acquired by foreclosure"	(2)	1	-	-	-	-	-	-	(2)	1
<b>Total impairment provisions</b>	<b>5,318</b>	<b>5,559</b>	<b>3,064</b>	<b>3,213</b>	<b>19</b>	<b>29</b>	<b>349</b>	<b>310</b>	<b>8,751</b>	<b>9,111</b>
<b>Earnings impact</b>										
Change in impairment provisions for loans and advances (stages 1-3)	(37)	(199)	(81)	80	(10)	11	21	(30)	(107)	(139)
Write-offs for the period, not previously written down for impairment	70	93	15	9	-	-	-	-	84	102
Recoveries on claims previously written off	(49)	(54)	(23)	(26)	-	-	-	-	(72)	(80)
<b>Total</b>	<b>(16)</b>	<b>(160)</b>	<b>(89)</b>	<b>63</b>	<b>(10)</b>	<b>11</b>	<b>21</b>	<b>(30)</b>	<b>(94)</b>	<b>(117)</b>
Value adjustment of assets in temporary possession	2	2	-	-	-	-	-	-	2	2
Value adjustment of claims previously written off	17	17	(7)	19	-	-	-	-	10	36
Losses offset, in accordance with partnership agreement <sup>2</sup>	(59)	(61)	-	-	-	-	-	-	(59)	(61)
<b>Earnings impact</b>	<b>(57)</b>	<b>(203)</b>	<b>(96)</b>	<b>82</b>	<b>(10)</b>	<b>11</b>	<b>21</b>	<b>(30)</b>	<b>(141)</b>	<b>(141)</b>

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

<sup>2</sup> 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 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 amor- tised cost			Guarantees etc			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Impairment provisions as at 1 January 2024	1,873	1,645	1,974	432	1,102	1,702	67	186	75	9,056
Transfer to stage 1	493	(448)	(45)	142	(125)	(17)	27	(26)	(0)	-
Transfer to stage 2	(46)	198	(153)	(39)	110	(70)	(5)	7	(2)	0
Transfer to stage 3	(4)	(74)	78	(8)	(74)	82	(0)	(13)	13	0
Impairment provisions for new loans and advances (additions)	86	202	68	63	148	55	15	47	7	691
Additions as a result of change in credit risk	166	583	393	68	316	365	3	61	83	2,038
Releases as a result of change in credit risk	693	384	459	287	445	373	64	90	41	2,836
Previously written down for impairment, now written off	-	-	135	0	0	108	-	-	-	244
Other adjustments and interest from impaired facilities	-	-	(2)	-	-	47	-	-	-	45
Total impairment provisions, end of period	1,877	1,723	1,719	370	1,030	1,683	42	172	135	8,751
Total, end of period	5,318			3,083			349			8,751
Impairment provisions, end of period, are moreo- ver attributable to:										
Credit institutions				19	-	-	19			
Earnings impact for Q1-Q3/2024	(440)	401	2	(157)	18	48	(46)	18	49	(107)

	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	
<b>Impairment provisions as at 1 January 2023</b>	<b>2,116</b>	<b>1,521</b>	<b>2,281</b>	<b>399</b>	<b>914</b>	<b>1,837</b>	<b>75</b>	<b>190</b>	<b>75</b>	<b>9,409</b>
Transfer to stage 1	588	(489)	(98)	206	(187)	(19)	58	(57)	(1)	-
Transfer to stage 2	(71)	243	(173)	(58)	124	(67)	(7)	10	(3)	-
Transfer to stage 3	(6)	(88)	95	(2)	(104)	106	(0)	(5)	5	-
Impairment provisions for new loans and advances (additions)	113	152	88	89	178	89	17	21	4	753
Additions as a result of change in credit risk	218	566	453	132	460	352	9	81	15	2,285
Releases as a result of change in credit risk	992	374	424	332	330	549	78	79	20	3,177
Previously written down for impairment, now written off	-	-	160	-	-	44	-	-	-	204
Other adjustments and interest from impaired facilities	-	-	(1)	-	-	46	-	-	-	45
<b>Total impairment provisions, end of period</b>	<b>1,967</b>	<b>1,531</b>	<b>2,062</b>	<b>435</b>	<b>1,056</b>	<b>1,751</b>	<b>75</b>	<b>161</b>	<b>74</b>	<b>9,111</b>
<b>Total, end of period</b>	<b>5,559</b>			<b>3,242</b>			<b>310</b>			<b>9,111</b>

Impairment provisions, end of period, are more-over attributable to:

Credit institutions				29	-	-				29
<b>Earnings impact for Q1-Q3/2023</b>	<b>(661)</b>	<b>344</b>	<b>117</b>	<b>(110)</b>	<b>309</b>	<b>(108)</b>	<b>(51)</b>	<b>22</b>	<b>(1)</b>	<b>(139)</b>

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

# Notes

DKK million

Nykredit Group

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

### 8 c. Loans, advances and guarantees etc by stage

30 September 2024	Stage 1	Stage 2	Stage 3	Total
<b>Loans and advances at fair value, gross</b>				
Loans and advances at fair value, gross	1,347,986	50,163	13,758	1,411,908
Total impairment provisions, end of period	1,877	1,723	1,719	5,318
<b>Value, end of period</b>	<b>1,346,110</b>	<b>48,441</b>	<b>12,040</b>	<b>1,406,590</b>
<b>Loans and advances at amortised cost excluding credit institutions, gross</b>				
Loans and advances at amortised cost excluding credit institutions, gross	114,670	25,981	3,534	144,185
Total impairment provisions, end of period	351	1,030	1,683	3,064
<b>Value, end of period</b>	<b>114,319</b>	<b>24,951</b>	<b>1,851</b>	<b>141,120</b>
<b>Guarantees etc</b>				
Guarantees etc	35,088	4,953	318	40,359
Total impairment provisions, end of period	42	172	135	349
<b>Value, end of period</b>	<b>35,046</b>	<b>4,781</b>	<b>183</b>	<b>40,009</b>
<b>End-2023</b>				
<b>Loans and advances at fair value, gross</b>				
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
<b>Value, end of period</b>	<b>1,297,639</b>	<b>46,530</b>	<b>11,143</b>	<b>1,355,312</b>
<b>Loans and advances at amortised cost excluding credit institutions, gross</b>				
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
<b>Value, end of period</b>	<b>107,476</b>	<b>20,173</b>	<b>996</b>	<b>128,645</b>
<b>Guarantees etc</b>				
Guarantees etc	29,407	2,539	375	32,321
Total impairment provisions, end of period	67	186	75	328
<b>Value, end of period</b>	<b>29,340</b>	<b>2,353</b>	<b>300</b>	<b>31,993</b>

# Notes

Nykredit A/S		DKK million		Nykredit Group	
Q1-Q3/2023	Q1-Q3/2024		Q1-Q3/2024	Q1-Q3/2023	
		8. IMPAIRMENT CHARGES FOR LOANS, ADVANCES AND RECEIVABLES ETC (CONTINUED)			
		8 d. Impairment provisions for properties acquired by foreclosure			
-	-	Impairment provisions, beginning of period	20	18	
-	-	Transfer from impairment provisions for loans and advances	2	1	
-	-	Impairment provisions for the period	3	2	
-	-	Impairment provisions reversed	(1)	(0)	
-	-	Impairment provisions written off	(1)	(2)	
-	-	Impairment provisions, end of period	23	19	
		Impairment provisions for properties acquired by foreclosure have been offset against "Assets in temporary possession".			
		9. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
-	-	Profit from investments in associates	2	4	
8,171	8,787	Profit from investments in Group enterprises	-	-	
8,171	8,787	Total	2	4	



# Notes

		DKK million	
Nykredit A/S		Nykredit Group	
31.12.2023	30.09.2024	30.09.2024	31.12.2023
<b>10. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>			
-	- Mortgage loans	1,406,234	1,354,987
-	- Arrears and outlays	355	325
-	- <b>Total</b>	<b>1,406,590</b>	<b>1,355,312</b>
<b>10 a. Mortgage loans</b>			
-	- <b>Balance, beginning of period, nominal value</b>	<b>1,440,262</b>	<b>1,429,891</b>
-	- New loans	150,312	220,887
-	- Indexation	102	1,320
-	- Foreign currency translation adjustment	(647)	-
-	- Ordinary principal payments	(25,304)	(31,414)
-	- Prepayments and extraordinary principal payments	(99,270)	(180,422)
-	- <b>Balance, end of period, nominal value</b>	<b>1,465,454</b>	<b>1,440,262</b>
-	- Loans transferred relating to properties in temporary possession	(1)	-
-	- <b>Total</b>	<b>1,465,453</b>	<b>1,440,262</b>
-	- Adjustment for interest rate risk etc	(54,012)	(79,912)
<b>Adjustment for credit risk</b>			
-	- Impairment provisions	5,206	5,363
-	- <b>Balance, end of period, fair value</b>	<b>1,406,234</b>	<b>1,354,987</b>
<b>As collateral for loans and advances, Nykredit has received mortgages over real estate and:</b>			
-	- Supplementary guarantees totalling	93,413	103,422
-	- Interim loan guarantees totalling	14,710	24,725
-	- Mortgage registration guarantees etc totalling	16,400	14,885
<b>10 b. Arrears and outlays</b>			
-	- Arrears before impairment provisions	458	425
-	- Outlays before impairment provisions	9	28
-	- Individual impairment provisions for arrears and outlays	(111)	(128)
-	- <b>Total</b>	<b>355</b>	<b>325</b>

# Notes

		DKK million	
Nykredit A/S		Nykredit Group	
31.12.2023	30.09.2024	30.09.2024	31.12.2023
<b>11. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>			
-	- Bank loans and advances	102,998	97,582
-	- Mortgage loans	4	4
-	- Reverse repurchase lending	40,900	33,965
-	- Other loans and advances	283	301
-	- <b>Balance, end of period</b>	<b>144,185</b>	<b>131,852</b>
<b>Adjustment for credit risk</b>			
-	- Impairment provisions	3,064	3,207
-	- <b>Balance after impairment provisions, end of period</b>	<b>141,120</b>	<b>128,645</b>
The fair value of loans, advances and other receivables at amortised cost came to DKK 141 billion (end-2023: DKK 129 billion)			
<b>12. BONDS AT FAIR VALUE</b>			
-	- Self-issued SDOs	100,314	94,972
-	- Self-issued ROs	30,432	15,988
-	- Self-issued senior debt	8,074	8,041
-	- Other covered bonds	78,732	83,207
-	- Government bonds	6,436	6,333
-	- Other bonds	5,013	4,938
-	- <b>Total</b>	<b>229,000</b>	<b>213,480</b>
-	- Set-off of self-issued SDOs against "Bonds in issue at fair value"	(100,310)	(94,968)
-	- Set-off of self-issued SDOs against "Bonds in issue at amortised cost"	(4)	(4)
-	- Set-off of self-issued ROs against "Bonds in issue at fair value"	(30,432)	(15,988)
-	- Set-off of self-issued senior debt against "Bonds in issue at fair value"	(8,067)	(8,034)
-	- <b>Total</b>	<b>90,188</b>	<b>94,486</b>
<b>Of bonds at fair value before set-off of self-issued bonds:</b>			
-	- As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of	4,953	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.			
<b>13. BONDS AT AMORTISED COST</b>			
-	- Other covered bonds	988	967
-	- Government bonds	600	587
-	- Other bonds	138	134
-	- <b>Total</b>	<b>1,726</b>	<b>1,688</b>

The fair value of bonds measured at amortised cost for accounting purposes amounted to DKK 1,716 million at 30 September 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 A/S		Nykredit Group	
31.12.2023	30.09.2024	30.09.2024	31.12.2023
<b>14. ASSETS IN POOLED SCHEMES</b>			
-	- Cash deposits	389	208
-	- Investment fund units	7,454	4,041
-	- Other items	(90)	(77)
-	- <b>Total</b>	<b>7,753</b>	<b>4,173</b>
<b>15. DEPOSITS AND OTHER PAYABLES</b>			
-	- On demand	94,675	92,535
-	- Time deposits	21,093	18,672
-	- Special deposits	2,940	2,977
-	- Repo deposits	4,375	5,618
-	- <b>Total</b>	<b>123,083</b>	<b>119,801</b>
<b>16. BONDS IN ISSUE AT FAIR VALUE</b>			
-	- ROs	122,112	114,759
-	- SDOs	1,383,526	1,330,395
-	- Senior secured debt	8,710	8,744
-	- <b>Total</b>	<b>1,514,348</b>	<b>1,453,899</b>
-	- Set-off, self-issued bonds	(138,808)	(118,990)
-	- <b>Total</b>	<b>1,375,540</b>	<b>1,334,909</b>
<b>16 a. ROs</b>			
-	- ROs at nominal value	120,189	113,043
-	- Fair value adjustment	1,923	1,716
-	- <b>ROs at fair value</b>	<b>122,112</b>	<b>114,759</b>
-	- Self-issued ROs	(30,432)	(15,988)
-	- <b>Total</b>	<b>91,680</b>	<b>98,771</b>
-	- Of which pre-issuance	511	1,908
-	- ROs redeemed and maturing at next creditor payment date	15,791	3,541
<b>16 b. SDOs</b>			
-	- SDOs at nominal value	1,439,461	1,412,023
-	- Fair value adjustment	(55,935)	(81,627)
-	- <b>SDOs at fair value</b>	<b>1,383,526</b>	<b>1,330,395</b>
-	- Self-issued SDOs	(100,310)	(94,968)
-	- <b>Total</b>	<b>1,283,217</b>	<b>1,235,428</b>
-	- Of which pre-issuance	7,457	8,453
-	- SDOs redeemed and maturing at next creditor payment date	50,900	55,988

		DKK million	
Nykredit A/S		Nykredit Group	
31.12.2023	30.09.2024	30.09.2024	31.12.2023
<b>16. BONDS IN ISSUE AT FAIR VALUE (CONTINUED)</b>			
<b>16 c. Senior secured debt</b>			
-	- Senior secured debt at nominal value	8,612	8,685
-	- Fair value adjustment	98	59
-	- <b>Senior secured debt at fair value</b>	<b>8,710</b>	<b>8,744</b>
-	- Self-issued senior secured debt	(8,067)	(8,034)
-	- <b>Total</b>	<b>643</b>	<b>710</b>
<b>17. BONDS IN ISSUE AT AMORTISED COST</b>			
-	- Corporate bonds	7,333	8,050
-	- SDOs	4	5
-	- Senior unsecured debt	59,943	56,366
-	- Other securities	67	69
-	- <b>Total</b>	<b>67,348</b>	<b>64,489</b>
-	- Set-off, self-issued other bonds	(2,125)	(2,125)
-	- Self-issued SDOs	(4)	(4)
-	- <b>Total</b>	<b>65,218</b>	<b>62,360</b>
The fair value of bonds in issue at amortised cost amounted to DKK 62 billion (end-2023: DKK 61 billion).			
<b>18. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE</b>			
-	- Negative securities portfolios	5,832	7,139
-	- <b>Total</b>	<b>5,832</b>	<b>7,139</b>

# Notes

		DKK million	
Nykredit A/S		Nykredit Group	
31.12.2023	30.09.2024	30.09.2024	31.12.2023
<b>19. SUBORDINATED DEBT</b>			
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.			
<b>Subordinate loan capital</b>			
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
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.			
-	-	659	671
Nominally EUR 500 million. The loan matures on 28 July 2031, but may be redeemed at par (100) from 28 April 2026. The loan carries a fixed interest rate of 0.875% pa up to 28 July 2026, after which date the interest rate will be fixed for the next five years			
-	-	3,548	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.			
-	-	3,758	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.			
-	-	191	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.			
-	-	979	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
-	-	<b>10,458</b>	<b>10,394</b>
<b>Total subordinate loan capital</b>			
-	-	8,440	8,395
Subordinated debt that may be included in own funds			
-	-	-	-
Costs related to raising and redeeming subordinated debt			
-	-	-	-

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



# Notes

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Nykredit Group

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## 20. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions occurred in Q1-Q3/2024.

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 September 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 18.3 billion at 30 September 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 Group

## 21. 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.

CVA is calculated based on the derivatives portfolio with counterparties giving rise to significant counterparty risk. The calculation is based on expected future exposures derived from a Monte Carlo simulation. We use external credit spreads from iTraxx Europe and Crossover Credit Index as input to the probability of default.

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.

FVA may involve both a funding benefit and a funding cost, but for Nykredit, the net FVA adjustment was 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 179 million at 30 September 2024 (end-2023: 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 September 2024, the non-amortised minimum margin amounted to DKK 114 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-September 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 18 million at 30 September 2024 (end-2023: DKK 275 million). Credit value adjustments came to DKK 120 million at 30 September 2024 (end-2023: DKK 263 million).

# Notes

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Nykredit Group

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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 22 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 September 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 3.9 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 386 million at 30 September 2024 (0.38% of equity at 30 September 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 September 2024, financial assets of DKK 0.1 billion (end-2023: DKK 2.0 billion) have been transferred from Listed prices to Observable inputs and DKK 4.5 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 0.5 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 September 2024, the amount was DKK 0.2 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 11, 13, 17 and 19.

# Notes

DKK million

Nykredit Group

## 21. FAIR VALUE DISCLOSURES (CONTINUED)

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

30 September 2024

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
<b>Financial assets:</b>				
- bonds at fair value	7,171	83,016	-	90,188
- equities measured at fair value through profit or loss	4,110	-	3,825	7,935
- positive fair value of derivative financial instruments	65	6,375	18	6,458
- mortgage loans, arrears and outlays	-	1,406,590	-	1,406,590
- owner-occupied properties	-	-	20	20
- assets in pooled schemes	7,454	299	-	7,753
<b>Total</b>	<b>18,801</b>	<b>1,496,280</b>	<b>3,863</b>	<b>1,518,944</b>
<b>Percentage</b>	<b>1.2</b>	<b>98.5</b>	<b>0.3</b>	<b>100.0</b>

### Financial liabilities:

- deposits in pooled schemes	-	7,753	-	7,753
- other non-derivative financial liabilities at fair value	711	5,122	-	5,832
- negative fair value of derivative financial instruments	65	5,924	-	5,988
- bonds in issue at fair value	1,374,877	663	-	1,375,540
<b>Total</b>	<b>1,375,653</b>	<b>19,461</b>	<b>-</b>	<b>1,395,114</b>
<b>Percentage</b>	<b>98.6</b>	<b>1.4</b>	<b>-</b>	<b>100.0</b>

### Assets measured on the basis of unobservable inputs

	Real estate	Equities	Derivatives	Total
<b>Fair value, beginning of period, assets</b>	<b>20</b>	<b>3,916</b>	<b>275</b>	<b>4,211</b>
Value adjustment recognised through profit or loss	(0)	82	112	193
Purchases for the period	-	202	-	202
Sales for the period	-	(374)	(3)	(377)
Transferred from Listed prices and Observable inputs <sup>1</sup>	-	-	0	0
Transferred to Listed prices and Observable inputs <sup>2</sup>	-	-	(365)	(365)
<b>Fair value, end of period, assets</b>	<b>20</b>	<b>3,825</b>	<b>18</b>	<b>3,863</b>

<sup>1</sup> Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps individually adjusted for increased credit risk.

<sup>2</sup> 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 Group

## 21. 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
<b>Total</b>	<b>16,525</b>	<b>1,447,376</b>	<b>4,211</b>	<b>1,468,111</b>
<b>Percentage</b>	<b>1.1</b>	<b>98.6</b>	<b>0.3</b>	<b>100.0</b>

#### 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
<b>Total</b>	<b>1,334,892</b>	<b>20,145</b>	<b>-</b>	<b>1,355,037</b>
<b>Percentage</b>	<b>98.5</b>	<b>1.5</b>	<b>-</b>	<b>100.0</b>

#### Assets measured on the basis of unobservable inputs

	Real estate	Equities	Derivatives	Total
<b>Fair value, beginning of period, assets</b>	<b>25</b>	<b>3,642</b>	<b>201</b>	<b>3,868</b>
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 <sup>1</sup>	-	-	48	48
Transferred to Listed prices and Observable inputs <sup>2</sup>	-	-	(126)	(126)
<b>Fair value, end of period, assets</b>	<b>20</b>	<b>3,916</b>	<b>275</b>	<b>4,211</b>

<sup>1</sup> Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps individually adjusted for increased credit risk.

<sup>2</sup> 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 Group	Q1-Q3/ 2024	Q1-Q3/ 2023	Q1-Q3/ 2022	Q1-Q3/ 2021	Q1-Q3/ 2020
<b>22. FIVE-YEAR FINANCIAL HIGHLIGHTS</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	11,398	11,656	8,900	8,475	8,419
Net fee income etc	694	351	244	209	48
<b>Net interest and fee income</b>	<b>12,092</b>	<b>12,007</b>	<b>9,143</b>	<b>8,684</b>	<b>8,467</b>
Value adjustments	2,843	2,291	1,644	2,498	774
Other operating income	1,393	1,126	1,193	1,094	1,051
Staff and administrative expenses	4,653	4,393	4,245	4,125	3,933
Depreciation, amortisation and impairment charges for property, plant and equipment as well as intangible assets	209	219	220	238	218
Other operating expenses	178	194	180	190	141
Impairment charges for loans, advances and receivables etc	(141)	(141)	(225)	(68)	1,985
Profit from investments in associates and Group enterprises	2	4	3	5	5
<b>Profit before tax</b>	<b>11,431</b>	<b>10,763</b>	<b>7,564</b>	<b>7,797</b>	<b>4,020</b>
Tax	2,473	2,435	1,363	1,352	641
<b>Profit for the period</b>	<b>8,958</b>	<b>8,328</b>	<b>6,200</b>	<b>6,444</b>	<b>3,378</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	30.09.2024	30.09.2023	30.09.2022	30.09.2021	30.09.2020
<b>Assets</b>					
Cash balances and receivables from credit institutions and central banks	60,723	59,058	54,192	43,538	41,497
Mortgage loans at fair value	1,406,234	1,305,477	1,246,418	1,360,147	1,332,762
Bank loans excluding reverse repurchase lending	99,933	92,235	87,255	71,358	70,523
Bonds and equities etc	99,849	101,361	101,085	94,441	114,301
Remaining assets	70,234	56,859	62,538	80,472	74,340
<b>Total assets</b>	<b>1,736,974</b>	<b>1,614,990</b>	<b>1,551,488</b>	<b>1,649,956</b>	<b>1,633,422</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	15,299	14,545	22,384	14,153	18,090
Deposits and other payables	130,836	113,838	111,569	98,296	96,885
Bonds in issue at fair value	1,375,540	1,284,229	1,217,583	1,343,451	1,340,983
Subordinated debt	10,458	10,096	13,910	10,784	10,933
Remaining liabilities	102,616	93,755	90,760	89,406	78,912
Equity	102,224	98,526	95,281	93,867	87,619
<b>Total liabilities and equity</b>	<b>1,736,974</b>	<b>1,614,990</b>	<b>1,551,488</b>	<b>1,649,956</b>	<b>1,633,422</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Contingent liabilities	12,095	8,195	9,614	8,689	6,855
Other commitments	19,846	26,936	21,605	20,216	22,906
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	22.3	23.2	22.7	22.7	21.6
Tier 1 capital ratio, %	20.5	20.8	20.0	20.5	19.3
Return on equity before tax, %	11.2	11.0	8.0	8.5	4.7
Return on equity after tax, %	8.8	8.5	6.6	7.0	3.9
Income/cost ratio	3.3	3.3	2.7	2.7	1.6
Foreign exchange position, %	0.0	0.0	0.0	0.0	0.0
Loans and advances/equity (loan gearing)	15.1	14.5	14.4	15.8	16.5
Growth in loans and advances for the period, %	2.00	0.8	2.9	3.9	3.8
Impairment charges for the period, %	(0.01)	(0.01)	(0.02)	(0.00)	0.14
Return on capital employed, %	0.52	0.52	0.40	0.39	0.21

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 61 in the Annual Report for 2023.

# Notes

DKK million					
Nykredit A/S	Q1-Q3/ 2024	Q1-Q3/ 2023	Q1-Q3/ 2022	Q1-Q3/ 2021	Q1-Q3/ 2020
<b>22. FIVE-YEAR FINANCIAL HIGHLIGHTS (CONTINUED)</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	0	1	0	(0)	(0)
<b>Net interest and fee income</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
Staff and administrative expenses	6	4	5	5	9
Profit from investments in associates and Group enterprises	8,787	8,171	6,046	6,304	3,189
<b>Profit before tax</b>	<b>8,782</b>	<b>8,167</b>	<b>6,041</b>	<b>6,299</b>	<b>3,180</b>
Tax	(2)	(1)	(1)	(0)	(2)
<b>Profit for the period</b>	<b>8,784</b>	<b>8,168</b>	<b>6,042</b>	<b>6,299</b>	<b>3,182</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	30.09.2024	30.09.2023	30.09.2022	30.09.2021	30.09.2020
<b>Assets</b>					
Cash balances and receivables from credit institutions and central banks	17	42	32	8	(0)
Remaining assets	6	7	10	14	17
Investments in Group enterprises	98,306	94,611	91,364	89,985	83,717
<b>Total assets</b>	<b>98,329</b>	<b>94,660</b>	<b>91,406</b>	<b>90,007</b>	<b>83,734</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	0	0	4	8	24
Remaining liabilities	3	23	7	9	12
Total equity	98,326	94,637	91,394	89,990	83,698
<b>Total liabilities and equity</b>	<b>98,329</b>	<b>94,660</b>	<b>91,406</b>	<b>90,007</b>	<b>83,734</b>
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	25.7	25.7	25.2	24.8	25.8
Tier 1 capital ratio, %	25.7	25.7	25.2	24.8	25.8
Return on equity before tax, %	9.0	8.7	6.7	7.2	3.9
Return on equity after tax, %	9.0	8.7	6.7	7.2	3.9
Income/cost ratio	1,574.9	1,828.6	1,139.2	1,268.5	338.7
Return on capital employed, %	8.93	8.63	6.61	7.00	3.80

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 61 in the Annual Report for 2023.

# Notes

DKK million

Nykredit Group

## 23. GROUP STRUCTURE

### Name and registered office

	Ownership interest as %, 30 September 2024	Profit for the period, 2024	Equity, 30 September 2024	Profit (loss) for 2023	Equity, 31 December 2023
Nykredit A/S (Parent), Copenhagen, g)	-	8,782	98,326	10,668	97,157
Nykredit Realkredit A/S, Copenhagen, a)	100	9,886	102,105	10,828	100,893
Totalkredit A/S, Copenhagen, a)	100	3,169	42,915	3,549	40,536
Nykredit Bank A/S, Copenhagen, b)	100	3,432	39,381	3,303	36,696
Nykredit Portefølje Administration A/S, Copenhagen, f)	100	184	839	166	903
Nykredit Leasing A/S, Copenhagen, e)	100	83	1,325	119	1,254
Sparinvest Holdings SE, Luxembourg, g)	82	319	150	281	172
Nykredit Mægler A/S, Copenhagen, c)	100	47	187	51	180
Svanemølleholmen Invest A/S, Copenhagen, h)	100	36	730	(0)	1
Kirstinehøj 17 A/S, Copenhagen, d)	100	1	16	0	16

The Group structure only includes significant subsidiaries. Financial information is provided in the order in which the subsidiaries are recognised in the Consolidated Financial Statements.

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

### Geographical distribution of activities

Denmark: Names and activities appear from the Group structure above  
Luxembourg: Names and activities appear from the Group structure above

	Number of staff	Revenue <sup>1</sup>	Profit before tax	Tax	Government aid received
Denmark	3,853	48,420	11,199	2,410	-
Luxembourg	29	447	232	62	-

<sup>1</sup> For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as interest, fee and commission income and other operating income.

- a) Mortgage bank
- b) Bank
- c) Estate agency business
- d) Property company
- e) Leasing business
- f) Investment management company
- g) Holding company, no independent activities
- h) Investment company

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

Nykredit Realkredit A/S  
Sundkrogsgade 25  
DK-2150 Nordhavn

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