

Extension of ErhvervsKroner and KundeKroner benefits programmes

The Nykredit Group complies with the request of the Danish government and the Danish Financial Supervisory Authority and has cancelled dividend payments in 2020. Nonetheless, today the Nykredit Group is able to extend its ErhvervsKroner and KundeKroner benefits programmes for business customers up to and including 2021. The reason is today's announcement by Nykredit's majority shareholder, Forenet Kredit, that the decision not to distribute dividend will not affect the association's financial support for the Group's customer programmes.

Already in March, the KundeKroner programme for homeowners was extended up to and including 2021. With today's extension, it is therefore a fact that all types of customers – homeowner, business and agricultural customers – who receive KundeKroner or ErhvervsKroner discounts today will continue to do so next year.

Group Chief Executive Michael Rasmussen says:

- Today is a good day. We can now assure our many homeowner, business and agricultural customers who have a mortgage loan with us that the KundeKroner and ErhvervsKroner discounts will continue next year at the level they know. All customers receiving KundeKroner or ErhvervsKroner discounts today can now look forward to also being awarded DKK 1,500 per million Danish kroner borrowed in 2021.

- We are proud that we can offer this security to our customers – despite the corona crisis. We can do so because we are backed by a strong, well-capitalised majority shareholder, Forenet Kredit, which has announced that it is ready to support the KundeKroner and ErhvervsKroner benefits programmes, even though it will not receive dividend payments this year. This clearly shows the strength of Nykredit being owned by an association of customers.

- Last year we awarded more than DKK 1 billion as KundeKroner discounts and almost DKK 300 million as ErhvervsKroner discounts to our customers. Based on the Nykredit Group's current strong customer growth, we expect these figures to be higher this year and even higher next year. We expect to award total KundeKroner and ErhvervsKroner discounts of up to DKK 1.5 billion to our customers in 2021.

Facts and background:

Today the Nykredit Group extends the KundeKroner benefits programme for business customers with a Totalkredit loan and the ErhvervsKroner benefits programme for business customers with a Nykredit Realkredit loan on the current terms up to and including 2021. At the same time the Nykredit Group confirms the extension announced in March of the KundeKroner benefits programme for homeowners with a Totalkredit loan on the current terms up to and including 2021.

KundeKroner is a discount that reduces administration margin payments for homeowners and business customers who have mortgage loans with Totalkredit. ErhvervsKroner is a discount that works in the same way for business and agricultural customers who have mortgage loans with Nykredit Realkredit. Each discount amounts to 0.15% of a customer's debt outstanding, corresponding to DKK 1,500 at a debt outstanding of DKK 1 million. Business customers with large loans will only get discounts for the first DKK 20 million of their debt outstanding.

Nykredit's KundeKroner and ErhvervsKroner benefits programmes are funded by Forenet Kredit returning part of its dividend as contributions to the Nykredit Group, which in turn has decided to pass on the money to customers in the form of KundeKroner and ErhvervsKroner discounts etc. This way, large dividend amounts have been returned to customers. For example in 2019 the KundeKroner and ErhvervsKroner discounts were funded on the basis of dividend paid in 2018. For 2020 the discounts will be funded on the basis of dividend paid in 2019. However, due to the corona crisis the Danish government and authorities have urged financial businesses not to distribute dividend in 2020. Nykredit complies with this request. Nonetheless, the KundeKroner and ErhvervsKroner benefits programmes are extended up to and including 2021. The reason is today's announcement by Forenet Kredit that a lack of dividend payments in 2020 will not affect the association's financial support for the Group's customer programmes.

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