Nykredit

To   Nasdaq Copenhagen A/S
      and the press

7 May 2020

Nykredit today announces its Q1 Interim Reports 2020 of:

Nykredit A/S, CVR no 12 71 92 48

Nykredit Realkredit A/S, CVR no 12 71 92 80

Michael Rasmussen, Group Chief Executive, comments on Nykredit's Q1 Interim Report 2020:

– As a large customer-owned financial provider – and as a SIFI – an essential part of our corporate responsibility is to be ready to provide loans and liquidity throughout Denmark – not least in times of crisis. Nykredit has therefore for a number of years focused on strengthening operations and capitalisation to ensure our capacity to support our customers and the Danish economy in a crisis. A crisis is now unfolding, and I am proud to say that we have the financial strength to help customers who are temporarily affected as well as to welcome new customers and increase our lending all across the country. I am also proud of the adaptability of all of my Nykredit colleagues, working hard from home, at all hours of the day, to serve our customers. For this I want to extend my sincere thanks to all of my colleagues within the Group.

– The crisis has left a clear mark on the financial results we present today. One reason is that, as a precaution, Nykredit has provided DKK 1.1 billion for loan impairments for the purpose of absorbing a significant part of future covid-19-induced losses. We therefore expect better results in the coming quarters. We expect a full-year profit of between DKK 2.5 billion and DKK 3.5 billion.

Highlights from the Q1 Interim Report 2020:

- The quarterly results reflect the current covid-19 pandemic, which particularly affects investment portfolio income, legacy derivatives and loan impairments. Excluding these three items, business profit and profit before tax outperformed the same period last year. The underlying growth in Nykredit's core business remained positive and less impacted by covid-19. The Nykredit Group has recorded customer and lending growth as well as increased net interest income and net fee income in Q1/2020.
- The Nykredit Group expects quarterly results in the coming periods to continue to be impacted by the covid-19 pandemic, but to a lesser degree. This is based on the substantial provision of about DKK 1.1 billion for loan impairments because of covid-19 and the fact that our investment portfolio income and derivatives positions have improved since end-Q1. For the full-year Nykredit now expects a business profit and profit before tax of between DKK 2.5 billion and DKK 3.5 billion. The outlook for 2020 is even more uncertain than previously because of the covid-19 pandemic.
- Totalkredit's lending at nominal value has increased by 11% since 31 March 2019 to currently DKK 759 billion.
- Nykredit Bank's lending* has grown by 14% since 31 March 2019 to currently DKK 76.4 billion.
- Assets under management have increased by DKK 75.4 billion since 31 March 2019 and totalled DKK 305.7 billion at 31 March 2020. The increase was mainly due to recognition of Sparinvest in the Financial Statements as from September last year. Due to the covid-19 pandemic, substantial negative value adjustments in financial markets have impacted the development in assets under management this year.

			DKK million
Nykredit Group	Q1/ 2020	Q1/ 2019	Change
Net interest income	2,394	2,283	112
Net fee income	542	484	58
Wealth management income	502	350	152
Net interest from capitalisation	(105)	(89)	-16
Net income relating to customer benefits programmes[1]	(45)	(80)	34
Trading, investment portfolio and other income	(1,394)	679	-2,073
Income	**1,894**	**3,627**	**-1,733**
Costs	1,420	1,230	-190
Business profit before impairment charges	**474**	**2,397**	**-1,923**
Impairment charges for loans and advances	1,312	219	-1,093
Business profit (loss)	**(838)**	**2,178**	**-3,016**
Legacy derivatives	(421)	(219)	-202
Profit (loss) before tax for the period	**(1,259)**	**1,959**	**-3,217**
Tax	(377)	329	-706
Profit (loss) for the period	**(882)**	**1,629**	**-2,511**

Contact

For further comments, please contact Nykredit Press Relations at tel +45 44 55 14 50.

* Including secured homeowner loans transferred to Totalkredit