

To Nasdaq Copenhagen

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## **The Nykredit Group suspends guidance, recommends postponing dividend resolution and extends KundeKroner commitment**

In light of the substantial uncertainty caused by COVID-19 regarding the Danish economy and the financial markets and in accordance with the joint statement made by the Danish government and Finance Denmark, the Nykredit Group has decided:

- to suspend our full-year financial guidance for 2020
- to recommend to the Annual General Meetings of Nykredit A/S and Nykredit Realkredit A/S, which remain scheduled for 26 March 2020, that dividend resolutions be postponed
- that Totalkredit A/S will extend the KundeKroner discounts to homeowners on the current terms up to and including 2021.

The current situation with the global outbreak of COVID-19 is unprecedented, and the impact this year on the Danish economy and the financial markets is therefore very difficult to predict. Against this backdrop, our full-year financial guidance for 2020 is suspended. Currently, we expect a negative earnings impact from higher impairment charges, a negative impact on trading and investment portfolio income as well as a negative impact on legacy derivatives. Nonetheless, the positive activity and balance sheet development in the underlying business has continued in Q1/2020. Year-to-date we have recorded growth in customers and in lending. The Nykredit Group expects to provide an update on our full-year financial guidance for 2020 in connection with the release of our Q1 Interim Report on 7 May 2020 at the latest.

### **Group Chief Executive Michael Rasmussen says:**

*– Nykredit is backed by a group of strong Danish owners headed by Forenet Kredit. Together with our owners, we have decided for the time being to retain the capital intended for dividends. Not because we need it. Nykredit holds a very strong capital position. But because there should not be a shred of doubt about Nykredit's strong capacity and commitment to deliver on our responsibility to society and to help as many families and businesses as possible through the period ahead.*

*– In this period, it is our responsibility to strengthen financial security for our customers. This applies in the coming weeks and months, but also on the longer horizon. We are therefore taking one more step and are extending our KundeKroner benefits programme up to and including 2021. In the current situation, it is important to us that our more than 800,000 homeowners with Totalkredit loans feel assured that they can rely on the KundeKroner discount programme as a unique strength of our customer-ownership structure.*

### **Facts**

Nykredit is the largest lender in Denmark and a wholly Danish-owned financial business. Forenet Kredit, which is an association of customers, owns 78.9% of Nykredit, while the remainder is held by primarily Danish pension companies.

KundeKroner is a discount that reduces administration margin payments for homeowners that have mortgage loans with Totalkredit. The discount amounts to 0.15% of a customer's debt outstanding, corresponding to DKK 1,500 at a debt outstanding of DKK 1 million. In 2019 a total of more than DKK 1 billion was awarded as KundeKroner discounts. So far Nykredit's KundeKroner benefits programme has been funded by Forenet Kredit having returned part of its dividend as contributions to the Nykredit Group, which has in turn passed on the contributions to customers in the form of KundeKroner discounts etc. This way, large dividend amounts have been returned to customers. In 2019 the KundeKroner discounts were funded on the basis of dividends paid for the 2017 financial year. In 2020 the KundeKroner discounts will be funded on the basis of dividends paid for the 2018 financial year. The Nykredit Group is, in the current situation, prepared to award KundeKroner discounts independently of contributions from Forenet Kredit, and

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the Group has therefore decided already now to extend its KundeKroner discounts to homeowners on the current terms up to and including 2021 to enhance Danish homeowners' financial security.

Nykredit's last reported CET1 capital ratio was 19.5%. This is significantly above regulatory requirements and Nykredit's internal capital target, which is a CET1 capital ratio of around 16%. Furthermore, Forenet Kredit has capital and liquidity reserves of DKK 8.9bn and DKK 1.6bn, respectively, according to its latest financial report.

Last week Nykredit Bank launched a number of initiatives to help Danish families and businesses in financial difficulties as a consequence of the COVID-19. For more details, click [here](#).

*Contact Nykredit Press Relations at tel +45 30 13 35 33 for further information.*