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Nykredit narrows full-year guidance and increases customer discounts

The Nykredit Group narrows its guidance for 2023 to a profit after tax for 2023 of some DKK 10.9 billion, which is at the high end of the guided full-year profit range of DKK 10-11 billion. The Group's performance in 2023 was the best ever, and Nykredit consequently delivered record-high results for the third year running.

Recent years' strong results also benefit our customers. Nykredit is, quite uniquely, owned by an association of customers Forenet Kredit. As a direct consequence, Nykredit's success provides customers with a number of benefits. Thanks to our strong performance this year, Totalkredit has decided to increase KundeKroner discounts on the mortgage administration payments of personal customers from 0.15% annually to 0.20% annually for 2024 and 2025. The discount is determined on the basis of customers' debt outstanding. BoligRabat, which is a discount on selected home loans with Nykredit Bank, will be increased correspondingly. The increase takes effect from 1 January 2024.

This will make it even more attractive for over 900,000 homeowners to use a customer-owned mortgage lender. With the new rates, annual customer discounts will increase by another DKK 500 equal to a total annual discount of DKK 2,000 on administration margins payable for every million Danish kroner borrowed.

Michael Rasmussen, Group Chief Executive, says:

– It is now clear to us that Nykredit will deliver its best financial performance ever. And this is highly satisfactory. We have in recent years recorded business and customer growth in both Totalkredit and Nykredit Bank, and we have generally expanded our market position in all business areas. We are therefore proud to, once again, be able to demonstrate to customers the cash benefits of banking with a customer-owned bank and mortgage lender by increasing our KundeKroner and BoligRabat discounts and thereby lowering homeowners' housing costs.

The guidance is attributable to growth across the entire business throughout the year, which has led to higher-than-expected growth in the underlying business and can also be ascribed to tailwinds from the generally high interest rates. However, we should expect the tailwinds from rising interest rates to abate over time.

Nykredit Bank's guidance for profit after tax for 2023 has been narrowed to some DKK 3.4 billion.

Totalkredit's guidance for profit after tax for 2023 has been narrowed to some DKK 3.5 billion, which is at the top end of the guided range of DKK 3-3.5 billion.

The Nykredit Group will publish its Annual Report 2023 on 7 February 2023, as scheduled. At this time, Nykredit's Group Management will be available for further comments.

Facts

Nykredit's majority owner is Forenet Kredit, which is an association of customers. Part of Nykredit's profit is distributed as dividend every year to Forenet Kredit that can subsequently return part of it to Nykredit.

Last year, the Nykredit Group paid more than DKK 1.9 billion to customers in the form of customer benefits – for example KundeKroner and BoligRabat. The KundeKroner concept introduced in 2017 involves a discount on administration margin payments.

Contact

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