

To Nasdaq Copenhagen

16 December 2020

Nykredit raises its guidance

The Nykredit Group, which is owned by its customers, raises and tightens its guidance for business profit and profit before tax for 2020 from DKK 5.5-6.0 billion to a business profit of DKK 6.1-6.3 billion and a profit before tax of DKK 6.2-6.4 billion.

Our earnings upgrade is driven by good business growth, the prospect of lower-than-expected impairment charges as well as a continued favourable performance in Q4 in investment and derivatives portfolios.

Nykredit has had no specific expectations for legacy derivatives during the year, but income from this item, which solely impacts profit before tax, amounts to some DKK 0.1-0.2 billion year-to-date. This is the reason for the difference in Nykredit's guidance for business profit and profit before tax.

Michael Rasmussen, Group Chief Executive, says:

– In Nykredit Bank as well as Totalkredit we have seen strong customer and lending growth in 2020. This confirms that, despite the corona crisis, our underlying business is in good shape. I am particularly pleased that we are welcoming new customers from all around Denmark. The year is not over yet, but year-to-date Totalkredit has recorded lending growth in all 98 municipalities across the country.

– The Danish economy has proven its strength during the corona crisis, and most Danish homeowners and businesses have weathered the crisis better than we could have hoped for. However, we are aware that some customers are experiencing exceptional financial hardship during the new wave of lockdown measures. Naturally, we want to help these customers through these challenging times with responsible advice and support. For this reason Nykredit Bank has relaunched and extended a number of the special corona-related initiatives introduced in spring.

The reopening of the special corona-related initiatives means that personal customers of Nykredit Bank, who are affected by critical income losses due to the current lockdowns, may have a special loan at 0% interest rate and a DKK 0 up-front fee. We are also offering our creditworthy full-service customers of Nykredit Bank to pay out their remaining holiday pay already now at 0% interest rate and DKK 0 in up-front fee. For more information on the special corona-related initiatives for personal and business customers, see Nykredit's website: [link]

As scheduled, the Nykredit Group will publish its Annual Report 2020 on 11 February 2021 where Nykredit's Management will be available for further comments.

Contact Nykredit Press Relations at tel +45 20 37 28 69 for further information.