

To Nasdaq Copenhagen A/S

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Nykredit raises its guidance for 2020

The Nykredit Group raises and tightens its guidance for business profit and profit before tax for 2020 from DKK 4.0-5.0 billion to DKK 5.5-6.0 billion.

Our earnings upgrade is driven by good business growth, the prospect of lower-than-expected impairment charges as well as a favourable performance in Q3 in investment and derivatives portfolios.

Group Chief Executive Michael Rasmussen says:

– We cannot consider the corona crisis over and done with, neither as society nor as a business. It would be premature. But we have, with some cautious optimism, noted that the housing market and a large part of the business sector have until now weathered the crisis better than we could have hoped for. This means that we now expect lower impairment charges in 2020 than we did earlier in the year. We also continue to record very satisfactory growth in business activities and customers in Nykredit Bank and Totalkredit. Coupled with recent months' tailwinds in financial markets, this forms the basis for today's earnings upgrade.

For Nykredit Bank, we raise our guidance for business profit and profit before tax for 2020 from DKK 1.4-1.8 billion to DKK 1.7-2.0 billion. For Totalkredit, we tighten our guidance to the top half of the range from DKK 1.8-2.2 billion to DKK 2.0-2.2 billion.

As scheduled, the Nykredit Group will publish its Q1-Q3 Interim Report for 2020 on 4 November 2020 where Nykredit's Management will be available for further comments.

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