

Nykredit ESG fact sheet Q1-Q3, 2019

05.11.2019

This fact sheet provides a holistic overview of our key financial, governance, social, and environmental metrics that demonstrate Nykredit's ESG-performance. The fact sheet is updated on an ongoing basis.

Further data, information and initiatives can be found at Nykredit.com. Please also see Nykredit's [Gri Reporting](#) on page 67 in Nykredit's [Corporate Responsibility Report 2018](#).

Financial data	Numbers	Note
Cost: income ratio	0.352	
Income	10,833 DKKm	
Cost	3,811 DKKm	
Impairment	665 DKKm	
Business profit	6,357 DKKm	
Tax	Tax calculated on profit for the period was 914 DKKm, corresponding to 15.9% of profit before tax	See Nykredit's tax policy https://www.nykredit.com/en-gb/om-os/organisation/politikker/skattepolitik See Nykredit's tax payment in Nykredit's Q1-Q3 Interim Report 2019
Profit for the period	4,846 DKKm	
ROE	8.1%	
ROAC	10.9%	
CET1	19.4%	
Leverage Ratio	4.3%	

Read more in the [Nykredit Group Q1-Q3 Interim Report 2019](#) and the [Risk and Capital Management Report 2018](#)

Risk management	Description / Meets requirement	Note
Governance for risk management	See description page 4 in Risk and Capital Management Report 2018	
Credit and loan standards	See description page 22 in Risk and Capital Management Report 2018	
Credit risks	See description page 22 in Risk and Capital Management Report 2018	
Capital planning	See description page 12 in Risk and Capital Management Report 2018	
Liquidity planning	See description page 47 in Risk and Capital Management Report 2018 and the Annual report 2018 page 32	
Market Risk planning	See description page 41 in Risk and Capital Management Report 2018 page 41	
Operational Risk planning	See description page 36 in Risk and Capital Management Report 2018	
Compliance programme	See description page 6 in Risk and Capital Management Report 2018	
Anti-money laundering policy	Yes	A description can be found in the Risk and Capital Management Report 2018 page 40
Whistle Blower Programme	Yes	

Staff training on KYC and AML	Yes, 96.7% of Nykredit's staff have completed and passed AML certification	A description can be found in the Corporate Responsibility Report 2018 page 39
Audit of risk management	Yes	Internal Audit is responsible for testing and providing an opinion on whether Nykredit's overall risk management approach, risk management framework, business procedures and internal controls established in all material areas and risk areas have been established and are working satisfactorily
Asset Quality evaluation	Yes	A description of asset quality can be found in the Nykredit's Fact Book

Read more in the [Risk and Capital Management Report 2018](#) and in the [Fact Book 2019](#)

Governance	Description / Meets requirement	Note
Ownership of Nykredit	78.9% of the shares in Nykredit A/S are owned by the association Forenet Kredit	An overview can be found in the Annual Report 2018 page 42
Members of Forenet Kredit	Borrowers of Totalkredit can become members of Forenet Kredit. All borrowers of Nykredit Realkredit or banking customers with a deposit or a loan of no less than DKK 50,000 with Nykredit Bank are automatically members	See https://forenetkredit.com/membership/
Democracy	All members of Forenet Kredit can vote for Forenet Kredit's Committee of Representatives	See https://forenetkredit.com/home/democracy/
Controlling shareholder policy	Yes, the association Forenet Kredit	See https://forenetkredit.dk/wp-content/uploads/2017/10/Policy-for-active-ownership-FINAL.pdf
Corporate Governance policy	Yes	https://www.nykredit.com/corporate-governance
Independent Chair of the Board of Directors	No, the chairman of the Board of Directors has been a member for more than 12 years	See Chair of the Board Mr. Steffen Kragh's expertise in the Annual Report 2018 , page 153
Percentage of independent board members	33%, 5 out of 15 of the board of Nykredit A/S	A description of the board independence can be found in Corporate Governance Report 2018
Staff representatives on the Board of Directors	Yes, 5 out of 15 of the board of Nykredit A/S	See https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/
Audit committee independence	2 out of 4 members are independent	The principal tasks of the Audit Board are to inform the Board of Directors of the results of the statutory audit and to oversee the financial reporting process. In addition to this, the Audit Board oversees the effectiveness of Nykredit's internal control systems, internal audit and risk management and various other audit matters See https://www.nykredit.com/en-gb/om-os/organisation/board/audit-board/
Auditor	Deloitte, 28 years of tenure	
Remuneration Board independence	1 out of 4 members are independent of the Remuneration Board	See https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/ The principal tasks of the Remuneration Board are to qualify proposals for Nykredit's remuneration policy and guidelines for incentive pay and to oversee compliance thereof. Furthermore, it reviews the criteria for appointing special risk takers and assesses the Group's risks relative to the remuneration structure, which is

		coordinated with the Risk Board as required. Details on bonuses to risk takers as well as remuneration policy and practices are available at https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/
Remuneration for the Board of Directors	Remuneration for the Board of Directors can be found in the Annual Report 2018 page 39	
Expertise of the Board of Directors	See resumes of the Board of Directors on https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/ and the Annual Report 2018 , page 153	

See also under "Human Capital" and read more in [Corporate Governance Report 2018](#) and the [Risk and Capital Management Report 2018](#)

Human capital	Description / Meets requirement	Note
Signatory of UN Global Compact (respect of human rights)	Yes	https://www.unglobalcompact.org/what-is-gc/participants/7047-Nykredit
Average no. of full-time staff	3,382	See Corporate Responsibility Report 2018 , page 59
Staff turnover	13.70%	See Corporate Responsibility Report 2018 page 59
- of which voluntary	9%	See Corporate Responsibility Report 2018 page 59
% women on Board of Directors	33%	See Corporate Responsibility Report 2018 page 60
% women on executive level	20%	See Corporate Responsibility Report 2018 page 60
% women on Middle level management	29%	See Corporate Responsibility Report 2018 page 60
% women on lower-level management	43%	See Corporate Responsibility Report 2018 page 60
Paid maternity/paternity leave	Yes	Up to 30 weeks maternity leave with full compensation (female). In addition four weeks parental leave (male) with full compensation
Average no. of days per paid maternity/paternity leave	128	See Corporate Responsibility Report 2018 page 60
No. of staff on paid maternity/paternity leave	340	See Corporate Responsibility Report 2018 page 60
Health care insurance for staff	Yes	All staff have health care coverage
Staff satisfaction	Yes	See results of Staff survey in Corporate Responsibility Report 2018 page 59
Whistleblower protection	Yes	
Code of Conduct	Yes	
Policy for bribery and corruption	Yes	A part of the Code of Conduct
Freedom of Association	Yes	Enshrined in Danish legislation
% covered by collective bargaining agreement	100% have the possibility to be covered by a membership. The rate of membership is approximately 80%	See the agreement (in Danish only) https://www.finansforbundet.dk/da/Kredse/Nykredits/Overenskomst/Documents/Nykredit_Koncernoverenskomst_17.pdf
Diversity policy	Yes	See Corporate Responsibility Report 2018 page 47 for description of initiatives
Talent programme	Yes	See Corporate Responsibility Report 2018 page 47 for description of initiatives
Graduate programme	Yes	See description of program https://www.nykredit.com/karriere/karriereveje/#graduate

Performance and career development programme	Yes, 73% received regularly reviews in 2018	The numbers is lower than 100% because of maternity and other leave, illness, change of jobs etc. See Corporate Responsibility Report 2018 page 61
Means allocated to training for all staff	1,200 paid days of education for staff	See Corporate Responsibility Report 2018 page 44
Remuneration policy	Yes	https://www.nykredit.com/globalassets/nykredit.com/pdf/lonpolitik-2018_uk.pdf
Executive remuneration	Please see Annual report 2018 , page 82	
Human capital development commitment	Yes	See Corporate Responsibility Report 2018 page 44 for description of initiatives
Career management systems	Yes	PS – People System

Read more in the [Corporate Responsibility Report 2018](#) and the [Risk and Capital Management Report 2018](#)

Responsibility	Description / Meets requirement	Note
Responsibility policy	Yes	(In Danish only) https://www.nykredit.com/siteassets/om-os/politik_for_samfundsansvar_november_2018-11-27_da.pdf
Corporate Responsibility Board	Yes	The Board of Directors constitutes the Corporate Responsibility Board
Unit dedicated to Responsibility	Yes	Department for Public Affairs and Responsibility, contact ul@nykredit.dk
Code of conduct for suppliers	Yes	See our Code of Conduct for suppliers
UN PRI signatory	Yes	https://www.nykredit.dk/globalassets/pdf-falles/nykredit-invest/2018_assessment_report_for_nykredit_realkredit_group.pdf
Commitment to UN Sustainable Development Goals	Yes	See Corporate Responsibility Report 2018 page 12
Responsible Investment Policy	Yes	https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/

Read more in the [Corporate Responsibility Report 2018](#)

Product offering and customer relations	Description / Meets requirement	Note
Personal customers satisfaction	72	See Corporate Responsibility Report 2018 page 58
Business customers satisfaction	67	See Corporate Responsibility Report 2018 page 58
No. of complaints	180	See Corporate Responsibility Report 2018 page 58
Policy for treatment of complaints	Yes	See Corporate Responsibility Report 2018 page 38
Customer Ambassador (Ombudsman)	Yes	See description (in Danish only) https://www.nykredit.dk/kundeservice/kundeambassador/
Hotline for complaints	Yes	The Customer Ambassador (Ombudsman) can be reached daily between 8.30 AM and 15.30 PM CET
Policy commitment on responsible products and services	Yes, and on all products are substantial information shared incl. risks. See all products (in Danish only) https://www.nykredit.dk/dit-liv/produkter/	Nykredit's credit policy guides the product offering, please see the Risk and Capital Management Report 2018 page 22
Managerial responsibility for responsible product offering	Yes	See Risk and Capital Management Report 2018 page 9 for a description
Impact and risk assessment of product offering	Yes, all relevant products are marked	The Products Committee, see Risk and Capital Management Report 2018 page 9

Percentage of mortgages with LTV > 80%	2.19%	See the Factbook 2019 page 32 for more information
Policy to assist customers facing financial difficulties	Yes	Read more in the Risk and Capital Management Report 2018 page 25
Certified staff on responsible products	Yes	All staff with customers relations are trained and certified
Remuneration for staff linked to selling of profitability of products	None	
High risk consumer loans	None	Nykredit does not offer high risk consumer loans to costumers

Read more in the [Corporate Responsibility Report 2018](#) and the [Risk and Capital Management Report 2018](#)

Sustainability	Description / Meets requirement	Note
Sustainable financial initiatives	Yes	See our Sustainable Investments Policy and find more information on our website: https://www.nykredit.com/en-gb/sam-fundsansvar/
Environmental policy	Yes	See our Responsible Climate and Environmental Policy
CDP Participation	Yes	See https://www.cdp.net/en/responses/13627
Environmental Management System	Yes	ISO 14001
GHG Reporting	Yes	See the Corporate Responsibility Report 2018 page 63
Commitment to reduce GHG	Yes, 65% reduction since 2012. New target is 5% reduction every year towards 2025	See the Corporate Responsibility Report 2018 page 51
Commitment to reduce waste	Yes, 80% of waste must be recycled by 2023. Waste per employee must be reduced by 100 kilo by 2023	See the Corporate Responsibility Report 2018 page 51
Commitment to reduce electricity	25% reduction before end of 2025	See the Corporate Responsibility Report 2018 page 52
Commitment to renewable energy	Yes, all Nykredit's electricity will come from wind power by 2019	See the Corporate Responsibility Report 2018 page 52
Green procurement policy	Yes	Is part of the Code of conduct for suppliers
Sustainable/Responsible Asset Management	Yes	See Corporate Responsibility Report 2018 page 30
Green bonds	Yes, Nykredit has three green covered bonds, the Nykredit Invest Sustainable Equity Fund and green car loans	See our Green Bond Framework and find more information on our website: https://www.nykredit.com/en-gb/investor-relations/debt/green-bonds/ Please also see description of our green car loans (in Danish only)
Sustainable products offering	Yes	All products are evaluated on sustainability, see Corporate Responsibility Report 2018 page 38.
Carbon Intensity Trend	Yes	See Corporate Responsibility Report 2018 page 61
Environmental Fines & Penalties	None	

Read more in the [Corporate Responsibility Report 2018](#) and [Green Bond Framework](#)

Data protection	Description / Meets requirement	Note
IT Security policy	Yes	See the Risk and Capital Management Report 2018 page 39 for more information
GDPR compliant	Implemented	See the Risk and Capital Management Report 2018 page 40 for more information
Terms for use of personal data	Yes	https://www.nykredit.com/en-gb/politik/personoplysninger--bank/ (In Danish only)
Secure communication channels for customers	Yes	https://www.nykredit.dk/kundeservice/selvbetjening/gdpr/senddokumenter/ (in Danish only)

Staff training on data privacy	Yes	Mandatory training for all staff
Staff training on IT security	Yes	Mandatory training for all staff
Measures to prevent data security breach	Yes	See the Risk and Capital Management Report 2018 page 40 for more information
Risk assessment and audit of IT security procedures	Yes	See the Risk and Capital Management Report 2018 page 39 for more information

Read more in the [Risk and Capital Management Report 2018](#)

Financial inclusion	Description / Meets requirement	Note
Access to finance in rural areas	64% of new loans in rural areas are originated by Nykredit	See the Corporate Responsibility Report 2018 page 18 for more information
Access to affordable housing	Financing more than 5,420 public houses	See the Factbook 2019 page 58
Sponsorships of communities in rural areas	2 DKKm	See sponsorships (in Danish only) https://www.nykredit.com/en-gb/samfundsansvar/the-nykredit-foundation/uddelinger-2018/
Loans to the agricultural sector	90 DKKbn	Read more in the Corporate Responsibility Report 2018 page 19
Loans to senior citizens	124,015 (101.9 DKKbn), hereof 9,325 new loans in 2018	Read more in the Corporate Responsibility Report 2018 page 57
Loans to citizens under 30 years old	30,315 (36.1 DKKbn), hereof 10,431 new loans in 2018	Read more in the Corporate Responsibility Report 2018 page 57
Partner of PengeUge – program for financial education on primary schools	Yes, 45 advisors participated in 2018	Read more about PengeUge (in Danish only) https://www.pengeuge.dk/Pages/For-side.aspx
Partner of Råd til Livet - program for victims of domestic violence	Yes, 32 advisors participated in 2018	Read more in the Corporate Responsibility Report 2018 page 48
Accounts for homeless	Yes	See description (in Danish only) https://www.nykredit.dk/dit-liv/bolig/nyheder-om-bolig--og-privat-ekonomi/2017/12/nykredit-klar-med-konti-til-hjemlose/

Read more in the [Corporate Responsibility Report 2018](#)