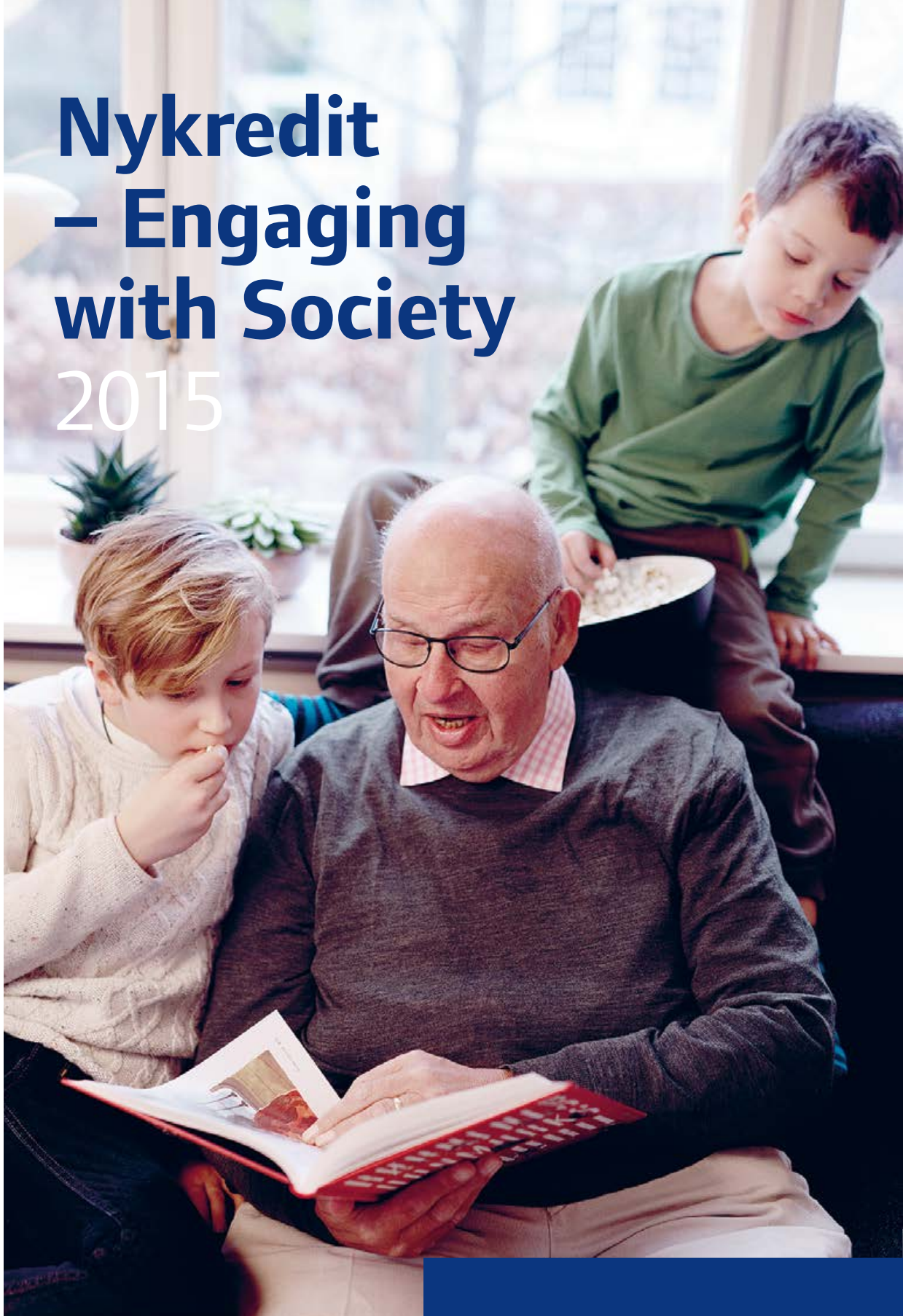


# Nykredit – Engaging with Society 2015



# Nykredit in motion

At Nykredit we get up to make life easier for Danish homeowners.

And we have been doing so for more than 160 years – but not in the same way. For in everyday life where customers' needs are changing, so too is Nykredit.

In the year that has passed since the last CSR Report, we have been working to renew and improve ourselves. We have built a homeowners' bank – Nykredit BoligBank – dedicated to all Danish homeowners. We have launched a new digital platform for housing enthusiasts across the country. Also, we have set a new industry record by ensuring that it only takes 10 minutes to become a customer of Nykredit – ordering accounts, payment cards, online banking and an introductory meeting with one of our advisers in one go. And we will continue to challenge ourselves to deserve our customers' loyalty.

We are reminded daily that we operate in a changeable industry. Enhanced supervision, more rules and increased regulation are natural consequences of

the financial crisis. We are facing requirements that affect our business activities and pricing, and we must be better at explaining these mechanisms to our customers – and to everyone else. At the same time, we are facing the challenge of finding a long-term and solid way to secure lending to all of Denmark. To this end, we call for a rural alliance – across trade organisations, agriculture, mortgage lenders, banks, rural district associations, the government and the political parties – where we will seek to reach broad-based and common solutions.

At Nykredit we want to contribute to the communities we live and do business in. Also when it comes to the environment and climate. Socially responsible investment. Volunteer financial counselling. You can read about all this and more in this publication.

Welcome to Nykredit in motion!



**Michael Rasmussen**  
Chief Executive Officer

# You will find Nykredit all over Denmark

Nykredit has 54 customer centres across Denmark, as shown on the map. Mortgage loans are also offered through Nykredit's subsidiary Totalkredit in partnership with 60 local partner banks and their approximately 750 branches.



# Working for our customers

As a business originating from Danish mortgage lending, Nykredit's natural target group is Danish homeowners. We have a tradition and vast experience in this segment that we are proud to bring to market.

Therefore, we have set up a unique homeowners' bank, Nykredit Boligbank, this year dedicated to meeting the needs of Danish homeowners. Whether it is matter of finding the home of their dreams. Or about financing the maintenance, renovation or energy improvement of their home. And in their busy everyday lives filled with other activities, we also offer assistance for all the legal aspects and the paperwork and, of course, financial advice. Another special feature of our homeowners' bank is that as a customer, you can share your BoligBank benefits with your children – regardless of how or where they live. For we believe in the joy of passing on something that adds value to those closest to you.

Nykredit BoligBank is one example of how we aim to cover every aspect of homeowners' needs. Another example is Nybolig's BoligVærdi App, where you can get an estate agent's valuation of your home within 24 hours. Yet another is the digital platform, Bolighed, for all housing enthusiasts, which we operate together with Sydbank, SparNord and Arbejdernes Landsbank.

We are proud of our range of products and services for Danish homeowners, and we will continue to create new solutions. We are constantly striving to improve. For example, we are currently making an extra effort to improve customer communications, which are not always as clear and easy to understand as they should be. We are therefore redrafting many of our letters and brochures, and we are working to find new and better ways to explain our prices.



## Complaints

2013: 409

2014: 294

2015: 267

## Customer satisfaction

Unfortunately, sometimes things go wrong between Nykredit and our customers, and when it does, Nykredit has a Customer Ambassador who will help you. In 2016 we will launch special training programmes that will make our staff even better at making dissatisfied customers happy again.

## Share your benefits with those closest to you

Nykredit BoligBank's offers are designed to provide value to the whole family. But we leave it up to you to define who to share your benefits with, as long as you keep them within a group of two adults and their children.



# Growth and security

Being a major financial services provider, we have a responsibility to support growth and employment in society.

We see ourselves as facilitators whose principal task is to support the financial leeway and growth prospects of households and businesses.

During the crisis, mortgage banks proved a strong foundation for the Danish economy – Nykredit recorded positive lending growth throughout the crisis. This role – as an accessible and stable lender in Denmark – is a role that we will assume in the future as well.

For there is nothing we would rather do than support an economic upturn in Denmark. And Danish mortgage banks have in fact increased their lending over the last seven years by more than an aggregate DKK 400bn, distributed evenly across Denmark. More than 70% of lending in Denmark originates from the mortgage sector, and Nykredit alone is the largest lender in Denmark with about one third of total lending. That in itself involves social responsibility.

With its attractive and stable financing, the Danish mortgage system constitutes a vital foundation for Denmark as a producer country and plays a significant role in ensuring the competitiveness of Danish businesses as well as growth and welfare in Denmark.

We are also there when joint solutions are called for. Before the summer holidays, for example, we – together with the Danish Agriculture & Food Council and the Danish Bankers Association – agreed with the government at the time on a joint effort to strengthen the agricultural sector.

But we are also faced with the challenge of striking the right balance between growth and security. For in the wake of the crisis, the financial sector has to meet ever-increasing capital requirements. We agree that there has been a need to make the financial sector more resilient. But now the time has come to have a new and more nuanced dialogue about regulation. A dialogue that is not about being for or against regulation, but about striking the right balance between what we all want: growth and security at one and the same time.



## Lending

We finance the dreams of households and the growth of businesses. More than 70% of lending in Denmark originates from the mortgage sector, and Nykredit alone is the largest lender in Denmark with about one third of total lending.

## Owner-Manager of the Year

Each year, Nykredit and PwC award the Danish Owner-Manager of the Year prize. An owner-manager is someone who owns as well as manages his own business. Owner-managed businesses make up close to 80% of the Danish business sector. The Owner-Manager of the Year is appointed from among 4,500 businesses. In 2015 the winner was Anders Byriel from Kvadrat, a textile company from eastern Jutland.





# Present all over Denmark

Rural districts are a much-debated issue in Denmark these years. It is about something as fundamental as the very cohesion of our country. And about the credit options available to households and businesses.

Nykredit is present all over Denmark. Our lending is higher today in rural than in urban areas. And that is no coincidence. For Nykredit exists only to provide Danish homeowners and businesses with financing, investment opportunities and financial advice. All over Denmark. Now and in the future.

There are many sides to the rural districts. Neighbourliness, nature, local community and solidarity. But being a financial business, we also have to address the challenges that exist in these areas. Our losses and costs are markedly higher in the rural districts than in the urban districts. This is a consequence of the insufficient growth and employment, depopulation and vacant dwellings challenging many rural districts. Problems that Nykredit cannot solve on its own.

Therefore we will be offering our experience, knowledge and ideas in the coming years to find joint solutions for the rural districts. In our view, a rural alliance is the road to a joint solution across trade organisations, agriculture, the mortgage sector, banks, rural district associations, the government and the political parties.

We have to consider how we can provide loans to households and businesses in the rural districts in the future. Perhaps borrowers in some parts of the country should have different loan terms, should have lower loan-to-value limits, or should have to repay their loans a little faster. In finding the solutions, we will be working with an open mind and a large toolbox.

We believe that the most important thing to our customers and to Denmark is that we, as the leading lender, find a sustainable way to maintain active lending to all of Denmark – throughout Denmark.



## Volunteer financial counselling

In 2015 over 540 battered women and 40 returned soldiers received free independent financial counselling from 60 Nykredit staff, who offer their services on a voluntary basis. Counselling of battered women is offered under the project Råd til Livet in partnership with the Mary Foundation. Counselling of returned soldiers is offered under the project Økonomisk Overblik in partnership with Soldaterlegatet (the Soldiers' Grant).



## We care about each other

In 2015 63 automated external defibrillators (AEDs) were installed in Nykredit's customer centres all over Denmark. All AEDs have been registered at hjertestarter.dk, which means that they can be used by everyone in the area. During the year we held 33 first aid courses for 363 staff members. Altogether, more than 750 staff have attended Nykredit's first aid courses.

# Sustainability

Nykredit supports the UN's ten internationally recognised principles for how we, as a business, live up to our corporate social responsibility, and we publish a progress report every year.

Since 2012 we have used research on companies' behaviour with respect to environmental, social and corporate governance issues in selecting which companies to invest in. We do this because our customers entrust us with their savings, confident that we will invest them with due care. Our latest research of 5,000 global and Danish companies substantiates our belief that the most responsible companies yield returns that are twice as high as those of the least responsible companies. So for us, it makes good sense to invest in companies that think sustainability.

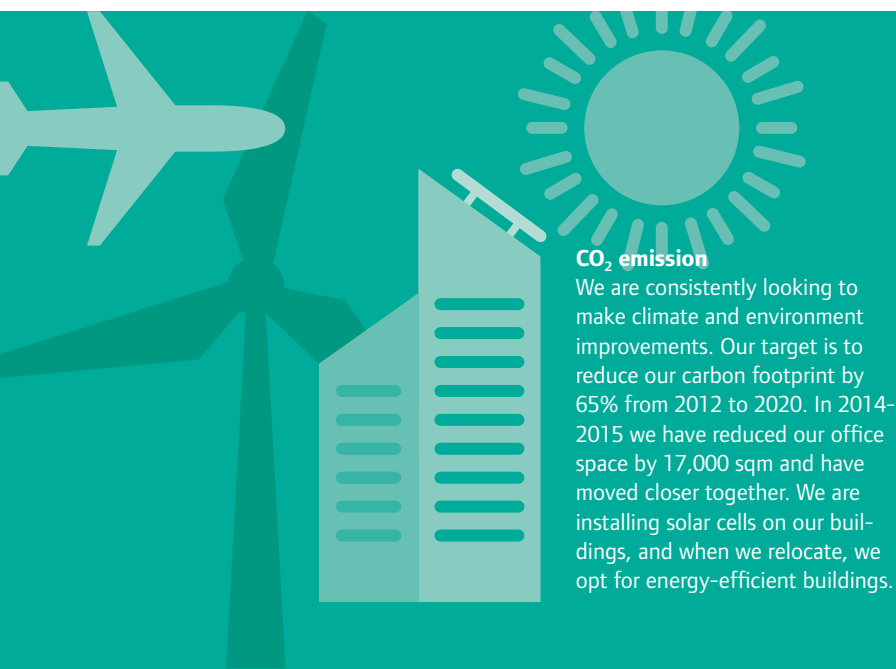
To those of our customers who prefer particular focus on green investing, we offer Nykredit Invest Climate & Environment SRI. This subfund invests exclusively in companies whose business models are based on green transition, clean water or fighting pollution.

Nykredit reduces its costs with due regard for the environment. In selecting a cleaning contractor in 2015 for all Nykredit's office premises across Denmark – 125,000 square metres in all – the challenge was to prioritise a green service agreement without adding to costs.

Given the large volume, not only can we influence contractors' prices, we can also facilitate their ecolabel certification. Obviously, we spent some resources, and the result was a green service agreement which is attractive and durable for both parties.

Nykredit has had an environment-friendly approach for many years and has a sharp focus on reducing the carbon footprint of our many premises across Denmark. By end-2015 we had come almost half the way towards our target for 2020: a total carbon reduction of 65% from the level in 2012.

We will intensify the effort in 2016 by introducing more methods to monitor our energy consumption and specifying new target areas. We expect that this will accelerate our environmental initiatives in the coming years, enabling us to reach our target in 2020.



## CO<sub>2</sub> emission

We are consistently looking to make climate and environment improvements. Our target is to reduce our carbon footprint by 65% from 2012 to 2020. In 2014-2015 we have reduced our office space by 17,000 sqm and have moved closer together. We are installing solar cells on our buildings, and when we relocate, we opt for energy-efficient buildings.



# 60% of Danes own their homes.

## **BoligBank**

For many people, buying a home is the biggest financial investment of their lives. When we advise the homeowner customers of our BoligBank, we get a unique insight into the lives, dreams and ambitions of a family. In 2015 the full-service customers of Nykredit's BoligBank became more satisfied.



## **Home check-up**

We want to help Danish homeowners protect the climate and environment. Nykredit therefore offers a home check-up where an independent expert provides advice in relation to home maintenance requirements and energy efficiency. An average homeowner can typically save about DKK 6,000 a year.

## Wo ou

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### **Bolighed.dk**

In September 2015 Nykredit and three other banks launched bolighed.dk, a new website for all housing enthusiasts in Denmark. The website encourages interaction with and between users, and at end-2015 about 870,000 had visited the new housing platform.

For additional information on Nykredit's corporate social responsibility, please refer to our website, our CR Fact Book and Nykredit's Annual Report.

[nykredit.com](https://nykredit.com)

