

# Company announcement for the first nine months of 2025

## Kamilla Hammerich Skytte, CEO, comments on the third quarter of 2025:

*“The result for the third quarter is solid and above the level for the same period last year. A net impairment reversal and lower expenses had a positive effect on the result.*

*Customers value our home finance advice across bank and mortgage finance offerings as well as our focus on including pension savings and investments in our 360-degree advisory services to cover all aspects of homeowner finances. As part of the Forward '28 strategy, Realkredit Danmark and Danske Bank have launched several new initiatives in the home finance area this year to strengthen our position and appeal as a leading mortgage finance provider and home finance bank. In June, we launched the Danske BoligStart concept, designed to offer favourable conditions for home finance customers aged 18-38. This concept aims to offer an easy and simple home buying experience, aiding customers to go through the process with greater confidence. We have also removed the additional margin charged on new loans with interest-only periods of up to 10 years where the loan-to-value ratio is below 60%. With this initiative, we want to give customers the opportunity to assess whether the composition of their savings provides the right balance between home equity, available funds and pension savings.*

*We hold a generally positive view of the Danish housing market, which is supported by a strong labour market with record high employment and a decline in inflation. Although consumers remain cautious about the economy, house prices and activity levels have risen. Notably, the market for owner-occupied flats in Copenhagen has seen significant price increases. And the housing expense ratio — that is housing costs relative to income — is now historically high for owner-occupied flats in Copenhagen, while the housing market outside the capital is more balanced.*

*In the commercial market, there has been a noticeable increase in the volume of transactions this year. The return of international investors to the property market in Denmark is the main reason*

*for the increased activity, with residential rental property in particular attracting considerable investor interest. Construction activity in the commercial market in Denmark continues to show signs of stabilisation after a period of decline, improving the balance between supply and demand in most cities.*

*Several sustainable renovation projects have been paused, with more commercial rental property owners waiting for Denmark's implementation of the EU Energy Performance of Buildings Directive in May 2026. Low construction activity also means fewer energy-efficient buildings entering the market, so the green transition in the property sector is progressing with lower momentum than expected.”*

## First nine months of 2025

Realkredit Danmark's net profit for the first nine months was DKK 3,613 million (Q1-Q3 2024: DKK 3,186 million). The increase in the result was primarily driven by a net reversal of loan impairment charges and lower expenses.

Total income fell to DKK 5,306 million in the first nine months of 2025 (Q1-Q3 2024: DKK 5,407 million) primarily due to lower interest rate levels.

Expenses amounted to DKK 637 million (Q1-Q3 2024: DKK 772 million). The decrease was attributable to the discontinuation of payments to the now fully funded Resolution Fund and reductions in operating expenses, primarily in the finance, risk and compliance areas. These reductions reflect our ongoing focus on operating efficiency and cost control.

Credit quality remained strong, and loan impairment charges amounted to a net reversal of DKK 206 million in the first nine months of 2025 (Q1-Q3 2024: charge of DKK 336 million). Loan impairment charges benefitted from improved macroeconomic scenarios and a net decrease in post-model adjustments of DKK 173 million, which was primarily driven by improved market conditions with lower interest rates and a normalised inflation

level. At 30 September 2025, the total allowance account amounted to DKK 2,733 million (end-2024: DKK 2,968 million).

Mortgage lending at nominal value decreased DKK 3.5 billion in the first nine months of 2025. Gross lending amounted to DKK 67.3 billion (Q1-Q3 2024: DKK 62.1 billion). Total green bond lending amounted to DKK 32.8 billion at 30 September 2025.

Realkredit Danmark expects net profit in 2025 at a somewhat higher level than in 2024.

## Mortgage market

The Danish economy remains strong, although updated figures following the downward adjustment of Novo Nordisk's growth expectations revealed a significant revision of the past three years' national accounts figures by Statistics Denmark. The revised figures show a reduction in GDP growth for 2021-2024 from 15.9% to 11.4%. This means that Denmark performed in line with the euro area when excluding the contribution from pharmaceuticals.

The labour market continues to show solid progress with rising employment, while the inflation rate remains around 2%. However, food prices have increased significantly more than the general price trend, contributing to persistently low consumer confidence.

While consumers remain cautious about the economy, the housing market tells a different story, with rising prices and increased activity nationwide. In September, house prices have increased 6.1% over the past year, while apartment prices have surged 13.1%. In Copenhagen, apartment prices have risen 18.9%.





Several factors mitigate the concerns about a potential downturn in Copenhagen. Firstly, lending growth has been modest and is far below pre-COVID-19 levels and the double-digit growth seen before the financial crisis indicating that homebuyers are not overextending themselves. Additionally, financial regulation places an even greater emphasis on the financial resilience of homebuyers than in the financial crisis period. Finally, we observe a continued underlying trend of urbanisation, with significant interest in living in Copenhagen. This results in high demand for residential square metres, while at the same time, we see a limited housing supply. A fundamental challenge for the Copenhagen housing market is that too little has been built to meet the underlying demand over a number of years.

While the intense activity in Copenhagen's flat market could eventually lead to price declines, particularly if economic conditions worsen, the current price surges are largely confined to this segment, which represents just 2% of Denmark's overall housing market.

Regarding the commercial property market, the macroeconomic environment continues to be supportive. Interest rates have remained close to unchanged, and the number of commercial property transactions is significantly higher than in both 2023 and 2024. In terms of the different segments, the market for residential rental property remains solid, there is a better balance between supply and demand in the market for office space, and the retail market is managing, although in a difficult environment.

With the prospect of continued reasonable development in the Danish economy, further price increases in the housing market are expected over the coming year. We expect house price increases of 3-4% in 2026.

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# Financial highlights – Realkredit Danmark Group

## Income statement

	Q1-Q3 2025	Q1-Q3 2024	Index 25/24	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Full year 2024
(DKK millions)									
Administration margin	4,204	4,155	101	1,395	1,401	1,408	1,388	1,386	5,543
Net interest income	957	1,112	86	299	296	362	433	403	1,545
Net fee income	-96	-32	300	-68	-39	11	53	-85	21
Income from investment portfolios	157	101	155	46	98	13	-5	65	96
Other income	84	71	118	28	29	27	24	29	95
<b>Total income</b>	<b>5,306</b>	<b>5,407</b>	<b>98</b>	<b>1,700</b>	<b>1,785</b>	<b>1,821</b>	<b>1,893</b>	<b>1,798</b>	<b>7,300</b>
Expenses	637	772	83	212	202	223	238	261	1,010
<b>Profit before loan impairment charges</b>	<b>4,669</b>	<b>4,635</b>	<b>101</b>	<b>1,488</b>	<b>1,583</b>	<b>1,598</b>	<b>1,655</b>	<b>1,537</b>	<b>6,290</b>
Loan impairment charges	-206	336	-	-77	-40	-89	-3	109	333
<b>Profit before tax</b>	<b>4,875</b>	<b>4,299</b>	<b>113</b>	<b>1,565</b>	<b>1,623</b>	<b>1,687</b>	<b>1,658</b>	<b>1,428</b>	<b>5,957</b>
Tax	1,262	1,113	113	407	417	438	420	371	1,533
<b>Net profit for the period</b>	<b>3,613</b>	<b>3,186</b>	<b>113</b>	<b>1,158</b>	<b>1,206</b>	<b>1,249</b>	<b>1,238</b>	<b>1,057</b>	<b>4,424</b>

## Ratios and key figures

Net profit for the period as % p.a. of average total equity	9.1	8.2		8.7	9.3	9.4	9.2	8.0	8.4
Impairment charges as % p.a. of mortgage lending	-0.04	0.06		-0.04	-0.02	-0.05	-0.01	0.06	0.04
Cost/income ratio (%)	12.0	14.3		12.5	11.3	12.2	12.6	14.5	13.8
Total capital ratio (%)	28.8	30.6		28.8	28.9	28.8	31.9	30.6	31.9
Tier 1 capital ratio (%)	28.8	30.6		28.8	28.9	28.8	31.9	30.6	31.9
Mortgage loans, nominal value	791,117	799,342		791,117	793,969	795,641	794,566	799,342	794,566
Full-time-equivalent staff (end of period)	235	231		235	236	230	233	231	233

## Balance sheet (end of period)

	Q1-Q3 2025	Q1-Q3 2024	Index 25/24	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Full year 2024
(DKK millions)									
Due from credit institutions etc.	12,874	15,693	82	12,874	8,175	18,213	17,628	15,693	17,628
Mortgage loans	749,914	758,532	99	749,914	751,620	750,221	755,539	758,532	755,539
Bonds and shares	52,695	47,629	111	52,695	52,462	54,745	52,291	47,629	52,291
Other assets	968	2,347	41	968	2,223	2,472	1,565	2,347	1,565
<b>Total assets</b>	<b>816,451</b>	<b>824,201</b>	<b>99</b>	<b>816,451</b>	<b>814,480</b>	<b>825,651</b>	<b>827,023</b>	<b>824,201</b>	<b>827,023</b>
Due to credit institutions etc.	3,500	2,000	175	3,500	3,500	3,500	3,500	2,000	3,500
Issued mortgage bonds	753,492	761,675	99	753,492	753,234	764,758	762,125	761,675	762,125
Other liabilities	5,598	7,113	79	5,598	5,044	5,898	6,756	7,113	6,756
Total equity	53,861	53,413	101	53,861	52,702	51,495	54,642	53,413	54,642
<b>Total liabilities and equity</b>	<b>816,451</b>	<b>824,201</b>	<b>99</b>	<b>816,451</b>	<b>814,480</b>	<b>825,651</b>	<b>827,023</b>	<b>824,201</b>	<b>827,023</b>

The company announcement for the first nine months of 2025 is not presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of issuers of listed bonds.