

Annual Report 2024



REALKREDIT
Danmark

Contents

Management's report

Financial highlights	3
Financial review	4
The year 2024	4
Strategy execution	5
Sustainable finance	5
Green bond funding	6
Corporate responsibility	6
Rating	6
Results	6
Balance sheet	7
Capital and solvency	7
Fourth quarter 2024	7
Outlook for 2025	8
Macroeconomics and Property market	9
Lending	12
Funding	15
Business focus on sustainability	17
Capital and risk management	21
Management	24

Financial statements

Income statement and Comprehensive income	27
Balance sheet	28
Statement of capital	29
Cash flow statement	33
Notes	34

Statement and report

Statement by the management	72
Auditor's report	73

Directorships

Board of Directors	77
Executive Management	78

Supplementary information

79

Annual report 2024 consists – in accordance with the requirements of the European Single Electronic Reporting (ESEF) Regulation – of a zip-file, RealkreditDanmark-2024-12-31-0-en.zip, that includes an XHTML-file. The XHTML-file is the official version of Annual Report 2024. This PDF version of Annual Report 2024 is a copy of the XHTML-file. In case of discrepancies, the XHTML-file prevails.



5-year financial highlights – Realkredit Danmark Group

NET PROFIT FOR THE YEAR

(DKK millions)	2024	2023	2022	2021	2020
Administration margin	5,543	5,593	5,733	5,857	5,923
Net interest income	1,545	1,114	93	46	97
Net fee income*	21	-70	18	-127	-21
Income from investment portfolios*	96	183	48	55	66
Other income	95	84	84	136	114
Total income	7,300	6,904	5,976	5,967	6,179
Expenses	1,010	1,055	1,105	995	864
Profit before loan impairment charges	6,290	5,849	4,871	4,972	5,315
Loan impairment charges	333	-114	212	269	335
Profit before tax	5,957	5,963	4,659	4,703	4,980
Tax	1,533	1,569	1,033	1,034	1,097
Net profit for the year	4,424	4,394	3,626	3,669	3,883

BALANCE SHEET (AT 31 DECEMBER)

(DKK millions)	2024	2023	2022	2021	2020
Due from credit institutions etc.	17,628	11,618	8,761	18,643	25,045
Mortgage loans	755,539	753,624	724,438	810,139	816,577
Bonds and shares	52,291	49,580	46,722	46,435	47,187
Other assets	1,565	1,441	2,307	1,782	2,459
Total assets	827,023	816,263	782,228	876,999	891,268
Due to credit institutions etc.	3,500	2,000	2,000	2,000	2,000
Issued mortgage bonds	762,125	756,509	724,105	820,950	835,217
Other liabilities	6,756	7,531	6,646	4,577	4,461
Shareholders' equity	54,642	50,223	49,477	49,472	49,590
Total liabilities and equity	827,023	816,263	782,228	876,999	891,268

RATIOS AND KEY FIGURES

Net profit for the year as % of avg. shareholders' equity	8.4	8.8	7.3	7.4	7.8
Cost/income ratio (%)	13.8	15.3	18.5	16.7	14.0
Total capital ratio (%)	31.9	31.5	29.1	25.3	27.4
Tier 1 capital ratio (%)	31.9	31.1	28.6	24.9	26.9
Full-time-equivalent staff, end of year	233	229	227	217	234

* Comparative information for 2020 has been restated as described in note 1 for 2021.

Throughout the Management's report, Realkredit Danmark's performance is assessed on the basis of the financial highlights and segment reporting, which represent the financial information regularly provided to management. The financial highlights are alternative performance measures, which deviate from the presentation according to IFRS. See note 2 for an explanation of the differences and a reconciliation between these measures and IFRS.

Financial review

Kamilla Hammerich Skytte, CEO, comments on the financial results:

“The result for 2024 is robust and was supported by homeowners continuing to do well financially. This was reflected in low provisions, low impairments and loan-to-value ratios at 53% at the end of 2024. All in all, this indicates continually high credit quality.

The development in total home finance lending in the Danske Bank Group across mortgage and bank home loans was stable. Housing market activity started the year at a relatively weak level, however, over the year, Realkredit Danmark experienced an increase in activity. We expect that, among other things, the decline in interest rates will have a positive effect on the housing market in 2025, with decent price increases of 4-5% broadly across Denmark.

In the commercial market, we continued to have a strong market position. The loss level is low and there was an overall increase in lending in 2024. After some years with low transaction activity, where the interests of buyers and sellers have been difficult to align, we experienced renewed optimism in the market in 2024, which gives rise to expectations of a positive trend in 2025.

We have strengthened our advisory services and financial solutions within home finance across bank and mortgage finance products as part of the Danske Bank Group’s Forward ’28 strategy, and this was well received by our customers in 2024.

For both the private and the commercial segment, Realkredit Danmark and Danske Bank further strengthened the focus on contributing to the green transition. In the private segment, we expanded our collaboration with the OBH engineering consultancy firm so that customers can now also get advice about climate proofing of homes. In the commercial segment, we entered into partnerships with one of Europe’s largest architecture and engineering consultancies, Sweco, and climate tech company Comundo, and our customers can now more easily get an overview of energy data and receive the right advice to improve the energy efficiency of their properties.

Towards the end of 2024, we also strengthened our collaboration with Tryg, and our partnership will in future focus even more on the necessary climate adaptation. All people in Denmark currently have access to home financing and home insurance, but if we want to maintain that level of protection in Denmark, it is crucial that climate adaptation is given even greater priority.”

The year 2024

In 2024, Realkredit Danmark achieved a satisfactory net profit of DKK 4,424 million, against DKK 4,394 million in 2023. The profit increase was driven primarily by rising interest rates.

After declining lending activity in early 2024, we experienced a slight recovery in the second half of the year. Relative to 2023, there was a decrease in total lending. Nominal residual mortgage debt at Realkredit Danmark fell by around DKK 12 billion to DKK 795 billion at end-2024.

Realkredit Danmark plays an important role in the Danske Bank Group’s Forward ’28 strategy. As part of strengthening our advisory and financial solutions in the field of home financing across the bank and mortgage credit institution, Danske Bank lowered the interest rate on supplementary home financing in the first quarter of the year, which was particularly beneficial for first-time buyers.

Throughout 2024, we developed our interaction with our customers to provide focused advice and financing options. Together with Danske Bank, we have established strong partnerships that can provide valuable insights and guide our customers in relation to their specific plans to address current and future challenges and protect the value of their properties.

In 2024 we also made it easier for customers in Denmark to start most self-service journeys regarding home finance digitally.

Whether you are considering buying a home, or just want to explore your loan options, our website has been updated to facilitate an easy start. With our home finance tool, we have made it possible for customers to do detailed calculations on Realkredit Danmark and Danske Bank home loans, share the calculations with an adviser who is notified and can proceed with the case directly,

giving increased peace of mind and contact to both easy and relevant expertise.

We continued in 2024 to increase our presence on social media platforms, advertising our attractive real estate financing solutions.

Further, on rd.dk customers can now fully self-serve when it is time to refinance their FlexLån® loans.

The green transition is an important focus area for both private homes and commercial properties. For private homes, we expanded our collaboration with consulting engineering company OBH, so that the customers can obtain advice on climate adaptation in addition to advice on energy improvements.

Results from our YouGov customer survey indicate that, while interest in energy renovation remains modest among homeowners, there is growing awareness and concern about the implications of flooding and the increased engagement required due to climate change. Adapting to climate change presents a significant societal challenge that we can now begin to address. Homeowners and property owners play a crucial role through initiatives regarding their properties, and these efforts will be complemented by our work together with Danske Bank to advocate for supportive measures from local and central government via our stakeholders and participation in the public dialogue.

An increased focus on partnerships for the benefit of our business customers enabled us in the third quarter to announce a collaboration with one of Europe's largest architectural and engineering companies, Sweco, as well as with climatech company Comundo. This means that our business customers can more easily get an overview of energy data and at the same time obtain the right advice with respect to energy enhancement of their properties.

We continued to train our advisers in addressing the sustainability agenda at a strategic level for our customers and engaged with the majority of our business customers on this topic in 2024. We increased our insight into customer transition plans as this will potentially impact their ability to obtain financing and the terms applying to such financing.

The Systemic Risk Council decided to activate the 7% systemic risk buffer for exposures to real estate companies with effect from 30 June 2024. As a result, the financial sector will face increased capital buffer requirements of DKK 10 billion. The systemic risk buffer is to be evaluated in 2025 in a process where the credit institutions in Denmark will be involved and heard.

Strategy execution

Realkredit Danmark will, as a part of Danske Bank's Forward '28 strategy, continue the ambition to provide an even better customer experience for our home finance and real estate customers. The Forward '28 strategy is setting new ambitions and commitments, with significant investments in digital customer offerings, expert advisory services and sustainability. We are continuing our efforts to digitalise mortgage financing processes, support advisory differentiation and use intelligent data-driven processes to support a personal and proactive customer approach tailored to specific needs and lifecycle events.

For 2024, the focus was on playing a more active role for both existing and prospective home finance customers. We hosted inspirational meetings related to the changing interest rate environment and increased our presence on social media platforms, advertising our attractive real estate financing solutions. We also improved the digital service and communication with our customers. With rd.dk as our digital interface to support customers in making choices concerning their mortgage financing, we launched improved loan calculation possibilities and a new site on which all relevant information about refinancing is gathered.

In 2025, we will continue to strengthen our relations with existing customers and attract new ones by focusing on proactive engagement and tailored offerings. We want to be present where our customers are, and we strive to make it seamless to both be and become a customer with Realkredit Danmark.

Sustainable finance

Realkredit Danmark remains deeply committed to fulfilling our responsibility in relation to society's transition towards a net-zero future.

For both our customers and our business, the societal transformation required to address climate change presents not only risks but also opportunities. Throughout 2024, we developed our interaction with our customers to provide focused advice and financing options. Together with Danske Bank, we have established strong partnerships that can provide valuable insights and develop specific actions plans together with our homeowners and business customers.

To support our homeowner customers, we offer mortgage finance for energy renovations and climate protection initiatives on favourable terms and a loan fee discount to customers who buy or live in a full-year residence that holds a valid class A or B energy performance certificate.

Facilitating the transition in the real estate sector requires abundant renewable energy. The development of

the energy infrastructure is a major societal task, encompassing the scaling of clean energy production, the transportation of electricity and heating as well as integration in households and businesses. Realkredit Danmark participates in the utility sector's work to remove obstacles to providing efficient financing solutions for these important infrastructure projects that also our targets depend on.

In our Climate Report 2024 at rd.dk/investor/funding/green-bonds, we report the carbon footprint of our full loan portfolio, except for manufacturing due to a lack of data from production facilities. For key segments, we measure developments against the specific carbon reduction ambitions we have set for both the short term and the long term.

In 2024, political ambitions for the sustainable development of agriculture in Denmark were formalised through the tripartite negotiations and approved by the Danish Parliament in November. We have therefore added an emission reduction target for our agricultural portfolio of more than 30% in emission intensity by 2030.

Green bond funding

Realkredit Danmark is dedicated to providing green bond mortgage financing in the corporate sector. Our approach to issuing green loans is governed by our Green Finance Framework, which complies with global standards for defining what is considered green.

We observed steadily growing interest in green financing in 2024, and our refinancing of RD Cibor6® Green loans in July resulted in an extra uptake of DKK 3.1 billion of green lending. In total, refinancing in July resulted in issuance of green bonds of DKK 11.0 billion. In the second half of the year, we saw some withdrawal of green loans by our customers in Sweden.

By the end of 2024, our total green loan portfolio had increased by a net amount DKK 1.9 billion to a total of DKK 29.0 billion, primarily for green buildings as well as transmission and energy storage projects.

Realkredit Danmark won the Euronext Securities award for the largest issue of green bonds in 2024, which is a further testament to our work on helping our customers with their green transition.

Corporate responsibility

Realkredit Danmark continues to focus on ensuring a robust risk and compliance culture across its organisation, thereby ensuring that we live our core value of integrity in all interactions with our customers and stakeholders and manage the financial and non-financial risks associated with our business activities.

Danske Bank has developed a set of ethical principles for its use of data. They define how we strive to act with

regard to data use across the Danske Bank Group and in our business relations. Realkredit Danmark has adopted these principles.

Realkredit Danmark does not account separately on corporate responsibility. Realkredit Danmark is included in the Danske Bank Group's Sustainability Statement disclosed as part of the management report of the Danske Bank Group's Annual Report 2024. The Danske Bank Group's Annual Report 2024 is available at danskebank.com/IR.

Rating

Realkredit Danmark's bonds are rated by SP Global and Scope Ratings. Both rating agencies assign a rating of AAA to the bonds in both capital centre S and T. The Other reserves series capital centre is rated exclusively by SP Global, and these bonds also hold a rating of AAA.

The effective overcollateralisation requirement from the agencies decreased during 2024, from DKK 26.3 billion at end-2023 to DKK 25.8 billion at end-2024.

Realkredit Danmark complies with all threshold values of the supervisory diamond for mortgage credit institutions.

Results

In 2024, Realkredit Danmark's net profit was DKK 4,424 million (2023: DKK 4,394 million). The topline increased, driven by higher interest rate levels, although the increase was partly offset by normalised loan impairment charges.

Administration margin income decreased by DKK 50 million, however, the downward trajectory has tapered off. More customers are choosing products with higher margins and the development in the second half of the year was positive.

Net interest income rose DKK 431 million to DKK 1,545 million in 2024 due to higher interest rate levels.

Net fee income rose DKK 91 million, driven primarily by trading margins from higher refinancing activity.

Income from investment portfolios fell DKK 87 million to DKK 96 million (2023: DKK 183 million).

Expenses amounted to DKK 1,010 million in 2024 (2023: DKK 1,055 million).

Underlying credit quality remained strong with a low level of delinquencies and robust collateral.

Loan impairment charges were at a normalised level and amounted to DKK 333 million in 2024 (2023: an income

of DKK 114 million). Loan impairment charges were affected by a planned model change of DKK 100 million and a reversal of post-model adjustments of DKK 92 million due to the improved macroeconomic situation. The total allowance account at 31 December 2024 amounted to DKK 2,968 million (31 December 2023: DKK 2,738 million).

The tax charge totalled DKK 1,533 million (2023: DKK 1,569 million). The effective tax rate for 2024 was 25.7% (2023: 26.3%).

Balance sheet

Mortgage lending at fair value grew DKK 2 billion to DKK 756 billion. The increase was attributable mainly to higher bond prices due to downward trending interest rate levels in the second half of the year. The development in mortgage lending at fair value was composed of a decrease in the nominal outstanding bond debt of DKK 12 billion and an increase of DKK 14 billion in market value adjustments. Gross lending amounted to DKK 87 billion (2023: DKK 100 billion). In connection with remortgaging to a higher coupon, our customers reduced their total outstanding debt by around DKK 2 billion in 2024.

The overall nominal effect was a DKK 13 billion decrease in the personal customer portfolio and a DKK 1 billion increase in the business customer portfolio.

In 2024, fixed-rate mortgages accounted for approximately 35% of all disbursed loans, while about 50% of all FlexLån® loans were disbursed with refinancing intervals of less than five years.

In nominal terms, the repayment of principal amounts is now at the same level as before interest-only mortgages were launched in 2003. Total ordinary repayments in 2024 equalled 3% of the mortgage portfolio.

At end-2024, the average loan-to-value (LTV) ratio was 53%, the same level as in 2023.

Realkredit Danmark remortgaged loans for DKK 37 billion in 2024 (2023: DKK 40 billion).

The value of repossessed properties was DKK 12 million (2023: DKK 17 million). The delinquency rate at 31 December 2024 was unchanged from the level at the end of 2023, and thus at a persistently low level.

Issued mortgage bonds rose DKK 6 billion to DKK 762 billion. The nominal value of issued mortgage bonds was DKK 799 billion, which was DKK 9 billion less than at the end of 2023. The amounts are exclusive of holdings of own mortgage bonds. Realkredit Danmark issued bonds for a total of DKK 87 billion exclusive of bonds issued for refinancing auctions.

Realkredit Danmark is subject to the specific principle of balance and therefore has very limited exposure to market risks. At the end of 2024, Realkredit Danmark's interest rate risk and exchange rate risk amounted to DKK 936 million and DKK 2 million, respectively.

Capital and solvency

At the end of 2024, shareholders' equity stood at DKK 54.6 billion (2023: DKK 50.2 billion). The consolidation of the net profit for 2024 accounted for the change.

The Systemic Risk Council decided to activate the 7% systemic risk buffer from 30 June 2024. Consequently, in order to support a balanced capital structure, Realkredit Danmark decided not to pay dividend in 2024 for 2023 earnings.

Realkredit Danmark's total capital amounted to DKK 49.8 billion, and the total capital ratio calculated in accordance with the Capital Requirements Regulation and Directive (CRR/CRD) was 31.9%. At 31 December 2023, the corresponding figures were DKK 50.6 billion and 31.5%, respectively.

Realkredit Danmark uses the internal ratings-based (IRB) approach to calculate the risk exposure amount for credit risks. The total risk exposure amount (REA) was DKK 156.3 billion at 31 December 2024 (2023: DKK 160.2 billion).

At the end of 2024, Realkredit Danmark's solvency need, including the combined buffer requirement, was calculated at DKK 31.2 billion, corresponding to a solvency need ratio including buffers of 19.9% of the total REA. With total capital of DKK 49.8 billion, Realkredit Danmark had DKK 18.6 billion in excess of the total capital requirement.

Under Danish law, Realkredit Danmark must publish its total capital and solvency need on a quarterly basis. The rd.dk site provides further information.

Fourth quarter 2024

Realkredit Danmark recorded a profit after tax of DKK 1,238 million in the fourth quarter of 2024, against DKK 1,057 million in the third quarter. The change in profit was attributable primarily to income from the refinancing of FlexLån® loans in the fourth quarter and impairment reversals.

Outlook for 2025

In 2025, Realkredit Danmark expects income to be marginally lower than in 2024, mainly driven by lower forecasted average interest rate levels.

Expenses are expected on higher level than in 2024, driven primarily by digital investments in accordance with the Forward '28 strategy.

Loan impairment charges are expected to be at a normalised level and in line with 2024.

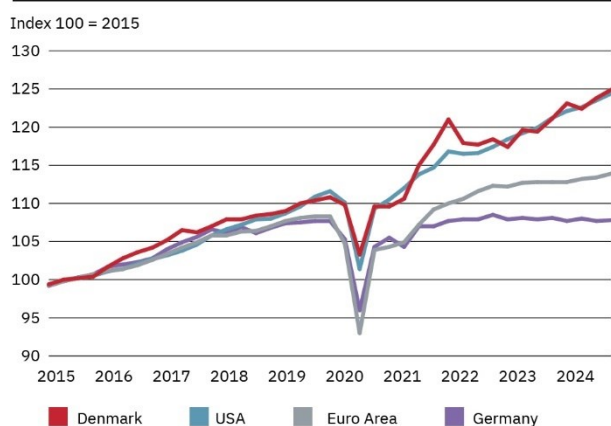
Realkredit Danmark therefore expects net profit in 2025 to be marginally below net profit in 2024.

Macroeconomics and Property market

2024 was another good year for Denmark

The Danish economy performed well in 2024, with GDP growth expected to print at around an impressive 3% for the year as a whole. The high growth was driven mainly by a surging pharmaceutical sector, including the Novo Nordisk company, while underlying growth rates were less stellar in other sectors. Excluding the pharmaceutical sector, Danish GDP growth would be roughly halved. Nevertheless, even that would compare favourably with growth rates across the other Nordic countries and Europe.

Positive GDP-development in Denmark



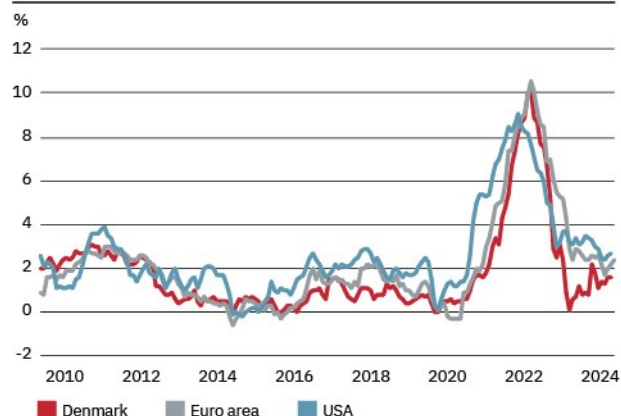
Source: Macrobond and Realkredit Danmark

Inflation reined in

Consumer spending did not contribute much to economic growth in 2024, as consumption growth was decidedly sluggish during the year despite a marked increase in real wages. One reason is that consumers spent some of their savings during the period of high inflation and therefore now focus increasingly on restoring their level of savings.

The jump in real wages in Denmark was due to both significant pay increases and the relatively low level of inflation, which has again retreated below 2%. Inflation in Denmark was somewhat lower in 2024 than in the US and the Euro area, where inflation remained on the high side of 2%. However, both the central banks and the financial markets have assessed inflation to be more under control and on course to stabilise at close to 2%.

Inflation under 2% in Denmark



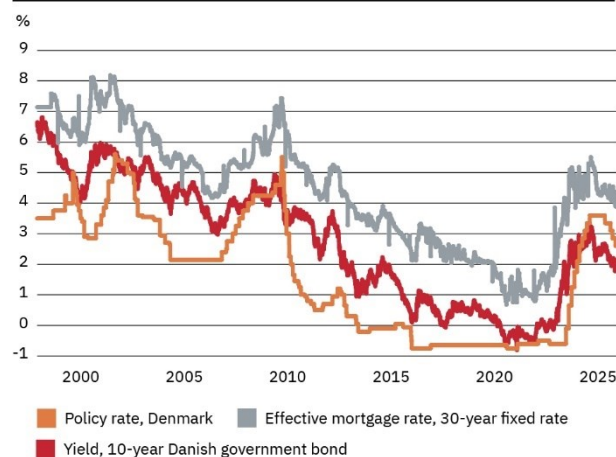
Source: Macrobond and Realkredit Danmark

Central banks set rate cutting cycle in motion

Lower inflationary pressures opened the door to central bank rate cuts in 2024, and both the European Central Bank (ECB) and the US central bank (the Federal Reserve) cut policy rates by 1 percentage point over the year. The central bank in Denmark – Danmarks Nationalbank – moved in lockstep with the interest rate decisions of the ECB on account of the fixed exchange rate policy and an untroubled Danish krone (DKK).

This helped prompt a decline in mortgage rates after a couple of years of rates climbing strongly. Bonds underlying a 30-year fixed-rate 5% mortgage traded at close to par towards the end of 2023, whereas the end of 2024 saw the 30-year fixed-rate 4% mortgage with principal repayment close for loan offers to be replaced by a 3.5% loan. Looking at rates on FlexLån (ARM) loans, the rate on a 1-year (F1) loan landed at 2.49% at the bullet bond auction in November for new interest rates from 1 January against 4.05% at the equivalent auction in 2023.

Interest rates has come down

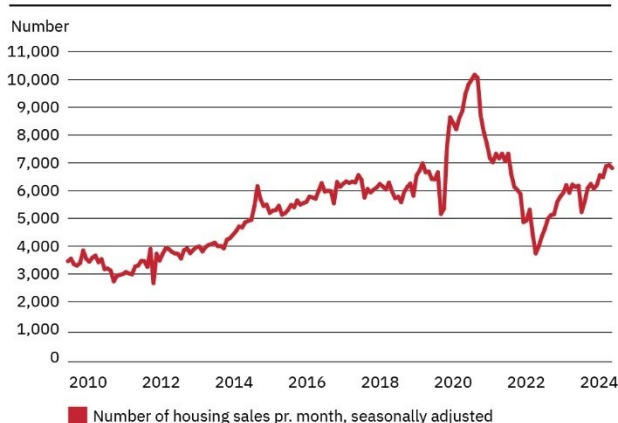


Source: Macrobond and Realkredit Danmark

Housing market picking up

The housing market gained momentum during 2024 after a slow start to the year that was caused by property tax reforms displacing activity from 2024 to 2023. This was because a significant number of home buyers – particularly in the Copenhagen area – wanted to secure the permanent tax discount by taking over the property before the end of the year.

Activity increased during 2024 on the housing market



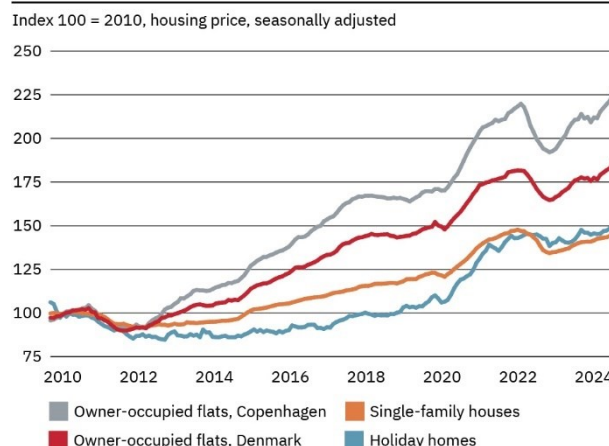
Source: Boligsidens markedsindeks, Macrobond and Realkredit Danmark

Housing market activity ended up higher overall in 2024 than in both 2022 and 2023, and house prices rose by around 4.5% for the year as a whole. High and rising levels of employment and real wage growth were particularly supportive of the housing market, while declining mortgage rates over the year, as mentioned above, also lent a helping hand. That being said, the impact of interest rates should probably not be overstated in light of the surprisingly modest effect the pronounced interest rate rises of recent years have had on the housing market.

One of the year's biggest housing market surprises was the decent increase in prices in the market for apartments, particularly in Copenhagen, where apartment prices increased more than 8% in 2024. The expectation had been that especially the first half of the year would see the market buffeted by headwinds caused by the property tax reform, which made buying apartments more expensive after 1 January 2024.

The rise in housing prices means that apartment prices – both nation-wide and in Copenhagen, have never been higher in nominal terms. Hence, the dip in prices triggered by the inflation crisis and soaring interest rates was relatively quickly reversed, while the broader market for single-family homes has not yet quite reached its former price peak.

Housing prices increased in 2024



Source: Boligsidens markedsindeks, Macrobond and Realkredit Danmark

Low transaction volume in the commercial property market in 2024

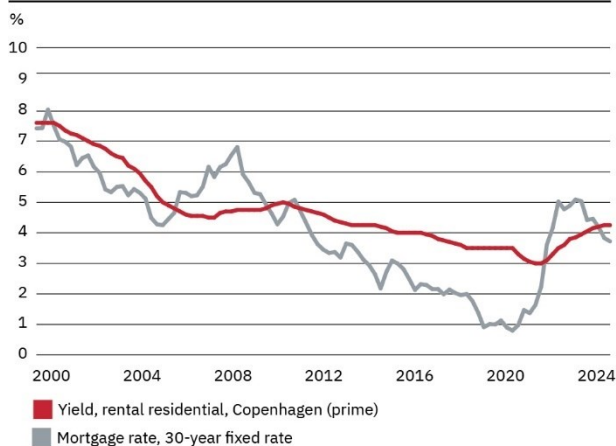
In many ways, 2024 turned out to be a tale of a two-sided market in relation to investment and commercial properties. At least this is what data from our valuation specialists indicate. The data cover the following three segments: Offices, residential rental property and retail. On the one hand, the cash flow, that is vacancy rates and rents, derived from those types of properties was favourable, reflecting the positive business cycle and the pickup in employment. On the other hand, the price that investors were willing to pay for the cash flow, that is yields and property prices, was still adjusting to the higher level of interest rates. As a result, the correcting process that shaped so much of 2023 spilled over into 2024 and unfortunately so did its negative impact. This is evident in the transaction figures, as the volume for 2024 is likely to end up around DKK 55 billion and thus only slightly higher than the level in 2023 but significantly below the high transaction volumes of 2021-2022.

Adjustment to higher interest rates has progressed well

According to our data, adjusting to the higher level of interest rates has proven to be particularly challenging in certain parts of the property market. This includes properties with cash flows so stable they could almost compete with the coupon payments on a bond. This applies primarily to residential rental properties in most of the larger cities as well as offices in Copenhagen and Aarhus.

On the positive side, after the market having spent a little more than two years adjusting to the higher level of interest rates, most of the correction is now behind us.

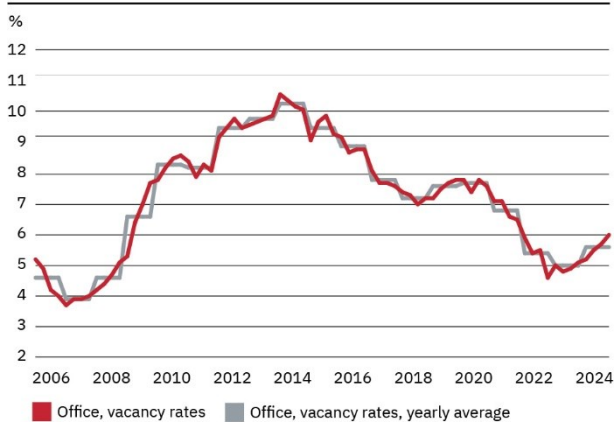
Adjustment to higher interest rates in the commercial property market



Source: Newsec and Realkredit Danmark

Office market supply increased substantially in 2024, and as the pace of employment growth slowed, the market struggled to absorb the increase in supply. As a result, vacancy rates rose during the year. However, in a historical perspective, they remained low.

Rising vacancy rates in the office market but from a low level



Source: Ejendomstorvet and Realkredit Danmark

In retail, 2024 was once again a positive cyclical year as retail sales continued to rise throughout the year. However, structural headwinds remained in place as the e-commerce share of the market continued to rise and the number of small retail businesses (fewer than 10 employees) continued to drop.

For residential rental properties, the cashflow derived from the properties continued to develop positively in 2024, supported by the low number of unemployed people as well as the relative difference between the rental expense and the cost of ownership being at or close to its most supportive level for renting. Furthermore, the number of started housing constructions continued to fall in 2024, which meant that the overbuilding of housing in

large parts of Jutland reversed, especially in Aarhus, which supported the rental market.

Turning to the hotel market, we continued to see a sharp increase in the number of guests from abroad overnighting in the capital region, and the occupancy rate increased again in 2024 relative to 2023. Outside the capital region, tourists from Denmark were the main driving force behind the increase in guest numbers, and as the increase just managed to keep up with the growth in hotel capacity, the occupancy rate remained unchanged relative to 2023.

Reasonable earnings for agriculture in 2024

Danish agriculture recorded reasonable earnings overall in 2024, though this concealed some segments having a financially tougher year than others. The result follows on the heels of record earnings in 2022 and a decent 2023.

Grain prices declined a little in 2024 as Ukrainian grain exports were re-established, which together with lower-than-normal crop yields and rising interest rate expenses generally put arable earnings under pressure.

In contrast, dairy farmers benefited from high milk prices in 2024 on the back of rising real wages, which increased demand, while uncertainties surrounding potential new environmental and climate legislation continued to tend to curtail any increase in production.

Weaner pig producers benefited from the relatively high prices of slaughter pigs in Europe, which supported demand for Danish weaner pigs and ensured solid earnings. In contrast, slaughter pig producers were challenged on the earnings front by the high purchase price of weaner pigs and Danish abattoirs not paying a competitive settlement price for slaughter pigs relative to European competitors. Compounding this was higher expenses for feed corn as a result of low crop yields.

Green tripartite agreement will not undermine agriculture

In 2024, the Danish government and the parties to the green tripartite agreement reached a deal on a CO₂ tax on agriculture and the conversion of 1/6 of Denmark's farmland to forest and natural habitats. The CO₂ tax, due to be introduced with effect from 2030, focuses on livestock emissions and includes a standard allowance to ease the changes and the consequences for agriculture. The agreement also includes a higher target for the reduction of nitrogen emissions, which together with the conversion of land will affect farmers differently depending on their location, though they will generally be compensated. In itself, the green tripartite agreement is not expected to trigger a major wave of bankruptcies in the agricultural sector.

Lending

Green bonds

Customer interest in green financing solutions continued to grow in 2024. The RD Cibor6® Green loan was launched in Denmark in 2019, and at 31 December 2024, total lending amounted to DKK 29.0 billion. In 2024 alone, mortgages for DKK 4.9 billion were disbursed.

The mortgages are typically granted for commercial property used for letting purposes, and mainly for residential letting. The properties must comply with a number of requirements to be financed with green mortgages.

Total lending

The level of remortgaging activity and new lending activity was lower in 2024 than in 2023. In 2024, gross lending amounted to DKK 87 billion (2023: DKK 100 billion).

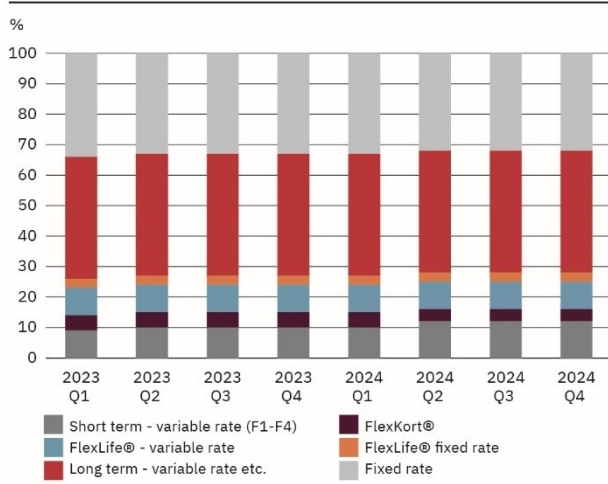
Realkredit Danmark's total mortgage lending fell DKK 12 billion in nominal terms in 2024. At the end of 2024, the total loan portfolio amounted to DKK 795 billion (end-2023: DKK 806 billion).

Remortgaging activity amounted to DKK 37 billion in 2024 (2023: DKK 40 billion).

In the beginning of 2024, customers chose variable-rate mortgages, but the fall in interest rates prompted more customers to opt for fixed-rate mortgages in the second half of 2024. The proportion of gross lending with interest-only features rose to 55% in 2024 (2023: 50%).

The overall share of mortgages with deferred amortisation was at the same level as in 2023 and amounted to 48% at end-2024 (end-2023: 48%).

Development in loan portfolio by loan type (%)



Personal market

Realkredit Danmark's lending to owner-occupied dwellings and holiday homes amounted to DKK 413 billion at end-2024 (end-2023: DKK 426 billion).

The lower level of remortgaging activity in 2024 also meant that total gross lending fell to DKK 42 billion (2023: DKK 50 billion).

During 2024, we observed a shift in our customers' choice of loan type. While six out of ten customers chose variable-rate mortgages in the beginning of 2024, fixed-rate mortgages were the preferred type towards the end of the year. In particular the very short variable-rate mortgages were increasingly rejected by customers, which is undoubtedly attributable to the decline in interest rates throughout 2024. The distribution of loan types for disbursed loans largely resembled the distribution in 2023.

The composition of the overall portfolio does not change as quickly, but similar distinctive trends were seen among customers considering short-term variable-rate mortgages. The share of mortgages with refinancing intervals of up to two years rose from 15% in 2023 to 16% in 2024. Conversely, the share of FlexLån® loans with refinancing intervals longer than two years was 43% of total lending in 2024, which is at the same level as last year.

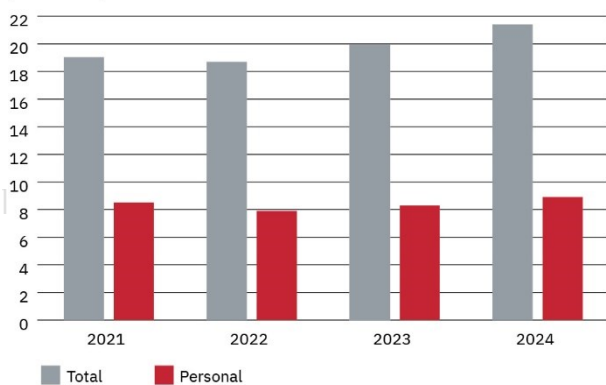
Interest-only mortgages accounted for 53% of new lending for owner-occupied dwellings and holiday homes in 2024. This is 4 percentage points more than in 2023, when about five in ten new mortgages were issued with deferred amortisation. Despite the waning interest in deferred amortisation, interest-only mortgages still accounted for more than half of total lending for owner-occupied dwellings and holiday homes in 2024.

In 2024, Realkredit Danmark recorded an overall nominal portfolio decline of DKK 13 billion. A significant reason for the decline in the loan portfolio is that many home finance customers increasingly opt for competitive bank loan products, which means that from a Group perspective, the actual decrease is significantly lower. Other factors include prepayments of DKK 29 billion in 2024 (2023: DKK 29 billion).

Interest in FlexLife® loans remained stable in 2024, and the total portfolio represents approximately 21% of the overall lending portfolio.

Ordinary Payments

(DKK billions)



Business market

At end-2024, the loan portfolio amounted to DKK 382 billion in nominal terms, representing an increase of DKK 1 billion on the year before. The increase was driven primarily by net new lending, which amounted to DKK 13 billion in 2024, against DKK 26 billion in 2023.

As in 2023, there was limited remortgaging activity in 2024. Total remortgaging in the business market thus amounted to DKK 17 billion in 2024 (2023: DKK 13 billion).

The business market experienced slightly weaker demand for fixed-rate mortgages in 2024, and this type of mortgage accounted for 22% of new mortgages (2023: 23%). Unlike in the personal customer segment, business customers continue to favour long-term variable-rate mortgages, which accounted for 55% of the loans disbursed in 2024 (2023: 63%).

The share of new interest-only mortgages issued with deferred amortisation rose slightly to 57% in 2024 (2023: 53%). The higher proportion of new interest-only mortgages in 2024 remained stable and interest-only mortgages accounted for 41% of total lending in 2024 (2023: 41%).

Distribution channels

Realkredit Danmark consistently seeks to make it easier for its customers to access and obtain an overview of information about their mortgages.

Realkredit Danmark is accessible when customers need it, among other things by providing personal service and advice by telephone and through virtual channels and face-to-face meetings.

Realkredit Danmark's personal customers are served at Danske Bank, primarily by home finance advisers. Customers who are also Danske Bank customers are generally served by Danske Bank advisory centres, while customers who are customers only with Realkredit Danmark and customers who want to engage in dialogue with mortgage specialists are served by Housing East and West, which provide telephone advice and advice via virtual consultancy during extended opening hours.

The largest property customers in Denmark, the largest administrators and all customers within Subsidised Housing are served at Large Real Estate, which is a nation-wide double-branded Realkredit Danmark unit. In addition, Large Real Estate is responsible for providing expert mortgage advice to large non-property customers and to customers in Norway and Sweden who have a mortgage loan with Realkredit Danmark.

Small and medium-sized business and property customers are offered several service channels at Danske Bank. For organisational purposes, all property specialists are placed at Commercial Real Estate Denmark, which consists of a number of local entities and of Realkredit Danmark Business.

The property specialists at the local entities provide personal service and advice at the customers' offices and at Danske Bank's business centres. Realkredit Business Direct provides telephone and virtual advice and other services.

Danske Bank's agricultural centre provides personal service and advice to all agricultural customers.

home

“home”, the real-estate agency chain of the Group, is wholly owned by Realkredit Danmark A/S. The selling of owner-occupied dwellings is the business area of “home”, and mortgages distributed via “home” are primarily intended for changes of ownership. Throughout the year, there was a positive development in the housing market, as both prices and activity increased. The level of activity in 2024 was higher than in both 2022 and 2023 despite declining activity at the beginning of the year due to the property tax reform.

The result for 2024 amounts to DKK 23.9 million, against DKK 20.5 million the year before. This puts the result below the expected level of DKK 25-30 million. The result was adversely affected by the reorganisation implemented at home a/s towards the end of 2024. Relative to 2023, there was an increase in the number of property transactions.

Jens Peter Jensen, CFO, acted as interim CEO of the estate agency chain from 1 November 2023 and stepped down on 1 July 2024. Martin Wiesener was appointed new CEO and took up the position on 1 July 2024.

Activities and portfolio (DKK millions)	Gross lending		Net new lending		Loan portfolio			
	2024	2023	2024	2023	2024	%	2023	%
Personal market	42,397	50,010	-6,248	-5,882	412,874	52	425,743	53
Business market	44,719	49,665	13,389	25,811	381,682	48	380,411	47
Total (nominal value)	87,116	99,675	7,141	19,929	794,556	100	806,154	100

Lending broken down by loan type %	Share of gross lending		Share of loan portfolio	
	2024	2023	2024	2023
Short-term variable rate (F1-F4)	20	13	12	10
FlexKort®	3	6	4	5
FlexLife ® variable rate	7	5	9	9
FlexLife ® - fixed-rate	2	1	3	3
Fixed-rate	33	38	32	33
Long-term variable rate etc.	35	37	40	40
Total	100	100	100	100

Funding

Bond issuance

Realkredit Danmark operates under the specific balance principle and funds its lending by issuing mortgage-covered bonds and, to a very limited extent, mortgage bonds listed on NASDAQ Copenhagen.

Issued bonds are carried in the financial statements at their fair value after deduction of own holdings. The following text and table are based on nominal values before deduction of own holdings, as these reflect the volume of bonds issued and listed on NASDAQ Copenhagen.

Bonds issued in 2024

Realkredit Danmark issued bonds worth DKK 87 billion exclusive of bonds issued for refinancing auctions. This represents a decrease of 12% relative to 2023. The bond market was characterised by stable interest rates during the first half of 2024 after the increase in interest rates observed in 2023. The second half of 2024 saw declining interest rates as central banks started to normalise their policy rates.

Refinancing in 2024

In 2024, Realkredit Danmark held auctions in connection with all four ordinary payment dates. To diversify the risk attached to refinancing, Realkredit Danmark has opted to refinance FlexLån® loans at the 1 January and 1 April payment dates and floating-rate bonds at the 1 July and 1 October payment dates.

All four auctions were carried out without any difficulties and attracted strong investor interest and competitive prices.

The auctions for the refinancing of FlexLån® loans at 1 April 2024 were held in February 2024. Total issuance amounted to DKK 44 billion (2023: DKK 38 billion). In November 2024, bonds worth DKK 50 billion were issued in connection with the refinancing of FlexLån® loans at 1 January 2025. Refinancing at 1 January 2024 amounted to DKK 27 billion.

In May 2024, Realkredit Danmark auctioned bonds worth DKK 12 billion to refinance RD Cibor6® loans, DKK 7 billion to refinance RD Cibor6® Green loans and DKK 20 billion to refinance other floating rate loans.

Lastly, in August 2024, SEK 4 billion was refinanced in RD Stibor3® loans and NOK 2 billion in RD Nibor3® loans.

At end-2024, Realkredit Danmark had issued mortgage bonds for a total amount of DKK 826 billion, of which mortgage-covered bonds accounted for DKK 803 billion.

Debt issuance

In December 2024, Realkredit Danmark refinanced a non-preferred senior loan with the parent company, Danske Bank A/S, in the amount of DKK 3.5 billion to comply with the debt buffer requirement. Realkredit Danmark has not issued any other non-covered bond debt.

Investor distribution

The investor distribution remained largely unchanged in 2024 relative to end-2023. As at the end of November, foreign investors held 22% of all mortgage bonds, against 21% at the end of 2023.

Rating

Realkredit Danmark's bonds are rated by SP Global and Scope Ratings.

Both rating agencies assign a rating of AAA to the bonds in both capital centre S and T.

The Other reserves series capital centre is rated exclusively by SP Global, and these bonds also hold a rating of AAA.

The effective overcollateralisation requirement from the agencies decreased during 2024, from DKK 26.3 billion at end-2023 to DKK 25.8 billion at end-2024.

The overcollateralisation requirements for the capital centres are covered by funds from Realkredit Danmark's equity and the loan raised with Danske Bank A/S.

Realkredit Danmark expects consistently stable overcollateralisation requirements from the rating agencies. If the requirements increase, Realkredit Danmark plans to raise further bail-inable debt on market terms in order to comply with the requirements. This type of debt is also eligible towards the debt buffer requirement.

Bonds issued at 31 December (nominal value)

Bond type (DKK billions)	Mortgage- covered bonds		Mortgage bonds	
	2024	2023	2024	2023
Fixed rate callable	274	273	1	1
Fixed rate bullet	388	376	-	-
Floating rate	141	148	7	8
Index-linked	-	-	15	16
Total DKK	803	797	23	25

In 2024, the calculation was adjusted to reflect double-funding of DKK 51 billion because of the refinancing of FlexLån® loans (2023: DKK 28 billion).



Business focus on sustainability

Realkredit Danmark is included in the Danske Bank Group's Sustainability Statement disclosed as part of the management report of the Danske Bank Group's Annual Report 2024. Consequently, Realkredit Danmark does not report separately on corporate responsibility. Realkredit Danmark is required to include in its management report a sustainability statement for the financial year beginning 1 January 2025, and we have commenced the preparations for this reporting. The Danske Bank Group's Annual Report 2024 is available at danskebank.com/IR.

Below are highlights from the Realkredit Danmark's sustainability-related activities in 2024. Regarding sustainability-related risks, reference is made to the Risk Management section of note 34 of Realkredit Danmark's Annual Report 2024. It is important to note that the information provided below is not to be considered, nor does it constitute, an account for corporate responsibility or a separate sustainability statement. For all purposes, reference is made to the Danske Bank Group's Sustainability Statement.

Environmental initiatives

Realkredit Danmark remains deeply committed to fulfilling its responsibility in relation to society's transition towards a net-zero future and to adapt to challenges associated with the changing climate. For our personal customers and our business customers, the societal transformation required to address climate change presents not only risks but also opportunities.

Throughout 2024, we increased our interactions with our customers to provide focused advice and financing options. Together with Danske Bank, we have established strong partnerships that can provide valuable insights and guide our customers in their specific plans to mitigate current and future challenges and protect the value of their properties.

To support our personal customers in reducing energy consumption from their homes, thereby reducing carbon emissions, and to prepare the properties for a changing climate, we offer mortgage financing for energy renovations and climate protection initiatives on favourable terms. Additionally, we offer a loan fee discount to customers who buy or live in a full-year residence that holds a valid class A or B energy performance certificate.

In 2024, homeowners' interest in energy renovations remained at a low level, primarily due to lower gas prices and uncertainty with respect to public grants when switching to a non-fossil energy source. In relation to realising our ambitions to reduce the carbon emissions from our personal mortgage portfolio by 75% by 2030 (measured against a 2020 baseline), we saw reductions in 2024, albeit at a slower pace than our target trajectory towards 2030. The pace of emission reduction is, however, highly dependent on access to sustainable electricity and sustainable district heating. Because the Danish

Energy Agency has not updated the emission factors since 2019, the development of these sources is not factored into our calculations of emissions. Because of this, the decarbonisation effect is not yet reflected in our figures. By conducting an internal best-effort analysis on updating emission factors, we estimate the decarbonisation of our portfolio to be well under way.

During 2024, we observed growing concerns about the impacts of flooding and increased precipitation and the protection of properties. Together with Danske Bank, we have taken important steps to deepen our partnership with OBH engineering consultancy firm to provide customers with advice on climate adaptation measures, in addition to the energy renovation advisory services already provided.

To address the rising challenges of climate change, we see a strong need for long-term nationwide initiatives from national and local governments to adapt to the changing climate and to secure homes and businesses from flooding, in addition to property owners' own initiatives.

For our business customers, we have launched a value proposition, The six-step plan for securing property value, to guide and support these customers in the environmental transition of their property portfolios. In this six-step plan, we provide our customers with insights into the sustainable transition and understanding the upcoming regulation and the expected impact on market dynamics. We engage with our customers to understand their transition plans and to discuss different options to finance their plans.

New partnerships have been formed with Comundo, a climate tech company, and Sweco, one of Europe's largest architecture and engineering consultancies. The aim of these partnerships is to provide support in two critical steps in our customers' work to measure, plan and execute energy-optimisation initiatives. We experienced a high level of interest from our customers about the services our partners can provide.

We saw progress towards meeting our ambitions to reduce the carbon emissions from our commercial real estate portfolio by 75% by 2030 (measured against a 2020 baseline). This progress is following our target trajectory despite the fact that the impact from increased use of renewable sources is not factored in due the emission factors having not been updated.

Facilitating the transition in the real estate sector requires abundant renewable energy. The development of energy infrastructure is a major societal task, encompassing the scaling of clean energy production, the transportation of electricity and heating as well as the integration of this into households and businesses. Realkredit Danmark participates in the utility sector's work to remove obstacles to providing efficient financing solutions for these important infrastructure projects that our targets also depend on.

Because agriculture is a carbon-intensive sector, we engaged with more than 300 of our agricultural customers on the topic of climate and biodiversity during 2024. When the political ambitions for the sustainable development of agriculture in Denmark were formalised through the tripartite negotiations and approved by the Danish Parliament in November, we set emission reduction ambitions for our agriculture portfolio. We have set an ambition of reducing our financed emissions from this portfolio by 30-45% by 2030 in relation to 2020 levels, which is aligned with the goals of the tripartite agreement.

Customer segment	Baseline 2020 (kg CO ₂ /m ²)	Actual Q3 2024 (kg CO ₂ /m ²)	Ambition for 2030 (kg CO ₂ /m ²)	Loan portfolio Q3 2024* (DKK billions)
Personal mortgage	20.2	17.0	5.1	394.7
Commercial real estate	13.2	10.2	3.3	139.9
Agriculture	25.7	23.4	18.0	30.5

* Loan portfolio in scope for calculation of carbon emissions is for Commercial Real Estate and Agriculture based on NACE segmentation

In Realkredit Danmark's Climate Report 2024 at rd.dk/investor/funding/green-bonds, we report the carbon footprint of our full loan portfolio in detail. We do not, however, report on the manufacturing segment due to lack of data from production facilities. For three key segments, personal customers, commercial real estate and agriculture, we measure developments against the specific carbon reduction ambitions we have set.

Green bond funding

Realkredit Danmark provides green bond mortgage financing to the corporate segment. Our approach to issuing green loans is governed by our Green Finance Framework, which complies with global standards for defining what is considered green.

Throughout 2024, we observed steadily growing interest in green financing, and our refinancing of RD Cibor6® Green loans in July resulted in an extra uptake of DKK 3.1 billion of green lending. The total refinancing round gave rise to issuance of green bonds amounting to DKK 11.0 billion. In the second half of the year, we saw some withdrawal from green loans by our customers in Sweden.

At the end of 2024, our total green loan portfolio had increased to DKK 29.0 billion from DKK 27.1 billion at the end of 2023. New green loans were directed primarily towards green buildings and towards transmission and energy storage projects.

Social initiatives

Own workforce

A skilled and qualified workforce is a key element for ensuring that Realkredit Danmark can operate in a safe and efficient way and to support the Danske Bank Group in reaching its strategic objectives. We strive to attract and develop the potential in our employees to ensure that

they can thrive in an environment of inclusivity, collaboration, innovation and adaptability. To foster a high level of engagement from our employees, we aim to ensure that Realkredit Danmark remains an attractive workplace with strong leadership practices, a good work-life balance and competitive remuneration.

As a key element in building employee engagement, we have conducted engagement surveys and worked with the output of these to further support our employees' motivation and loyalty towards their work at Realkredit Danmark. In 2024, employee engagement remained at a satisfactory level, but it remains a focus area for the leadership team.

	2024	2023	2022
Engagement score	82	82	80

* Score covers only employees from Realkredit Danmark A/S

In 2024, the Danske Bank Group continued its efforts to grow a diverse and inclusive culture to mirror the societies it is part of and to create equal opportunities for its employees. At Realkredit Danmark, we take an active part in this, for example through our mandatory and regular training for all managers and employees, our focus on diversity and inclusion in succession planning and our initiatives supporting ambitions to reduce gender bias in recruitment processes.

Realkredit Danmark's Board of Directors adopted the updated Danske Bank Group's Diversity and Inclusion Policy in 2024. This policy sets out the key principles for Realkredit Danmark's approach to diversity and inclusion, including commitments to improve diversity across all characteristics, to ensure that all employees are provided equal opportunities and terms throughout the entire employee lifecycle, to practice an inclusive culture and mindset, and non-acceptance of discrimination, harassment or offensive workplace behaviour.

In 2024, the definitions of leader groups were changed in the Danske Bank Group. The table below shows the re-defined leader groups and the number of leaders for 2023 and 2024 for comparison (stated with the new definition). The additional member of the Board of Directors reduced the percentage of the less represented gender from 25% to 20% in 2024. For the group of senior leaders, the reduction led to the percentage of the less represented gender being reduced from 46% in 2023 to 40% 2024.

Management level	Total		Share of the less represented gender	2028 target for the less represented gender
	2023	2024		
Board of Directors*	4	5	20%	40%
Executive management**	2	2	50%	40%
Senior leaders**	11	10	40%	40%
Leaders**	24	28	46%	45%

* Employee representatives are not included

** Only employees from Realkredit Danmark A/S are included

Customers and society

Access to financial services and products enhances social inclusion and it benefits both society and individuals. Financial institutions play a crucial role by establishing effective criteria to maximise access to mortgage lending for many eligible customers. Furthermore, home financing promotes access to housing and facilitates the property market. Mortgage loan products include a range of interest rate options and durations, including short-term or long-term variable loans, fixed-rate loans and interest-only loans.

The specific Danish mortgage model offers transparency, fairness, scalability and stability. Mortgage interest rates offered to customers are set mark-to-market on the same terms for all. Administrative fees for personal customers of Realkredit Danmark are set by product-specific risk parameters on equal terms for all personal customers in all parts of Denmark.

Alongside owner-occupied homes, the social housing sector in Denmark provides more than 560,000 homes for rent, representing 20% of the total market for residential properties according to Danmarks Almene Boliger (BL). The social housing sector provides affordable non-profit housing, access to local communities and an inclusive housing democracy for individuals living under poor or otherwise limited circumstances in our society. Consequently, this sector fulfils a critical but also sustainable role of society by supporting the living conditions of thousands of people backed by public subsidy and guaranty.

Denmark	Unit	2024	2023
Share of total mortgage lending to customers aged 30 or younger	%	2.5	2.5
Share of total mortgage lending to customers aged 31 to 64	%	67.5	68.5
Share of total mortgage lending to customers aged 65 and over	%	30	28.9
Total personal mortgage Denmark*	(DKK billions)	388	395

*Total personal mortgage are stated as market value

Realkredit Danmark supports social housing by providing long-term mortgages totalling DKK 95 billion and products on favourable terms agreed with the Danish Ministry of Finance and on market-based terms. Together with Danske Bank, we offer construction loans in connection with mortgage loans to support the construction and renovation of social housing.

The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds Act, along with executive orders for mortgage lending in Denmark, sets limitations on mortgage loans issued by mortgage credit institutions. This framework helps to ensure that financing is accessible to a

broad spectrum of potential customers, and it also reduces the risk of individuals accruing more debt than they can afford. The framework assesses the value of the collateral in a prudent market-based way.

In Realkredit Danmark we aim to consolidate our market position and we strive to improve the customer experience with a particular focus on young and elderly customers. However, no specific targets have been established for social inclusion.

In 2024, the interest rate was lowered for supplementary home financing from Danske Bank on top of a mortgage loan for first-time home buyers in Denmark. House prices and prices for owner-occupied apartments increased in the larger cities in Denmark, and the cost of owning a home has increased over the past years. Together with Danske Bank, Realkredit Danmark has developed some initiatives to further support this customer segment, and Realkredit Danmark has dedicated teams that provide targeted advice for young customers. We have also continued our support of financial literacy by providing explanatory videos on social media about buying an apartment.

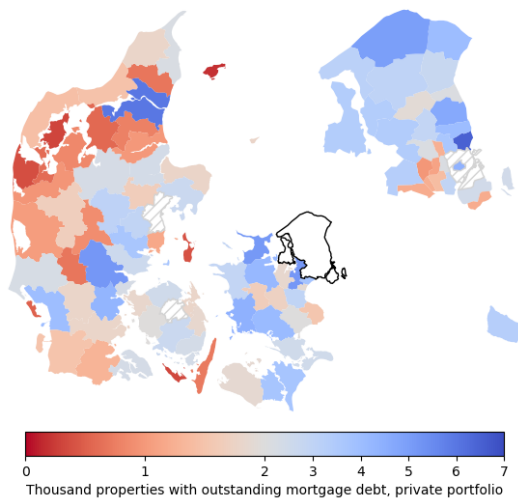
For homeowners intending to retire within a few years or who have already retired, Realkredit Danmark has improved its offerings and advisory services related to re-leasing home equity to support an optimal financial planning for the retirement period. The terms for Realkredit Danmark mortgage loans with low monthly payments (interest only) have been made more transparent, and the advisory offering has been strengthened to support an effective use of the customers' savings and assets.

An analysis of the Danish mortgage lending portfolio in Realkredit Danmark shows that the share of loans to customers aged 30 or younger represents 2.5% of the total mortgage portfolio, and the proportion for customers over the age of 65 stands at 30%.

The Danske Bank Group has procedures and processes in place that enable early-stage help to be provided to customers who experience financial difficulties, hereby securing the best outcomes for the customers and the Danske Bank Group, including Realkredit Danmark. Such processes include identification of relevant customers through ongoing credit assessments and checking and monitoring of customers for early warning signs or significant deteriorations in the customers' financial position. For personal customers, the early signs of inability to repay are addressed by dedicated teams specialised in identifying and mitigating such issues.

The majority of Realkredit Danmark's lending is provided through Danske Bank's physical and digital distribution network. Through this network, it is possible for homeowners to get advice and obtain a mortgage loan regardless of their geographical location.

Realkredit Danmark have provided financing of personal owned properties in all the municipalities of Denmark. The figure below shows the geographical distribution of mortgaged properties at municipality level. To make the number of properties clearer for the smaller municipalities, the Copenhagen Capital Region is shown as a separate entity, and the remaining properties have been redistributed between the municipalities outside the Copenhagen Capital Region. Municipalities with 7,000 mortgaged properties or more are displayed in the same blue color.



Realkredit Danmark's geographical distribution of mortgaged properties therefore also reflects Danske Bank's market position. Consequently, because property values are typically higher in and around larger cities than in rural areas, our distribution of lending is higher there.

Governance

At Realkredit Danmark, we focus on ensuring a robust governance model. This includes having clear roles and responsibilities across the various functions in Realkredit Danmark and relating to Danske Bank's role of running large parts of Realkredit Danmark's business activities in accordance with the outsourcing arrangement between the two entities.

In doing so, we have a high level of focus on ensuring a solid risk and compliance culture across Realkredit Danmark, thereby ensuring that our core value of integrity is applied in all our interactions with our customers and stakeholders.

Our senior management sets policies and instructions that guide the operation of the business and manage associated risks.

Fighting financial crime activities

Financial crime is an increasing threat to our customers and to society. In response to this, we have invested in

numerous processes and controls serving as key components in Realkredit Danmark's day-to-day financial crime risk management setup. We commit to preventing and fighting financial crime, and we continue to invest in this area to protect both Realkredit Danmark and our customers.

Treating customers fairly

Treating customers fairly remains a key focus area at Realkredit Danmark.

Our outsourcing arrangements with Danske Bank entail that Danske Bank processes personal data on behalf of Realkredit Danmark. A data processing agreement is in place that supports Realkredit Danmark in delivering on its responsibilities as data controller.

Data ethics

Danske Bank's data ethics principles define how Danske Bank strives to act with regard to data use across the Danske Bank Group and in its business relations.

Danske Bank strives to be transparent about the purposes for which data is used and to communicate this clearly. We aim to ensure that processes are clearly understood in terms of risk as well as the social, ethical and societal consequences of our use of data. We assess and evaluate the impact of the use of advanced technologies, analytics and computational methods on the parties involved.

In 2024 Danske Bank developed an overall framework for data ethics in the bank and established a central function to coordinate data ethics questions and concerns. Work has also been initiated to understand whether the current data ethics principles need to be revisited to better reflect the changing regulatory landscape as well as Danske Bank's increased ambitions in the data ESG space.

In 2025 Danske Bank will work on integrating its data ethics principles into existing Group-wide policies and instructions to make sure that core processes take data ethics into account.

The principles are available at danskebank.com/cg.

To support a solid risk and compliance culture, our employees undergo annual mandatory training that provides directional and practical insights into the risk and compliance area. In 2024, 98.3% of our employees completed their risk and compliance training on time.

Whistleblowing scheme

All employees are encouraged to raise any concerns they have to their immediate manager, and they also have access to doing so by using Realkredit Danmark's whistleblowing scheme. The whistleblowing scheme is also accessible for customers.

Capital and risk management

Capital management

Realkredit Danmark's capital management policies and practices support the business strategy and ensure that Realkredit Danmark remains sufficiently capitalised to withstand severe macroeconomic downturns. Moreover, Realkredit Danmark aims to retain the current AAA ratings from S&P Global and Scope Ratings, which are in line with those assigned to comparable issuers.

The regulatory framework for Realkredit Danmark's capital management practices is rooted in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD), which can be divided into three pillars:

- **Pillar I** contains a set of mathematical formulas for the calculation of risk exposure amounts for credit risk, market risk and operational risk. The minimum capital requirement is 8% of the total REA. In parallel, a minimum leverage ratio of 3% must be met at all times.
- **Pillar II** contains the framework for the contents of the ICAAP, including the identification of a credit institution's risks, the calculation of the solvency need, and stress testing.
- **Pillar III** deals with market discipline and sets forth disclosure requirements for risk and capital management.

While Pillar I entails the calculation of risks and the capital requirement on the basis of uniform rules for all credit institutions, the ICAAP under Pillar II takes into account the individual characteristics of a given institution and covers all relevant risk types, including risks not addressed under Pillar I. The combined capital requirements under Pillar I and Pillar II represent the credit institution's solvency need and solvency need ratio.

Internal Capital Adequacy Assessment Process (ICAAP)

As part of the ICAAP, Realkredit Danmark assesses its solvency need on the basis of internal models and ensures that it uses proper risk management systems. The ICAAP also includes capital planning to ensure that Realkredit Danmark always has sufficient capital to support its chosen business strategy. Stress testing is an important tool used for capital planning purposes in order to ensure that Realkredit Danmark, also going forward, is sufficiently capitalised to withstand severe macroeconomic downturns. For additional information about the ICAAP, reference is made to the ICAAP report available at danskebank.com/IR

Capital

Realkredit Danmark's total capital consists primarily of conventional equity after statutory deductions.

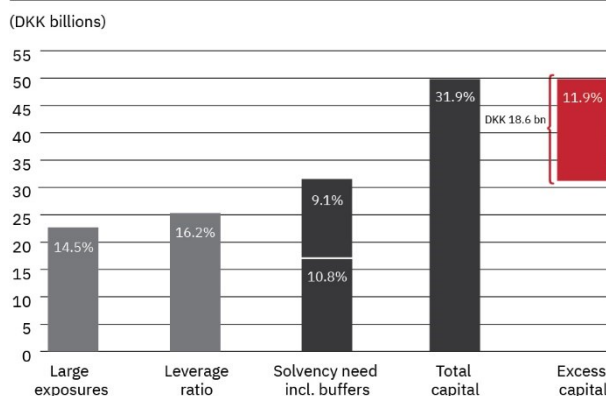
At the end of 2024, the total REA amounted to DKK 156.3 billion, a decrease of DKK 4.0 billion from the level at the end of 2023. The decrease was due primarily to a decrease in credit risk. With total capital of DKK 49.8 billion, the total capital ratio was 31.9%.

Capital requirements

As stipulated in Danish legislation, a credit institution must disclose its solvency need and solvency need ratio. The solvency need is the total capital of the size, type and composition needed to cover the risks to which an institution is exposed.

In addition to the solvency need ratio, the institution must have capital to comply with the combined capital buffer requirement. The combined buffer requirement consists of a SIFI buffer of 3%, a capital conservation buffer of 2.5%, a systemic risk buffer of 1.1% and a countercyclical buffer of 2.5%.

Solvency need ratio and total capital ratio, end 2024



At the end of 2024, Realkredit Danmark's solvency need, including the combined buffer requirement, was calculated at DKK 31.2 billion, corresponding to a solvency need ratio including buffers of 19.9% of the total REA. With total capital of DKK 49.8 billion, Realkredit Danmark had DKK 18.6 billion in excess of the total capital requirement.

Leverage ratio

At the end of 2024, Realkredit Danmark had DKK 24.5 billion in excess of the minimum requirement of 3% with a leverage ratio of 5.9%.

Large exposures

Large exposures are defined as exposures amounting to at least 10% of the tier 1 capital after deduction of particularly secure claims. At the end of 2024, Realkredit Danmark had 1 exposure that exceeded 10% of its capital base.

Supplementary collateral

As an institution issuing mortgage-covered bonds, Realkredit Danmark must provide supplementary collateral if the value of the properties on which the loans are secured is such that the LTV ratio rises above 80% for residential property and 60% for commercial property. At the end of 2024, the need for supplementary collateral was DKK 5.4 billion (end-2023: DKK 6.3 billion). Of the DKK 5.4 billion, DKK 0.8 billion was provided in the form of loan loss guarantees. The remaining DKK 4.6 billion was provided in the form of unencumbered liquid assets.

A large proportion of Realkredit Danmark's mortgages are covered by loan loss guarantees provided by Danske Bank. The loan loss guarantee covers the top 20 percentage points of the statutory loan limit at the time when the mortgage originates.

The loan loss guarantees amounted to DKK 28 billion of the loan portfolio at 31 December 2024.

Risk management

The Realkredit Danmark Group's principal risks are credit risk from mortgage loans and liquidity risk related primarily to refinancing auctions.

The credit risk on mortgages comprises the risk that the borrower is unable to repay the loan and the expected loss if the borrower does not repay the loan. Liquidity risk is the risk that payments to the bondholder fall due before Realkredit Danmark has secured the necessary liquidity. This is mitigated by early payments received from Realkredit Danmark's borrowers and the sale of new bonds at refinancing auctions.

Realkredit Danmark is also exposed to market risks, which comprise interest rate, equity and exchange rate risks. However, the statutory principle of balance eliminates most of the interest rate and exchange rate risks on the Group's assets and liabilities.

Risk management is described in the note on risk management.

Liquidity Coverage Ratio

As a credit institution, Realkredit Danmark is subject to the Liquidity Coverage Ratio. The implementation of the covered bond directive in 2022 introduced additional Pillar II liquidity requirements that address refinancing and remortgaging risks. The combined Pillar I+II requirement defines the binding liquidity requirement for Realkredit Danmark. At the end of 2024, the combined requirement corresponded to approximately DKK 8.1 billion.

Realkredit Danmark's holding of unencumbered liquid assets after caps and haircuts was DKK 20.4 billion at end-2024.

Future rules

As part of the EU Banking Package 2021 and in order to implement Basel IV, the European Commission adopted proposals in October 2021. On 27 June 2023, the EU legislators reached a provisional political agreement on the proposals for implementing Basel IV. The new rules were adopted by the EU in June 2024 and published in the EU Official Journal. The CRR3 that implements the Basel IV standard in the EU applies from 1 January 2025 and onwards. The date on which the FRTB rules take effect has, however, been postponed and is now 1 January 2026.

The fully phased-in rules are subject to a lengthy transition period and transitional arrangements. Taking into account the transitional arrangements with regard to the output floor, the Group currently expects the output floor to restrict Realkredit Danmark at the earliest in 2033, when the transitional arrangements are set to lapse. It is however the expectation that the output floor will not be applied at individual level in Denmark, which means that Realkredit Danmark will not become subject to the output floor (pending Danish legislation).

Supervisory diamond for mortgage credit institutions

Realkredit Danmark continues to comply with all threshold values by a satisfactory margin.

For all the threshold values, Realkredit Danmark has defined internal limits to ensure that action is taken in due time before a threshold value would potentially be exceeded.

Threshold value	2024	2023	Limit
Growth in lending¹			
Owner-occupied dwellings and holiday homes	-3.2%	-2.9%	15%
Residential rental property	0.4%	6.4%	15%
Agriculture	-0.7%	-4.1%	15%
Other	0.3%	3.7%	15%
Borrower interest-rate risk²			
Properties for residential purposes	5.8%	6.1%	25%
Interest-only option³			
Owner-occupied dwellings and holiday homes	5.2%	5.6%	10%
Loans with short-term funding⁴			
Refinancing, annually	17.5%	12.4%	25%
Refinancing, quarterly	0.5%	0.6%	12.5%
Large exposures⁵			
Loans relative to shareholders' equity	75%	71%	100%

¹ Annual growth must be lower than 15% unless the size of the segment is smaller than the institution's total capital.

² The proportion of loans for which the loan-to-value ratio is at least 75% of the statutory maximum loan limit and for which the interest rate has been locked for up to two years must not represent more than 25% of the total loan portfolio.

³ The proportion of interest-only loans for which the loan-to-value ratio is more than 75% of the statutory maximum loan limit must represent less than 10% of the total loan portfolio.

⁴ The proportion of lending to be refinanced must be less than 12.5% per quarter and less than 25% of the total loan portfolio.

⁵ The sum of the 20 largest exposures must be less than core equity tier 1 capital.

Management

Management

Realkredit Danmark A/S is a wholly owned subsidiary of Danske Bank A/S. The Board of Directors of Realkredit Danmark consists of seven directors, of whom five are elected by the shareholder and two are elected by the employees of Realkredit Danmark A/S.

At the annual general meeting on 11 March 2024, the members of the Board of Directors elected by the shareholder were re-elected. Throughout 2024, the members of the Board of Directors were thus the same, although the number of board members was increased when Jakob Bøss joined the Board of Directors in April 2024. Jacob Bøss is employed at Danske Bank as Head of Group Positioning & Sustainability and brings comprehensive experience within these areas into the board room.

The Board of Directors thus has the following members: Christian Bornfeld (chairman), Magnus Thor Agustsson (vice chairman), Jakob Bøss, Jesper Koefoed, Linda Fagerlund, Majken Hammer Sløk and Christian Hilligsøe Heinig.

Throughout 2024, the Executive Management of Realkredit Danmark consisted of Kamilla Hammerich Skytte (Chief Executive Officer) and Bjarne Aage Jørgensen.

The Board of Directors defines the business model and strategy for Realkredit Danmark and the overall principles for managing the risks associated with the business. The Executive Management is responsible for the day-to-day management and operation of Realkredit Danmark's business activities and must comply with the guidelines and directions given by the Board of Directors. The rules of procedure lay down the precise division of responsibilities between the Board of Directors and the Executive Management.

Members of the board elected by the shareholder are elected for a term of one year and are eligible for re-election. Employee representatives are elected for a term of four years (most recently in 2021) and are eligible for re-election as long as they are employed by Realkredit Danmark.

Please refer to pages 77-78 for the required information about directorships held by members of the Board of Directors and members of the Executive Management.

Compliance and risk management

Realkredit Danmark continues to focus on ensuring a robust risk and compliance culture across its organisation, thereby ensuring that we live our core value of integrity in all interactions with our customers and stakeholders and manage the financial and non-financial risks associated with the business activities of Realkredit Danmark within the framework and guidelines set by the Board of

Directors and in accordance with the laws and regulations applicable to mortgage credit institutions. Realkredit Danmark applies the “Three Lines of Defence” model for risk ownership, oversight and assurance. All employees are responsible for contributing to effective management of risks according to their role. The below figure presents the division of duties across the three lines of defence, which supports a culture of financial and non-financial risk management being an integral part of the day-to-day operation of the business activities at all levels at Realkredit Danmark.



*) Group Legal advises all three lines of defence on the interpretation of applicable laws and regulation and sets the framework for the management of Legal Risk.
**) Group Risk Management has a 2LoD role and oversight responsibilities for Danske Bank Group, including relevant risk-bearing Subsidiaries.

The Second Line of Defence functions are the independent Compliance function and the independent Risk function.

The independent Compliance function is responsible for monitoring and assessing Realkredit Danmark's compliance with applicable laws and regulation and the internal framework set by the Board of Directors. In practice, some of the tasks of the Compliance function are outsourced to Danske Bank, but the overall accountability for the second line Compliance function lies with the Head of Compliance at Realkredit Danmark, who reports directly to the Chief Executive Officer (CEO) and has a direct reporting and escalation line to the Board of Directors. In addition, the head of Compliance has a dotted line to Group Compliance to ensure that material risks are reported and escalated for Group oversight as well as to ensure that Realkredit Danmark's compliance risk management is aligned with Group standards.

The independent Risk function is responsible for (i) promoting a sound risk culture, (ii) setting standards for effective management of the risks to which Realkredit Danmark is exposed (iii) ensuring that material risks are identified, measured, managed and reported correctly, (iv) keeping oversight of risk exposures and monitor that they remain within the tolerance and limits set by the Board of Directors, and (v) reporting risk exposure and risk related concerns independently to the Executive Management and the Board of Directors.

The independent Risk function at Realkredit Danmark is headed by the Chief Risk Officer (CRO), who reports directly to the Chief Executive Officer (CEO) and has a direct reporting and escalation line to the Board of Directors. Besides, the CRO has a dotted line to Group Risk to ensure that material risks are reported and escalated to Danske Bank for Group risk oversight purposes. In addition, the dotted reporting line to Group Risk ensures that Realkredit Danmark has an approach to risk management that is aligned with Group standards.

The ownership of risks at Realkredit Danmark lies with the first line functions, which include business units and support functions. In the day-to-day risk management work, the first line functions are supported and advised by the first line risk function, Business Risk & Governance.

The Head of Business Risk & Governance reports directly to the Executive Management and participates in Realkredit Danmark's risk committee and product committee meetings. Further, the designated anti-money laundering officer and the designated outsourcing officer for Realkredit Danmark form part of the Business Risk & Governance function.

Realkredit Danmark continuously outsources a large part of the day-to-day operation of its business activities to Danske Bank to achieve technical and operational benefits. On the risk management side, this involves specific outsourcing of risk management responsibilities imposed on assigned owners within Realkredit Danmark's own organisation to the specific outsourcing arrangements with Danske Bank according to an outsourcing framework and governance model adopted by the senior management of Realkredit Danmark.

Internal control and risk management systems used in the financial reporting process and Internal Audit

As laid down in the Danish Financial Business Act, the Board of Directors is responsible for ensuring that the Executive Management maintains effective procedures to identify, monitor and report on risks, adequate internal control procedures as well as satisfactory IT controls and security measures.

Good accounting practices are based on authorities, segregation of duties, regular reporting requirements and significant transparency in respect of the Group's business.

Realkredit Danmark regularly assesses risks in relation to financial reporting, with particular focus on items where estimates and assessments could significantly affect the value of assets or liabilities. These critical financial statement items are listed under Significant accounting estimates and assessments.

Realkredit Danmark has implemented controls to counter identified financial reporting risks and regularly monitors changes in and compliance with relevant legislation and other financial reporting rules and regulations. Controls have been established for the purpose of preventing, detecting and correcting errors or irregularities in financial reporting.

As previously mentioned, Realkredit Danmark continuously outsources a large part of the day-to-day operation of its business activities to Danske Bank to achieve technical and operational benefits. Realkredit Danmark has established a governance structure to monitor the outsourced activities and to ensure a procedure involving ongoing reporting for the individual organisational levels within Realkredit Danmark. Internal management reporting is based on the same principles as external reporting.

Internal Audit performs auditing of operational processes at Realkredit Danmark to assess the effectiveness of the company's risk management, controls and governance. The planning and performance of the work of Internal Audit is subject to the provisions of the Danish Executive Order on Auditing, the International Standards on Auditing (ISAs) as well as the International Standards for the Professional Practice of Internal Auditing (IPPF).

The Executive Management regularly reports to the Board of Directors on compliance with the risk and investment framework set out and the statutory investment rules. The Board of Directors also receives accounting information on an ongoing basis. Compliance reports to the Board of Directors in respect of compliance and any non-compliance with internal business procedures and policies.

Audit Committee

The Board of Directors has set up an audit committee to prepare the work of the Board of Directors on financial reporting and audit matters, including related risk matters, which the Board of Directors, the committee itself, the external auditors or the Head of Group Internal Audit intends to review further. The committee works on the basis of clearly defined terms of reference. The committee has no independent decision-making powers but reports to the Board of Directors as a whole. In 2024, the Audit Committee held four meetings.



Income statement and Comprehensive income

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
	Income statement				
4	Interest income	22,754	22,458	22,752	22,455
5	Interest expense	16,297	16,201	16,297	16,201
	Net interest income	6,457	6,257	6,455	6,254
3	Fee and commission income	931	906	931	906
	Fee and commission expense	910	976	910	976
2	Net interest, fee and commission income	6,478	6,187	6,476	6,184
2, 6	Value adjustments	727	633	728	633
3	Other operating income	95	84	2	1
7-9	Staff costs and administrative expenses	1,008	1,054	948	998
	Impairment, depreciation and amortisation charges	2	1	1	-
10	Loan impairment charges	333	-114	332	-115
33	Income from associated and group undertakings	-	-	24	21
	Profit before tax	5,957	5,963	5,949	5,956
11	Tax	1,533	1,569	1,525	1,562
	Net profit for the year	4,424	4,394	4,424	4,394
	Proposal for allocation of profits				
	Net profit for the year			4,424	4,394
	Transferred from other reserves			3,451	-826
	Total for allocation			7,875	3,568
	Portion attributable to				
	Reserves in series			3,475	3,568
	Other reserves			-	-
	Proposed dividends			4,400	-
	Total allocation			7,875	3,568
	Comprehensive income				
	Net profit for the year	4,424	4,394	4,424	4,394
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial gains/losses on defined benefit plans	-6	-65	-6	-65
	Tax	-1	-17	-1	-17
	Total other comprehensive income	-5	-48	-5	-48
	Total comprehensive income for the year	4,419	4,346	4,419	4,346

Balance sheet

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
	ASSETS				
	Cash in hand and demand deposits with central banks	10,802	8,075	10,802	8,075
12	Due from credit institutions and central banks	6,826	3,543	6,751	3,474
13	Bonds at fair value	24,367	16,804	24,367	16,804
14	Bonds at amortised cost	27,922	32,773	27,922	32,773
15-16, 19	Mortgage loans at fair value	755,539	753,624	755,539	753,624
15, 17-19	Loans and other amounts due at amortised cost	207	219	191	198
	Shares	2	3	-	-
33	Holdings in group undertakings	-	-	128	124
	Other tangible assets	2	3	2	3
	Current tax assets	166	-	166	-
20	Deferred tax assets	-	-	-	-
21	Assets temporarily taken over	13	17	13	17
19, 22	Other assets	1,175	1,201	1,063	1,055
	Prepayments	2	1	1	1
	Total assets	827,023	816,263	826,945	816,148
	LIABILITIES AND EQUITY				
	AMOUNTS DUE				
23	Due to credit institutions and central banks	3,500	2,000	3,500	2,000
24	Issued mortgage bonds at fair value	762,125	756,509	762,125	756,509
	Current tax liabilities	-	117	-	117
20	Deferred tax liabilities	49	459	-	-
25, 26	Other liabilities	6,707	6,955	6,622	6,832
	Total amounts due	772,381	766,040	772,247	765,458
	PROVISIONS				
20	Deferred tax	-	-	54	465
26	Reserves in early series subject to a reimbursement obligation	-	-	2	2
	Total provisions	-	-	56	467
	SHAREHOLDERS' EQUITY				
	Share capital	630	630	630	630
	Reserves in series	48,660	47,276	48,660	47,276
	Other reserves	952	2,317	952	2,317
	Proposed dividends	4,400	-	4,400	-
	Total shareholders' equity	54,642	50,223	54,642	50,223
	Total liabilities and equity	827,023	816,263	826,945	816,148

Statement of capital

Realkredit Danmark Group

(DKK millions)	Share Capital	Reserves in series	Other reserves	Proposed dividends	Total
Shareholders' equity at 1 January 2024	630	47,276	2,317	-	50,223
Net profit for the year	-	3,475	949	-	4,424
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-6	-	-6
Tax	-	-	1	-	1
Total other comprehensive income	-	-	-5	-	-5
Total comprehensive income for the year	-	3,475	944	-	4,419
Transferred from/to Other reserves	-	-2,091	2,091	-	-
Dividend paid	-	-	-	-	-
Proposed dividends	-	-	-4,400	4,400	-
Shareholders' equity at 31 December 2024	630	48,660	952	4,400	54,642
Shareholders' equity at 1 January 2023	630	45,171	76	3,600	49,477
Net profit for the year	-	3,568	826	-	4,394
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-65	-	-65
Tax	-	-	17	-	17
Total other comprehensive income	-	-	-48	-	-48
Total comprehensive income for the year	-	3,568	778	-	4,346
Transferred from/to Other reserves	-	-1,463	1,463	-	-
Dividend paid	-	-	-	-3,600	-3,600
Proposed dividends	-	-	-	-	-
Shareholders' equity at 31 December 2023	630	47,276	2,317	-	50,223

Statement of capital

Realkredit Danmark A/S

(DKK millions)	Share Capital	Reserves in series	Other reserves	Proposed dividends	Total
Shareholders' equity at 1 January 2024	630	47,276	2,317	-	50,223
Net profit for the year	-	3,475	949	-	4,424
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-6	-	-6
Tax	-	-	1	-	1
Total other comprehensive income	-	-	-5	-	-5
Total comprehensive income for the year	-	3,475	944	-	4,419
Transferred from/to Other reserves	-	-2,091	2,091	-	-
Dividend paid	-	-	-	-	-
Proposed dividends	-	-	-4,400	4,400	-
Shareholders' equity at 31 December 2024	630	48,660	952	4,400	54,642
Shareholders' equity at 1 January 2023	630	45,171	76	3,600	49,477
Net profit for the year	-	3,568	826	-	4,394
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-65	-	-65
Tax	-	-	17	-	17
Total other comprehensive income	-	-	-48	-	-48
Total comprehensive income for the year	-	3,568	778	-	4,346
Transferred from/to Other reserves	-	-1,463	1,463	-	-
Dividend paid	-	-	-	-3,600	-3,600
Proposed dividends	-	-	-	-	-
Shareholders' equity at 31 December 2023	630	47,276	2,317	-	50,223

At the end of 2024, the share capital was made up of 6,300,000 shares of DKK 100 each. All shares carry the same rights; there is thus only one class of shares. The company is wholly-owned by Danske Bank A/S, Copenhagen. Realkredit Danmark A/S and group undertakings are included in the consolidated financial statements of Danske Bank A/S, Copenhagen.

Statement of capital

	Realkredit Danmark Group	
(DKK millions)	31 December 2024	31 December 2023
Total capital and Total capital ratio		
Shareholders' equity	54,642	50,223
Proposed dividends	-4,400	-
Deferred tax assets	-	-
Prudent valuation	-7	-8
Minimum Loss Coverage for Non-Performing Exposures	-374	-223
Defined benefit pension fund assets	-81	-90
Common equity tier 1 capital	49,780	49,902
Difference between expected losses and impairment charges	-	-
Tier 1 capital	49,780	49,902
Reserves in series subject to a reimbursement obligation	-	-
Difference between expected losses and impairment charges	-	654
Total capital	49,780	50,556
Risk exposure amount	156,269	160,244
Common equity tier 1 capital ratio (%)	31.9	31.1
Tier 1 capital ratio (%)	31.9	31.1
Total capital ratio (%)	31.9	31.5

At end-2024, total capital and the total risk exposure amount are calculated in accordance with the Capital Requirements Regulation (CRR/CRD). The solvency need calculation is described in more detail on [rd.dk](#).

Statement of capital

	Realkredit Danmark A/S	
(DKK millions)	31 December 2024	31 December 2023
Total capital and Total capital ratio		
Shareholders' equity	54,642	50,223
Proposed dividends	-4,400	-
Deferred tax assets	-	-
Prudent valuation	-7	-8
Minimum Loss Coverage for Non-Performing Exposures	-374	-223
Defined benefit pension fund assets	-81	-90
Common equity tier 1 capital	49,780	49,902
Difference between expected losses and impairment charges	-	-
Tier 1 capital	49,780	49,902
Reserves in series subject to a reimbursement obligation	-	-
Difference between expected losses and impairment charges	-	654
Total capital	49,780	50,556
Risk exposure amount	156,256	160,194
Common equity tier 1 capital ratio (%)	31.9	31.2
Tier 1 capital ratio (%)	31.9	31.2
Total capital ratio (%)	31.9	31.6

At end-2024, total capital and the total risk exposure amount are calculated in accordance with the Capital Requirements Regulation (CRR/CRD). The solvency need calculation is described in more detail on [rd.dk](#).

Cash flow statement

	Realkredit Danmark Group	
(DKK millions)	2024	2023
Cash flow from operating activities		
Profit before tax	5,957	5,963
Adjustment for other non-cash operating items		
Amortisation, depreciation and impairment charges	2	1
Loan impairment charges	230	-174
Tax paid	-1,827	-1,011
Cash flow from operations before changes in operating capital	4,362	4,779
Cash flow from operating capital		
Bonds and shares	-2,588	-2,362
Mortgage loans	11,589	-4,131
Issued mortgage bonds	-8,702	7,211
Due to credit institutions	1,500	-
Other assets/liabilities	-151	960
Cash flow from operating activities	6,010	6,457
Cash flow from investing activities		
Acquisition of tangible assets	-	-
Sale of tangible assets	-	-
Cash flow from investing activities	-	-
Cash flow from financing activities		
Dividends	-	-3,600
Cash flow from financing activities	-	-3,600
Cash and cash equivalents at 1 January	11,618	8,761
Change in cash and cash equivalents	6,010	2,857
Cash and cash equivalents at 31 December	17,628	11,618
Cash and cash equivalents at 31 December		
Cash in hand and demand deposits with central banks	10,802	8,075
Amounts due from credit institutions and central banks within 3 months	6,826	3,543
Total	17,628	11,618

Notes

Note

1 MATERIAL ACCOUNTING POLICIES

General

Realkredit Danmark prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and applicable interpretations (IFRIC) issued by the International Accounting Standards Board (IASB), as adopted by the EU. Furthermore, the consolidated financial statements comply with the Danish FSA's executive order No. 1306 dated 16 December 2008 on the use of IFRS Accounting Standards by undertakings subject to the Danish Financial Business Act.

Changes to material accounting policies

Amendments to IFRS 7 and IAS 7 (supplier finance arrangements), IFRS 16 (sale and leaseback transactions), and IAS 1 (classification of liabilities; liabilities with covenants) became effective for the period beginning 1 January 2024. The amendments had no impact on the financial statements.

The accounting policies are unchanged from those applied in Annual Report 2023.

For the purpose of clarity, the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that information not considered material in terms of quantitative and qualitative measures or relevant to financial statement users is not presented in the notes.

Significant accounting estimates and judgements

The preparation of financial information requires, in some cases, the use of judgements and estimates by management. This includes judgements made when applying accounting policies. The most significant judgements made when applying accounting policies relate to the fair value measurement of mortgage loans.

Further, the carrying amounts of some assets and liabilities requires the estimation of the effects of uncertain future events on those assets and liabilities. The estimates are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values. In view of the inherent uncertainties and the high level of subjectivity and judgement involved in the recognition and measurement of the following items, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based.

Fair value measurement of mortgage loans

The fair value of mortgage loans is based on the fair value of the underlying issued mortgage bonds adjusted for changes in the fair value of the credit risk on borrowers. In addition to the expected credit losses, a collective assessment determines the need for adjustments to reflect other components in the fair value measurement, such as an assessment of an investor's risk premium, compensation for administrative costs related to the loans and the possibility to increase the credit margin if the credit risk increases.

The fair value of the credit risk on the borrower is based on the expected credit loss impairment model in IFRS 9, which depends on

whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly, the impairment charge equals the expected credit losses resulting from default events that are possible within the next 12 months (stage 1). If the credit risk has increased significantly, the loan is more than 30 days past due, or the loans is in default or otherwise impaired, the impairment charge equals the lifetime expected credit losses (stages 2 and 3).

In determining the impairment for expected credit losses, management exercises judgement and uses estimates and assumptions. The expected credit loss is calculated for all individual loans as a function of PD (probability of default), EAD (exposure at default) and LGD (loss given default) and incorporates forward-looking information. The estimation of expected credit losses involves forecasting future economic conditions over a number of years. Such forecasts are subject to management judgement and those judgements may be sources of measurement uncertainty that have significant risk of resulting in a material adjustment to a carrying amount in future periods.

The incorporation of forward-looking elements reflects the expectations of the Group's senior management and involves the creation of scenarios (base case, upside and downside), including an assessment of the probability for each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses.

The forward-looking information is based on a three-year forecast period converging to steady state in year seven. That is, after the forecast period, the macroeconomic scenarios revert slowly towards a steady state.

The applied scenarios that drive the expected credit loss calculation in the fourth quarter of 2024 have been updated with the latest macroeconomic data. Compared to the end of 2023, the base case and upside scenarios have been revised to reflect expectations of lower inflation, decreasing interest rates, improved house prices and improved growth momentum.

The base case is an extension of the Group's official view of the Nordic economies (the Nordic Outlook report). At 31 December 2024, the base case scenario reflects a soft landing with economic growth moving toward normalised levels. Inflation is coming down quickly, and fairly rapid interest cuts are consequently expected. The Nordic property markets have generally recovered, and price increases are expected, as consumers regain purchasing power.

The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, it is predominantly the European businesses' profit margins and not prices that absorb the adjustment to higher wage costs and inflation returns more sustainably to target than in the base case. Central banks no longer hesitate to cut interest rates and all Nordic central banks loosen policies a bit quicker than in the base case. This boosts consumer sentiment, increasing private consumption and strengthening the housing market.

Notes

Note

The downside scenario is a severe recession with high interest rates scenario (reflecting a stagflation scenario) applied in the Group's ICAAP processes, which is similar in nature to regulatory stress tests. The severe recession scenario reflects negative growth, increasing interest rates, and falling property prices for a longer period. The use of the downside scenario was introduced to better capture the elevated risk from high interest rates and high inflation. A trigger of the economic setback could be continued macroeconomic worsening and challenges linked to high business costs while inflation remain elevated. This adversely impacts the labour market, results in higher and more persistent unemployment. This would lead to a severe slowdown in the economies in which the Group is represented.

The scenario weighting is unchanged from 2023. The weight on the base case scenario is 60% (60% in 2023), the upside scenario is weighted 20% (20% in 2023), and the downside scenario is weighted 20% (20% in 2023).

At the end of 2024, the fair value adjustment of the credit risk on mortgage loans was calculated at DKK 2,837 million (2023: DKK 2,656 million), reducing the value of mortgage loans. The base case scenario enters with a probability of 60% (2023: 60%), the downside scenario with a probability of 20% (2023: 20%) and the upside scenario with a probability of 20% (2023: 20%). If the base case scenario was assigned a probability of 100%, the fair value adjustment at end-2024 would be DKK 2,375 million (2023: DKK 2,450 million). The fair value adjustment at the end of 2024 would increase to DKK 4,750 million (2023: DKK 4,225 million) if the downside scenario was assigned a probability of 100%. If instead the upside scenario was assigned a probability of 100%, the fair value adjustment would decrease to DKK 2,325 million (2023: DKK 2,400 million).

According to the Group's definition of a significant increase in credit risk, i.e. when a loan is transferred from stage 1 to stage 2, loans with an initial PD below 1% are transferred to stage 2 if the loan's 12-month PD has increased by at least 0.5 of a percentage point and the loan's lifetime PD has doubled since origination. The allowance account is relatively stable in terms of changes to the definition of significant increase in credit risk. At 31 December 2024, the allowance account would increase by DKK 30 million (2023: DKK 25 million), if instead an increase in the loan's 12-month PD by at least 0.25 of a percentage point combined with a doubling of the lifetime PD was considered a significant increase in credit risk.

Management applies judgement when determining the need for post-model adjustments. At the end of 2024, the post-model adjustments amounted to DKK 1,149 million (2023: DKK 1,241 million). The adjustments cover for instance specific macroeconomic risks on certain industries that are not specifically captured by the expected credit loss model e.g. effects from climate risk or the macroeconomic uncertainty. The total balance of post-model adjustments has been reduced slightly compared to end of 2023 mainly due to the improved macroeconomic outlook.

Consolidation

Group undertakings

The financial statements consolidate the parent company and group undertakings in which the Group has control. Control exists if Realkredit Danmark A/S is exposed to variable returns from the entity and, directly or indirectly, holds more than half of the voting rights in an undertaking or otherwise has power to control management and operating policy decisions affecting the variable returns.

The consolidated financial statements are prepared by consolidating items of the same nature and eliminating intra-group transactions, balances and trading profits and losses.

Segment reporting

Realkredit Danmark operates two primary business segments, mortgage finance and a proprietary portfolio. The business segments are based on ongoing internal reporting of customer-facing activities (mortgage finance) and risk management (proprietary portfolio).

The part of the bond portfolio that is not related to mortgage lending operations is managed under the proprietary portfolio segment.

Translation of transactions in foreign currencies

The presentation currency of the consolidated financial statements is Danish kroner, which is the functional currency of Realkredit Danmark.

Transactions in foreign currencies are translated into Danish kroner using the exchange rates applicable on the transaction date. Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement.

Financial instruments – general

Regular way purchases and sales of financial instruments are recognised and derecognised at the settlement date. Fair value adjustments of unsettled financial instruments are recognised from the trade date to the settlement date for financial instruments subsequently recognised at fair value over profit or loss.

Classification

Financial assets are classified at initial recognition on the basis of the company's business model adopted for managing the assets and on their contractual cash flow characteristics (including embedded derivatives, if any) into one of the following measurement categories:

- Amortised cost if the assets are held exclusively for the purpose of collecting contractual cash flows and if the cash flows are payments of principal and interest on the principal amount outstanding solely.
- Fair value through other comprehensive income if the assets are held for the purpose of both collecting contractual cash flows and selling and if cash flows are payments of

Notes

Note

principal and interest on the principal amount outstanding solely. The Group has no financial assets in this category.

- Fair value through profit or loss for all other financial assets.

At initial recognition, a financial liability is assigned to one of the following categories:

- Issued mortgage bonds are designated at fair value through profit or loss using the fair value option of IFRS 9 in order not to create an accounting mismatch that would otherwise arise. See below.
- Other financial liabilities, including “Senior debt” measured at amortised cost.

Mortgage loans and issued mortgage bonds at fair value through profit or loss (FVPL)

Mortgage loans granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Borrowers may repay such mortgage loans by delivering the underlying bonds. This represents an option to prepay at the fair value of the underlying bonds, which can be both above and below the principal amount plus accrued interest. Such an option is not consistent with the solely payments of principal and interest test (SPPI test) in IFRS 9, as changes in the fair value of the underlying bonds reflect other factors than interest rate developments. Consequently, regardless of the fact that the business model is to receive the contractual cash flows, such loans are mandatorily recognised at fair value through profit or loss.

If the issued mortgage bonds are valued at amortised cost, and the mortgage loans, which are funded by the issued mortgage bonds with matching terms, are valued at fair value through profit or loss, a timing difference will arise in the recognition of gains and losses in the financial statements.

To eliminate this random timing difference in the recognition of gains and losses, both mortgage loans and issued mortgage bonds are valued at fair value through profit or loss (for the issued bonds by using the fair value option of IFRS 9).

The fair value of the mortgage loans is based on the fair value of the underlying mortgage bonds adjusted for the credit risk on borrower/the Group’s customer. This entails that the fair value adjustment of the mortgage loans in all material respects balance out the fair value adjustment of the issued bonds. Consequently, the total fair value adjustment of the issued mortgage bonds, including the proportion relating to own credit risk, is recognised in the income statement, as recognition of the fair value adjustment of own credit risk in other comprehensive income would lead to an accounting mismatch in the income statement.

The fair value adjustment of the mortgage loans and the issued mortgage bonds is recognised under Value adjustments, except for the part of the value adjustment that concerns the credit risk on mortgage loans: this part is recognised under Loan impairment charges.

The table below shows the distribution of the Group’s financial instruments by valuation method:

Fair value through profit or loss

	Amortised cost	Trading portfolio	Managed on fair-value basis	Due to SPPI test	Designated	Total
Assets						
Cash in hand and demand deposits with central banks	10,802	-	-	-	-	10,802
Due from credit institutions and central banks	6,826	-	-	-	-	6,826
Bonds	27,922	-	24,367	-	-	52,289
Loans	207	-	-	755,539	-	755,746
Shares	-	-	2	-	-	2
Derivatives (Other assets)	-	22	-	-	-	22
Total assets, 31 December 2024	45,757	22	24,369	755,539	-	825,687
Total assets, 31 December 2023	44,610	29	16,807	753,624	-	815,070
Liabilities						
Due to credit institutions and central banks	3,500	-	-	-	-	3,500
Issued bonds	-	-	-	-	762,125	762,125
Derivatives (Other liabilities)	-	9	-	-	-	9
Total liabilities, 31 December 2024	3,500	9	-	-	762,125	765,634
Total liabilities, 31 December 2023	2,000	186	-	-	756,509	758,695

Notes

Note

BALANCE SHEET

Bonds at fair value

At initial recognition, these bonds are measured at fair value, excluding transaction costs. Subsequently, bonds are measured at fair value through profit or loss. The bonds form part of a portfolio, which is managed on a fair value basis.

If an active market exists, fair value is based on the most recently observed market price at the balance sheet date.

If a bond is quoted in a market that is not active, the Group bases its measurement on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar bonds that are motivated by normal business considerations.

If no active market exists, fair value is estimated on the basis of generally accepted valuation techniques and market-based parameters.

Bonds at amortised cost

Realkredit Danmark has a bond portfolio held for the purpose of generating a known return until maturity. The bonds are measured at amortised cost. Interest rate risk is not hedged. Impairment charges are made for expected credit losses on the basis of a classification of the bonds into stages 1, 2 and 3, and the impairment equals 12-month expected credit losses for bonds in stage 1 and the present value of lifetime expected credit losses for bonds in stages 2 and 3, cf. the description below in the section 'Mortgage loans and Issued mortgage bonds at fair value'. For calculating the present value of expected credit losses for discounting purposes, the original effective interest rate is used instead of the current interest rate.

Mortgage loans and Issued mortgage bonds at fair value

At initial recognition, mortgage loans and issued mortgage bonds are measured at fair value, excluding transaction costs. Subsequently, these financial instruments are measured at fair value through profit or loss.

The fair value of the issued mortgage bonds will usually equal the quoted market price. However, a small part of the issued bonds are illiquid, and the fair value of these bonds is calculated on the basis of a discounted cash flow valuation model.

The fair value of mortgage loans is based on the fair value of the underlying issued mortgage bonds adjusted for changes in the fair value of the credit risk on the borrowers. The IFRS 13 estimate of the fair value of the expected credit losses is calculated on the basis of the IFRS 9 model for calculating impairment of losses on loans at amortised cost: expected credit losses, including the classification of loans between stages 1, 2 and 3:

Stage 1: If the credit risk has not increased significantly, the impairment equals the expected credit losses resulting from default events

that are possible within the next 12 months, see however below on the collective assessment of the need for further adjustments.

Stage 2: If the credit risk has increased significantly, the loan is transferred to stage 2 and an impairment charge equal to the lifetime expected credit losses is recognised. A significant credit risk increase is considered to occur when the following increase in the probability of default (PD) is observed:

- For loans originated below 1% in PD: An increase in the loan's 12-month PD of at least 0.5 of a percentage point since origination and a doubling of the loan's lifetime PD since origination
- For loans originated above 1% in PD: An increase in the loan's 12-month PD of 2 percentage points since origination or a doubling of the loan's lifetime PD since origination
- Further, loans that are more than 30 days past due are moved from stage 1 to stage 2. Finally, customers subject to forbearance measures are placed in stage 2, if the Group, in the most likely outcome, expects no loss or the customers are in the 2-year probation period for performing forbore exposures.

Stage 3: If the loan is in default, it is transferred to stage 3. A facility becomes credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes observable data about (a) significant financial difficulty of the borrower; (b) a breach of contract, such as a default or past due event; (c) the borrower, for reasons relating to the borrower's financial difficulty, is granted a concession; (d) it is probable that the borrower will enter into bankruptcy. Credit-impaired facilities are placed in Realkredit Danmark's rating category 11. For rating category 11, all exposures are classified as stage 3. The Realkredit Danmark Group uses the option to continue to recognise interest income on mortgage loans measured at fair value on the basis of the contractual interest rates.

A definition of default is used in the measurement of expected credit losses and the assessment to determine movements between stages. The definition of default is also used for internal credit risk management and capital adequacy purposes. To support a more harmonised approach regarding the application of the definition of default, the European Banking Authority (EBA) issued the following products that guide the application of the definition of default: the Guidelines on the application of the definition of default, EBA/GL/2016/07 and the Regulatory Technical Standards (RTS) on the materiality threshold for credit obligations past due, EBA/RTS/2016/06.

The Group's definition of default for accounting purposes aligns with the regulatory purposes. All exposures that are considered default are also considered Stage 3 exposures. This is applicable for exposures that are default due to either the 90 days past due default trigger or the unlikelihood to pay default triggers.

Notes

Note

The expected credit loss is calculated for all individual loans as a function of the probability of default (PD), the exposure at default (EaD) and the loss given default (LGD).

The lifetime expected credit losses cover the expected remaining lifetime of the loan. For most loans, the expected lifetime is limited to the remaining contractual maturity and adjusted for expected prepayment. For exposures with weak credit quality, the likelihood of prepayment is not included.

The forward-looking elements of the calculation reflect the current expectations of senior management. The Danske Bank Group's independent macroeconomic research unit creates three macroeconomic scenarios (base case, upside and downside), including an assessment of the probability for each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses. Afterwards there is a process to ensure review and sign-off of the scenarios. Management's approval of scenarios can include adjustments to the scenarios or to which scenarios are used, the assigned probability weighting and post-model adjustments to cover the outlook for particular high-risk portfolios, which are not provided by the Group's macroeconomists. The approved scenarios are used to calculate the impairment levels. Technically, the forward-looking information is used directly in the PDs through an estimate of general changes to the PDs and the LGDs in the expected credit loss calculation. However, for significant exposures in stage 3, an individual assessment of the scenarios, changes to expected credit losses and the related probabilities are performed by senior credit officers.

The forward-looking information is based on a three-year forecast period converging to steady state in year seven. The base case is based on the macroeconomic outlook as disclosed in the Danske Bank Group's Nordic Outlook reports.

In addition, a collective assessment determines the need for further adjustments to reflect other components in the fair value measurement, such as an assessment of an investor's risk premium, compensation for administrative costs related to the loans and the possibility of increasing the credit margin if the credit risk increases. This assessment also takes into consideration the fact that initial recognition of 12-month expected credit losses is not in accordance with fair value, and the fact that the expected credit losses during the lifetime of the asset should be included in the assessment even if the credit risk has not increased significantly.

Loans considered uncollectible are written off. Write-offs are debited to the allowance account. Loans are written off once the usual collection procedure has been completed and the loss on the individual loan can be calculated.

Due from credit institutions and central banks and Loans and other amounts due at amortised cost

Amounts due from credit institutions and central banks comprise amounts due from other credit institutions and time deposits with central banks. Reverse transactions (purchases of securities from credit institutions and central banks that the Group agrees to resell

at a later date) are recognised as Amounts due from credit institutions and central banks with collateral in the securities received. Reverse transactions are made on standard terms and conditions.

These financial assets are held for the purpose of achieving the contractual return until expiry and have contractual cash flows reflecting repayment of principal and interest thereon. Loans and other amounts due are therefore carried at amortised cost and consist of mortgage payments due and other outlays relating to mortgage loans as well as claims against individual borrowers and reserve fund mortgages, etc.

Impairments are made for expected credit losses on the basis of a classification of the loans into stages 1, 2 and 3, and the impairment equals 12-month expected credit losses for loans in stage 1 and the present value of lifetime expected credit losses for loans in stages 2 and 3, cf. the description above in the section 'Mortgage loans and Issued mortgage bonds at fair value'.

Assets temporarily taken over

Assets temporarily taken over include tangible assets, which according to a publicly announced plan, the Group expects to sell within twelve months. Such assets are measured at the lower of their carrying amount at the time of classification and their fair value less expected costs to sell and are no longer depreciated.

Properties taken over in connection with non-performing loans and which are likely to be sold within 12 months are presented under Assets temporarily taken over. Subsequent fair value adjustments and gains or losses on disposal are recognised under Loan impairment charges.

Other assets

Pension assets

The Group's pension obligations generally consist of defined contribution pension plans for its staff. Under the defined contribution plans, the Group pays regular contributions to insurance companies and other institutions. Such payments are expensed as they are earned by the staff, and the obligations under the plans are taken over by the insurance companies and other institutions.

Furthermore, the Group operates a defined benefit plan maintained under Kreditforeningen Danmarks Pensionsafviklingskasse (pension fund). Realkredit Danmark A/S guarantees future payment of a defined benefit from the time of retirement.

The pension fund and Realkredit Danmark's defined benefit plan have not accepted new members since 1971, so no pension contributions are made. Accordingly, there are no service costs.

The amounts payable are recognised on the basis of an actuarial computation of the present value of expected benefits. The present value is calculated on the basis of expected future trends in salaries and interest rates, time of retirement, mortality rate and other factors.

Notes

Note

The fair value of pension assets less the present value of pension benefits is carried as a pension asset under Other assets in the balance sheet.

Due to credit institutions and central banks

Due to credit institutions and central banks include amounts received under repo transactions. These deposits are recognised as debt with collateral in the securities surrendered. Repo transactions are made on standard terms and conditions. Amounts due to credit institutions and central banks are measured at amortised cost.

Deferred tax assets/Deferred tax liabilities

Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is recognised under Deferred tax assets or Deferred tax liabilities.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of adopted changes in tax rates are recognised in the income statement based on expected cash flows.

Current tax assets/Current tax liabilities

Current tax assets and liabilities are recognised in the balance sheet as the estimated tax charge on the profit for the year adjusted for prepaid tax and prior-year tax payables and receivables.

Tax assets and liabilities are offset if the Group has a legally enforceable right to set off such assets and liabilities and intends either to settle the assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Shareholders' equity

Reserves in series

Reserves in series comprise series established before 1972 with joint and several liability, series established after 1972 without joint and several liability, other series, including Danske Kredit and mortgage-covered bonds.

Other reserves

Other reserves comprise the mortgage credit business that is not included in reserves in series.

Proposed dividends

The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in shareholders' equity. The dividends are recognised as a liability when the general meeting has adopted the proposal.

INCOME STATEMENT

Interest income and expense

Interest income and expenses include interest and administration margins on financial instruments measured at fair value.

Fees and commission income and expense

Income, including origination fees, from mortgage loans carried at fair value is recognised when the transaction is completed. Income and expenses for services provided over a period of time are accrued over the period. Transaction fees are recognised on completion of the individual transaction.

Value adjustments

Value adjustments comprise realised and unrealised capital gains and losses on bonds at fair value, mortgage loans, issued mortgage bonds and fixed-price agreements as well as exchange rate adjustments.

Staff costs and administrative expenses

Staff costs

Salaries and other remuneration that the Group expects to pay for work carried out during the year are expensed under Staff costs and administrative expenses. This item comprises salaries, bonuses, expenses for share-based payments, holiday allowances, anniversary bonuses, pension costs and other remuneration. Performance-based pay is expensed as it is earned.

Performance-based pay and share-based payments

Performance-based pay is expensed as it is earned. Part of the performance-based pay for the year is paid in the form of conditional shares issued by Danske Bank. Rights to shares under the conditional share programme vest up to five years after being granted provided that the employee, with the exception of retirement, has not resigned from the Group. Retirement is not considered as resignation.

The fair value of share-based payments at the grant date is expensed over the service period that unconditionally entitles the employee to the payment. The intrinsic value of the share-based payments is expensed in the year in which the share-based payments are earned, whereas the time value (if any) is accrued over the remaining service period. Expenses are set off against shareholders' equity. The increase in shareholders' equity is eliminated by set-off against an interim account with Danske Bank A/S. Subsequent changes in the fair value are not recognised in the income statement.

Pension obligations

The Group's contributions to defined contribution pension plans are recognised in the income statement as they are earned by the employees.

Loan impairment charges

Loan impairment charges include the fair value adjustment of the credit risk on mortgage loans as well as losses on and impairment charges for other loans and amounts due.

The item also includes impairment charges and realised gains and losses on acquired assets if the assets qualify as assets temporarily taken over.

Notes

Note

Tax

Calculated current and deferred tax on the profit for the year and adjustments of tax charges for previous years are recognised in the income statement. Tax on items recognised in Other comprehensive income is recognised in Other comprehensive income. Similarly, tax on items recognised in shareholders' equity is recognised in Shareholders' equity.

Comprehensive income

Total comprehensive income includes the net profit for the year and other comprehensive income. Other comprehensive income also includes actuarial gains or losses on defined benefit pension plans.

Cash flow statement

The cash flow statement is prepared according to the indirect method. The statement is based on profit for the year before tax and shows the consolidated cash flows from operating, investing and financing activities and the increase or decrease in cash and cash equivalents during the year.

Cash and cash equivalents consists of Cash in hand and demand deposits with central banks and amounts due from credit institutions and central banks with an original maturity shorter than three months.

Reporting on the ESEF Regulation

The Commission's Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires a special digital reporting format for annual report for publicly listed entities. The ESEF Regulation includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements key elements including income statement, statement of comprehensive income, balance sheet, statement of capital, cash flow statement and notes.

Realkredit Danmark A/S' iXBRL tagging is prepared in accordance to the ESEF taxonomy which is included in the appendices of the ESEF Regulation and is developed based on the IFRS taxonomy that is published by IFRS Foundation. For the annual report for 2024 the ESEF Taxonomy for 2022 has been applied.

The account balances in the consolidated financial statements are XBRL tagged to the elements in the European Single Electronic Reporting (ESEF) Regulation that are assessed to correspond to the content of the account balances. For account balances that are assessed not to be covered by the account balances defined in the ESEF taxonomy, Realkredit Danmark A/S has incorporated entity specific extensions to the taxonomy. These extensions are – except subtotals – embedded in the elements in the ESEF taxonomy.

Annual report 2024 comprises – in accordance with the requirements of the ESEF Regulation – a zip-file RealkreditDanmark-2024-12-31-0-en.zip, that includes an XHTML-file, that can be opened with standard web browsers and a number of technical XBRL files that make automated extracts of the incorporated XBRL data possible.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued two new international accounting standards (IFRS 18, Presentation and disclosure in financial statements, and IFRS 19, Subsidiaries without public accountability) and amendments to existing international accounting standards (IFRS 7, IFRS 9 and IAS 21) that have not yet come into force.

IFRS 18 replaces IAS 1, Presentation of financial statements, with particular focus on the presentation of the Income statement, and the introduction of Management performance measures. At time of writing, it is being assessed how IFRS 18 will impact the presentation of the Income statement, however IFRS 18 will not impact shareholders equity. IFRS 18 is effective for annual reports beginning on or after 1 January 2027.

IFRS 19 and the amendments to other standards are not expected to have any material impact on the Group's financial statements.

Accounting policies for the parent company

The financial statements of the parent company are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order No. 281 of 26 March 2014 on Financial Reports for Credit Institutions and Investment Companies, etc. as amended by Executive Order no. 707 of 1 June 2016, Executive Order No. 1043 of 5 September 2017, Executive Order No. 1441 of 3 December 2018, Executive Order No. 1593 of 9 November 2020, Executive Order no. 116 of 27 January 2023 and Executive Order no. 516 of 17 May 2024. The rules are consistent with the Group's measurement principles under IFRS.

Holdings in subsidiary undertakings are measured using the equity method.

Notes

Note	(DKK millions)				
2	Profit broken down by activity	Realkredit Danmark Group			
2024	Mortgage finance	Own holdings	Highlights	Reclassification	IFRS
Administration margin	5,543	-	5,543	-	5,543
Net interest income	2,103	-558	1,545	-631	914
Net fee income	21	-	21	-	21
Income from investment portfolios	11	85	96	-96	-
Value adjustments	-	-	-	727	727
Other income	95	-	95	-	95
Total income	7,773	-473	7,300	-	7,300
Expenses	1,007	3	1,010	-	1,010
Profit before loan impairment charges	6,766	-476	6,290	-	6,290
Loan impairment charges	333	-	333	-	333
Profit before tax	6,433	-476	5,957	-	5,957
Tax			1,533	-	1,533
Net profit for the year			4,424	-	4,424
Total assets	772,787	54,236	827,023	-	827,023
2023	Mortgage finance	Own holdings	Highlights	Reclassification	IFRS
Administration margin	5,593	-	5,593	-	5,593
Net interest income	1,796	-682	1,114	-450	664
Net fee income	-70	-	-70	-	-70
Income from investment portfolios	9	174	183	-183	-
Value adjustments	-	-	-	633	633
Other income	84	-	84	-	84
Total income	7,412	-508	6,904	-	6,904
Expenses	1,051	4	1,055	-	1,055
Profit before loan impairment charges	6,361	-512	5,849	-	5,849
Loan impairment charges	-114	-	-114	-	-114
Profit before tax	6,475	-512	5,963	-	5,963
Tax			1,569	-	1,569
Net profit for the year			4,394	-	4,394
Total assets	765,705	50,558	816,263	-	816,263

Mortgage finance encompasses property financing services provided in Denmark, Sweden and Norway to personal and business customers. The mediation of property financing services is made through Danske Bank's branch network and finance centres and through Corporate & Institutional Mortgage Finance at Realkredit Danmark. The segment also includes mediation of real estate transactions in Denmark offered through the "home" real-estate agency chain. Own holdings comprise the net return on the part of the securities portfolio not relating to the mortgage finance business. Under the Danish Financial Business Act, at least 60% of the total capital of a mortgage credit institution must be invested in bonds, etc.

Realkredit Danmark has no branch offices or subsidiaries outside Denmark.

IFRSs require disclosure if 10% or more of the income derives from a single customer. The Realkredit Danmark Group has no such customers.

Notes

Note (DKK millions)

2 Profit broken down by activity

cont'd

Alternative performance measures

Financial highlights and reporting for the two business segments correspond to the information incorporated in the Management's report, which is regularly sent to management. The presentation in the financial highlights deviates in certain areas from the financial statements prepared under IFRS and therefore represents alternative performance measures. There are generally no adjusting items, which means that net profit is the same in the financial highlights and in the IFRS financial statements.

The reclassification column shows the reconciliation between the presentation in the highlights and in the IFRS financial statements. The difference between the presentation in the financial highlights and in the IFRS financial statements is due to the fact that income from trading activities in mortgage credit activities and income from own holdings, except for interest on bonds at amortised cost, is carried in the consolidated highlights as income from investment portfolios, while in the income statement according to IFRS it is carried under net interest income, value adjustments, etc.

As the distribution of income between the various income line items in the IFRS income statements can vary considerably from one year to the next, depending on the underlying transactions and market conditions, the net presentation in the financial highlights is considered to better reflect income in those areas.

3 Fee and commission income and other operating income

Fee and commission income relates to mortgage credit activities and primarily concern income from the establishment and change of loans. These are recognised at the date of transaction as the loans are measured at fair value through profit or loss. In the business segment reporting and internal management, fees are presented as net figures, i.e. fee income and fee expenses are offset.

Other income includes franchise income in the amount of DKK 106 million, which is recognised over the term of the franchise agreement (2023: DKK 95 million).

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
4	Interest income				
	Reverse transactions with credit institutions and central banks	177	395	177	395
	Credit institutions and central banks	183	114	181	112
	Loans and other amounts due	16,085	15,805	16,085	15,805
	Administration margin	5,543	5,593	5,543	5,593
	Bonds at fair value	190	148	190	148
	Bonds at amortised cost	505	261	505	261
	Derivatives				
	Interest rate contracts	54	137	54	137
	Other interest income	17	5	17	4
	Total	22,754	22,458	22,752	22,455
	Interest income derived from				
	Assets at fair value	21,872	21,683	21,872	21,683
	Assets at amortised cost	882	775	880	772
	Total	22,754	22,458	22,752	22,455
5	Interest expense				
	Repo transactions with credit institutions and central banks	130	354	130	354
	Due to credit institutions and central banks	91	74	91	74
	Issued mortgage bonds etc.	16,050	15,753	16,050	15,753
	Other interest expense	26	20	26	20
	Total	16,297	16,201	16,297	16,201
	Interest expense derived from				
	Liabilities at fair value	16,050	15,753	16,050	15,753
	Liabilities at amortised cost	247	448	247	448
	Total	16,297	16,201	16,297	16,201
6	Value adjustments				
	Mortgage loans	13,685	24,850	13,685	24,850
	Bonds	409	284	409	284
	Shares	-1	-	-	-
	Currency	-10	8	-10	8
	Derivatives	-709	106	-709	106
	Other assets	11	9	11	9
	Issued mortgage bonds	-12,658	-24,624	-12,658	-24,624
	Total	727	633	728	633
	Value adjustments derived from				
	Assets and liabilities at fair value	716	624	717	624
	Assets and liabilities at amortised cost	11	9	11	9
	Total	727	633	728	633

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
7	Staff costs and administrative expenses				
	Salaries and remuneration of Executive Management, Board of Directors				
	Executive Management	8	7	8	7
	Board of Directors	1	1	1	1
	Total	9	8	9	8
	Staff costs				
	Salaries	169	162	145	139
	Defined contribution pensions	22	21	19	18
	Other social security costs and taxes	30	29	30	29
	Total	221	212	194	186
	Other administrative expenses	778	834	745	804
	Total staff costs and administrative expenses	1,008	1,054	948	998
	Number of full-time-equivalent staff (avg.)	229	229	200	200
	Remuneration of the Board of Directors (DKK thousands)				
	Total remuneration	575	575	575	575
	Members of the Board end of year	7	6	7	6

Remuneration Report 2024 available at rd.dk provides a detailed description of remuneration paid to the Board of Directors.

Members of the Board of Directors employed by Danske Bank A/S do not receive remuneration from Realkredit Danmark. During the period that members of the Board of Directors were also members of the Executive Leadership Team in Danske Bank A/S, a total remuneration of approximately DKK 26.6 million was earned from Danske Bank A/S in 2024 (2023: DKK 26.1 million).

Notes

Note	(DKK millions)
7 cont'd	<p>Staff costs and administrative expenses</p> <p>Members of the Board of Directors only receive a fixed fee. They are not covered by any incentive programmes at Realkredit Danmark. In addition to the fixed fee, a committee fee is paid to the chairman of the Audit Committee.</p> <p>Board fees are paid by the parent company Realkredit Danmark A/S. No board member has received remuneration for membership of the Executive Management or board of directors of the home a/s subsidiary.</p> <p>The Group has no pension obligations towards its board members.</p> <p>The total remuneration of the Executive Management of DKK 7.8 million for 2024 (2023: DKK 7.0 million) consists of fixed remuneration of DKK 5.8 million (2023: DKK 5.5 million) and variable remuneration of DKK 2.0 million (2023: DKK 1.5 million).</p> <p>The remuneration of the Executive Management was paid by the parent company Realkredit Danmark A/S. No member of the Executive Management has received remuneration for membership of the Executive Management or the Board of Directors of the subsidiary home a/s.</p> <p>Remuneration Report 2024 available at rd.dk provides a detailed description of remuneration paid to the Executive Management.</p> <p>Remuneration of other material risk takers</p> <p>In accordance with current legislation of the Danish Financial Business Act and the accompanying order, Realkredit Danmark is required to identify all employees whose professional activities could have a material impact on the risk profile of Realkredit Danmark. Other material risk takers do not comprise members of the Executive Management or Board of Directors.</p> <p>Variable payment for other material risk takers is granted in accordance with the rules of the Danske Bank Group's remuneration policy, which Realkredit Danmark has adopted, the rules of the European Banking Authority (EBA) and the rules of the Danish FSA with respect to split into cash and share-based payment and postponement of disbursement. All variable payments are subject to claw back provisions if granted on the basis of data which has subsequently proven to be manifestly misstated or inaccurate.</p> <p>For 2024, Realkredit Danmark A/S paid remuneration totalling DKK 21.3 million for 14 other material risk takers (2023: DKK 15.6 million for 12 other material risk takers). The remuneration consists of fixed remuneration of DKK 17.6 million and variable remuneration of DKK 3.7 million (2023: DKK 13.8 million and DKK 1.8 million). Variable remuneration for 2024 is estimated and the final figure is determined at the end of February 2025. The final fixed and variable remuneration for material risk takers will be published in the quantitative disclosure on material risk takers' remuneration, compliant with the Danish FSA and EBA requirements. The disclosure will be available at rd.dk in May 2025.</p> <p>Realkredit Danmark A/S has no pension obligation towards other material risk takers, as these are covered by defined contribution plans through pension funds.</p>

Notes

Note	(DKK millions)
------	----------------

7 **Staff costs and administrative expenses**
cont'd

Pension plans

Most of the Group's pension plans are defined contribution plans under which the Group pays contributions to insurance companies. Such payments are expensed regularly. The Group has to a minor extent entered into a defined benefit pension plan through Kreditforeningen Danmarks Pensionsafviklingskasse, where the Group is under an obligation to pay defined future benefits from the time of retirement. The pension fund and the Group's defined benefit plan has not accepted new members since 1971, so no pension contributions are made. Accordingly, there are no service costs.

The fair value of pension assets less the present value of obligations is recognised under Other assets. At 31 December 2024, the net present value of pension obligations was DKK 429 million (2023: DKK 453 million), and the fair value of plan assets was DKK 539 million (2023: DKK 574 million). Actuarial gains or losses are recognised in Other comprehensive income.

The calculation of the net obligation is based on valuations made by external actuaries. These valuations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The measurement of the net obligation is particularly sensitive to changes in the discount rate. The discount rate is determined by reference to yields on Danish mortgage bonds with terms to maturity matching the terms of the pension obligations.

8 **Share-based payments**

The total expense recognised as Operating expenses in 2024 arising from share-based payments was DKK 1.8 million (2023: DKK 1.1 million). All share-based payments are equity-settled. The exact number of shares granted for 2024 will be determined at the beginning of April 2025.

Part of the variable remuneration of Realkredit Danmark's Executive Management has been granted by way of conditional shares under the bonus structure for material risk takers and other employees, as part of their variable remuneration. Such employees have a performance agreement based on the performance of the Group. Part of the Danske Bank shares granted to material risk takers are, as required by EBA, deferred, see section above on variable payment. The fair value at grant date is measured at the expected monetary value of the underlying agreement.

Rights to conditional shares vest up to five years after the grant date, provided that the employee, with the exception of retirement, has not resigned from the Group. In addition to this requirement, the vesting of rights is conditional on certain conditions being met. The remuneration is subject to backtesting and claw back.

Notes

Note (DKK millions)

8 The fair value of the conditional shares was calculated as the share price less the payment made by the employee.

cont'd

Danske Bank A/S carries hedged the share price risk.

Share-based payments

Conditional shares	Number	Fair Value (FV)	
		At issue (DKK millions)	End of year (DKK millions)
	Total		
Granted in 2019			
1 January 2023	1,327		
Vested 2023	-1,327		
Forfeited 2023	-		
Other changes 2023	-		
31 December 2023	-	-	-
Granted in 2020			
1 January 2023	4,652		
Vested 2023	-3,293		
Forfeited 2023	-		
Other changes 2023	-		
31 December 2023	1,359	0.1	0.2
Vested 2024	-1,359		
Forfeited 2024	-		
Other changes 2024	-		
31 December 2024	-	-	-
Granted in 2021			
1 January 2023	3,404		
Vested 2023	-		
Forfeited 2023	-		
Other changes 2023	-		
31 December 2023	3,404	0.4	0.6
Vested 2024	-		
Forfeited 2024	-		
Other changes 2024	-		
31 December 2024	3,404	0.4	0.7

Notes

Note	(DKK millions)			
8 cont'd	Share-based payments			
	Conditional shares cont'd.	Number	Fair Value (FV)	
		Total	At issue (DKK millions)	End of year (DKK millions)
	Granted in 2022			
	1 January 2023	4,999		
	Vested 2023	-991		
	Forfeited 2023	-		
	Other changes 2023	-		
	31 December 2023	4,008	0.5	0.7
	Vested 2024	-1,582		
	Forfeited 2024	-		
	Other changes 2024	-		
	31 December 2024	2,426	0.3	0.5
	Granted in 2023			
	1 January 2023	7,429		
	Vested 2023	-4,090		
	Forfeited 2023	-		
	Other changes 2023	-		
	31 December 2023	3,339	0.5	0.6
	Vested 2024	-749		
	Forfeited 2024	-		
	Other changes 2024	-		
	31 December 2024	2,590	0.4	0.5
	Granted in 2024			
	Granted in 2024	7,339		
	Vested 2024	-3,833		
	Forfeited 2024	-		
	Other changes 2024	-		
	31 December 2024	3,506	0.7	0.7

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
8	Share-based payments				
cont'd					
	Holdings of the Executive Management and fair value, end of 2024				
	Grant year			2021-2024	
	(DKK millions)			Number	FV
	Total			5,723	1.17
	Holdings of the Executive Management and fair value, end of 2023				
	Grant year			2020-2023	
	(DKK millions)			Number	FV
	Total			4,429	0.8
	In 2024, the average price at the vesting date for rights to conditional shares was DKK 200.87 (2023: DKK 180.40).				
	Remuneration Report 2024 available at rd.dk provides a detailed description of share-based payments to the Board of Directors.				
9	Audit fees				
	Audit firm appointed by the general meeting				
	Statutory audit of financial statements	3	2	3	2
	Fees for other assurance engagements	-	1	-	1
	Fees for tax advisory services	-	-	-	-
	Fees for other services	-	-	-	-
	Total	3	3	3	3
10	Loan impairment charges				
	ECL on new assets	393	210	393	210
	ECL on assets derecognised	397	417	397	417
	Impact of remeasurement	297	75	297	75
	Write-offs charged directly to income statement	37	31	36	30
	Received on claims previously written off	-3	13	-3	13
	Total	333	-114	332	-115
11	Tax				
	Tax on profit for the year	1,718	1,507	1,710	1,500
	Deferred tax	-168	-	-168	-
	Adjustment of prior-year tax charges	-17	62	-17	62
	Total	1,533	1,569	1,525	1,562
	Effective tax rate				
	Current Danish tax rate	26.0	25.2	26.0	25.2
	Adjustment of prior-year tax charge	-0.3	1.1	-0.3	1.0
	Non-taxable items	-	-	-0.1	-
	Change in deferred tax charge as a result of increased tax rate	-	-	-	-
	Effective tax rate	25.7	26.3	25.6	26.2

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
12	Due from credit institutions and central banks				
	On demand	864	1,050	789	981
	3 months or less	5,962	2,493	5,962	2,493
	3-12 months	-	-	-	-
	Total	6,826	3,543	6,751	3,474
	Due from credit institutions	6,826	3,543	6,751	3,474
	Term deposits with central banks	-	-	-	-
	Total	6,826	3,543	6,751	3,474
	At fair value	6,826	3,543	6,751	3,474
	Portion attributable to reverse transactions	5,962	2,493	5,962	2,493

The fair value is based on quoted prices.

In 2024, reverse transactions of DKK 3,121 million were offset against repo transactions (2023: DKK 7,099 million).

In connection with reverse transactions, Realkredit Danmark is entitled to sell or remortgage the securities.

In 2024, securities worth DKK 0 million were sold or remortgaged (2023: DKK 0 million).

13	Bonds at fair value				
	Own mortgage bonds	77,319	42,390	77,319	42,390
	Other mortgage bonds	19,929	16,366	19,929	16,366
	Government bond	4,438	438	4,438	438
	Total	101,686	59,194	101,686	59,194
	Own mortgage bonds set off against issued mortgage bonds	77,319	42,390	77,319	42,390
	Total	24,367	16,804	24,367	16,804

Of Realkredit Danmark's bond portfolio, DKK 22.0 billion has a maturity of less than 12 months, while DKK 2.4 billion has a maturity of 1-5 years (2023: DKK 15.1 billion and DKK 1.7 billion).

14	Bonds at amortised cost				
	Other mortgage bonds	26,260	27,032	26,260	27,032
	Government bonds	1,662	5,741	1,662	5,741
	Total	27,922	32,773	27,922	32,773
	Fair value of hold-to-collect assets	27,743	31,952	27,743	31,952

The fair value is based on quoted prices.

Of Realkredit Danmark's bond portfolio, DKK 25.0 billion has a term to maturity of less than five years, while DKK 2.9 billion has a term to maturity of more than five years (2023: DKK 27.0 billion and DKK 5.8 billion).

After implementation of IFRS 9, the bonds are recognised in connection with impairment for expected credit losses.

The bonds are recognised in stage 1, and the expected credit losses resulting from default events within the next 12 months are insignificant.

Realkredit Danmark has placed DKK 27,922 million (end-2023: DKK 32,773 million) of its proprietary portfolio in fixed-rate bonds, which are recognised in the financial statements as hold-to-collect investments and are thus measured at amortised cost. At end-2024, Realkredit Danmark's bonds at amortised cost exceeded fair value by DKK 179 million (end-2023: DKK 821 million). The interest rate risk duration for the portfolio is 3.0 years. As a result, Realkredit Danmark knows the return on the portfolio until maturity, and the fixed-rate hold-to-collect portfolio is therefore not considered to entail an interest rate risk that needs to be hedged through derivatives.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
15	Total lending				
	Mortgage loans, nominal value	794,566	806,154	794,566	806,154
	Fair value adjustment of underlying bonds	-36,190	-49,874	-36,190	-49,874
	Adjustment for credit risk	2,837	2,656	2,837	2,656
	Mortgage loans at fair value	755,539	753,624	755,539	753,624
	Arrears and outlays	140	135	140	135
	Other loans	67	84	51	63
	Total	755,746	753,843	755,730	753,822
	Apart from being backed by mortgages on properties, loans are backed by central and local government guarantees and insurance guarantees of	66,660	65,954	66,660	65,954
	Pass books and bonds have been deposited and guarantees provided as supplementary security in a total amount of	94,990	97,541	94,990	97,541
	<p>Realkredit Danmark has also received various declarations of indemnification without specification of amounts. The valuation of the loans is based on the quoted price of the underlying bonds with which borrowers may repay the loans. The regular fluctuations in the price of the bonds will therefore be offset by a corresponding change in the value of the loans with the result being unaffected by the ongoing market value fluctuations, both in terms of interest and the credit risk on the issued bonds. In addition, the value of the loans is affected by credit risk changes. In 2024, DKK 181 million was booked as an expense concerning adjustment for credit risk on loans (2023: an income of DKK 206 million). The accumulated adjustment for credit risk amounts to DKK 2.8 billion (2023: DKK 2.7 billion).</p>				
16	Mortgage loans at fair value				
	Mortgage loans (nominal value) broken down by property category (percentage)				
	Owner-occupied dwellings	49	49	49	49
	Holiday homes	3	3	3	3
	Subsidised residential property	12	12	12	12
	Private residential rental property	15	15	15	15
	Industrial and skilled trades property	3	3	3	3
	Office and retail property	11	11	11	11
	Agricultural property etc.	5	5	5	5
	Property for social, cultural and training activities	2	2	2	2
	Total	100	100	100	100
	0-1 month	914	923	914	923
	1-3 months	5,915	4,601	5,915	4,601
	3-12 months	17,723	14,908	17,723	14,908
	1-5 years	93,704	92,458	93,704	92,458
	5-10 years	137,628	134,525	137,628	134,525
	Over 10 years	499,655	506,209	499,655	506,209
	Total	755,539	753,624	755,539	753,624
17	Loans and other amounts due at amortised cost				
	On demand	140	135	140	135
	3 months or less	4	4	2	2
	3-12 months	10	12	6	7
	1-5 years	21	25	12	13
	Over 5 years	32	43	31	41
	Total	207	219	191	198

Notes

Note	(DKK millions)	Realkredit Danmark Group			Realkredit Danmark A/S						
		2024	2023	2024	2023	2024	2023				
19 cont'd	Loans etc.										
	Reconciliation of total allowance account										
	Realkredit Danmark Group	Mortgage loans			Other loans			Loan commitments			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
	ECL at 1 January 2024 incl.										
	impact on loans	1,047	638	971	23	15	22	12	2	8	2,738
	Transferred to stage 1	338	-215	-123	6	-4	-2	-	-	-	-
	Transferred to stage 2	-100	140	-40	-2	3	-1	-	-	-	-
	Transferred to stage 3	-11	-26	37	-	-	-	-	-	-	-
	ECL on new assets	142	157	29	3	3	1	48	3	7	393
	ECL on assets derecognised	320	34	35	6	1	1	-	-	-	397
	Impact of remeasurement	-138	197	245	-6	-1	-	-	-	-	297
	Write-offs, allowance account	10	-	52	-	-	1	-	-	-	63
	Total allowance account at 31 December 2024	948	857	1,032	18	15	18	60	5	15	2,968
		Mortgage loans			Other loans			Loan commitments			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
	ECL at 1 January 2023 incl.										
	impact on loans	609	1,340	913	1	2	1	18	23	5	2,912
	Transferred to stage 1	936	-818	-118	22	-19	-3	-	-	-	-
	Transferred to stage 2	-13	31	-18	-	-	-	-	-	-	-
	Transferred to stage 3	-3	-26	29	-	-1	1	-	-	-	-
	ECL on new assets	138	45	20	3	1	-	-	-	3	210
	ECL on assets derecognised	344	8	29	8	-	1	6	21	-	417
	Impact of remeasurement	-276	74	215	5	32	25	-	-	-	75
	Write-offs, allowance account	-	-	41	-	-	1	-	-	-	42
	Total allowance account at 31 December 2023	1,047	638	971	23	15	22	12	2	8	2,738

Other loans comprise the balance sheet items “Due from credit institutions and central banks”, “Loans and other amounts due at amortised cost” and “Other assets”. These loans are valued at amortised cost. For Realkredit Danmark A/S, the credit exposure and total impairments correspond to the calculation for the Group with the sole difference that loans in the amount of DKK 16 million in home are excluded (recognised in other loans in the tables) (2023: DKK 22 million).

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
20	Deferred tax assets and liabilities				
	Deferred tax liabilities	49	459	-	-
	Provision for deferred tax	-	-	54	465
	Total	49	459	54	465
	Change in deferred tax				
	Realkredit Danmark Group	1 January	Recognised in net profit for the year	Recognised in other comprehensive income	Other adjustments
					31 December
	2024				
	Intangible assets	-	-	-	-
	Tangible assets	-2	-	-	-2
	Securities	-1	-	-	-1
	Provisions	514	-409	-2	-48
	Other	-52	1	-	48
	Total	459	-408	-2	-
	Adjustment of prior-year tax charges included in total		-241		
	2023				
	Intangible assets	-	-	-	-
	Tangible assets	-2	-	-	-2
	Securities	2	-3	-	-1
	Provisions	46	485	-17	-
	Other	-3	-49	-	-
	Total	43	433	-17	-
	Adjustment of prior-year tax charges included in total		434		
	Change in deferred tax				
	Realkredit Danmark A/S	1 January	Recognised in net profit for the year	Recognised in other comprehensive income	Other adjustments
					31 December
	2024				
	Intangible assets	-	-	-	-
	Tangible assets	-1	-	-	-1
	Securities	-1	-	-	-1
	Provisions	515	-409	-2	-48
	Other	-48	-	-	48
	Total	465	-409	-2	-
	Adjustment of prior-year tax charges included in total		-242		
	2023				
	Intangible assets	-	-	-	-
	Tangible assets	-1	-	-	-1
	Securities	2	-3	-	-
	Provisions	47	485	-17	-
	Other	-	-48	-	-
	Total	48	434	-17	-
	Adjustment of prior-year tax charges included in total		434		

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
21	Assets temporarily taken over				
	Assets temporarily taken over consist of properties taken over in a forced sale under non-performing loan agreements. The properties are expected to be sold through a real-estate agent within one year from the takeover date. In 2024, the Group took over properties for DKK 13 million (2023: DKK 24 million). The effect on profit or loss on properties taken over was DKK 0 million (2023: DKK 0 million).				
22	Other assets				
	Interest due	496	505	496	505
	Pension assets	110	121	110	121
	Lease assets	72	107	-	-
	Other assets	497	468	457	429
	Total	1,175	1,201	1,063	1,055
23	Due to credit institutions and central banks				
	On demand	-	-	-	-
	3 months or less	-	-	-	-
	3-12 months	-	2,000	-	2,000
	1-5 years	3,500	-	3,500	-
	Total	3,500	2,000	3,500	2,000
	At fair value	3,500	2,000	3,500	2,000
	Portion attributable to repo transactions	-	-	-	-
	In 2024, repo transactions of DKK 3,121 million were offset against reverse transactions (2023: DKK 7,099 million).				
24	Issued mortgage bonds at fair value				
	Issued mortgage bonds, nominal value*	877,251	849,818	877,251	849,818
	Fair value adjustment	-37,807	-50,919	-37,807	-50,919
	Issued mortgage bonds at fair value, before set-off	839,444	798,899	839,444	798,899
	Set-off of own mortgage bonds at fair value	77,319	42,390	77,319	42,390
	Issued mortgage bonds at fair value	762,125	756,509	762,125	756,509
	The fair value is based on quoted prices.				
	0-1 month	72,726	42,351	72,726	42,351
	1-3 months	-	-	-	-
	3-12 months	65,910	116,441	65,910	116,441
	1-5 years	371,322	334,680	371,322	334,680
	5-10 years	84,644	95,760	84,644	95,760
	Over 10 years	167,523	167,277	167,523	167,277
	Total	762,125	756,509	762,125	756,509
	* Portion pre-issued	56,271	30,924	56,271	30,924
	* Portion drawn at 2 January 2025, or 2 January 2024	73,007	36,070	73,007	36,070

*In 2024, Realkredit Danmark issued bonds under the green bond framework, with a nominal value of DKK 29,126 million outstanding at the end of 2024 (2023: DKK 27,153 million).

Fair value adjustment for the credit risk on issued mortgage bonds is calculated on the basis of the option-adjusted spread (OAS). The calculation incorporates maturity, nominal holdings and OAS sensitivity. As a number of estimates are made, the calculation is subject to uncertainty.

In 2024, the Danish mortgage bond yield spread increased and the fair value of issued mortgage bonds thus decreased by approximately DKK 7.0 billion. In 2023, the Danish mortgage bond yield spread increased, causing a decrease in the fair value of issued mortgage bonds. Based on the outstanding portfolio at the end of 2024, Realkredit Danmark estimates that there has been a net increase of the spread since the issuance of the bonds, which produces a positive fair value of approximately DKK 1.37 billion (2023: negative fair value of approximately DKK 0.05 billion). Net profit and shareholders' equity remain unaffected by the change in fair value because the spread increase, decrease the value of mortgage loans correspondingly.

Fair value adjustment for the credit risk on issued mortgage bonds may also be calculated on the basis of changes in similar AAA rated mortgage bonds offered by other Danish issuers. The market for such bonds is characterised by an absence of measurable price differences between bonds with similar features from different issuers. Using this method, no fair value adjustment for credit risk in 2024 or the period since the issue has been required.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
25	Other liabilities				
	Interest accrued	6,386	6,431	6,386	6,431
	Reserves in early series subject to a reimbursement obligation*	2	2	-	-
	Lease liabilities	72	107	-	-
	Other creditors	247	415	236	401
	Total	6,707	6,955	6,622	6,832
	* Recognised in the balance sheet of the parent company, Realkredit Danmark A/S, under "Provisions".				
26	Reserves in early series subject to a reimbursement obligation*				
	Carrying amount, beginning of year	2	4	2	4
	Utilised	-	-2	-	-2
	Carrying amount, end of year	2	2	2	2
	* Recognised in the balance sheet of the Realkredit Danmark Group under "Other liabilities".				

Reserves in early series subject to a reimbursement obligation relate to mortgage loan agreements under which the borrower's share of the series reserve fund is disbursed to the borrower on repayment of the loan in accordance with the terms and conditions applying to the series. Until 2031, the Group's obligations will gradually be reduced in step with individual borrower repayments. Factors that affect the repayment pattern include changes in interest rates, cash flows, etc.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
27	Risk exposure amount (REA)				
	Credit risk (IRB approach)	129,325	131,784	129,186	131,614
	Credit risk (standardised approach)	17,383	18,671	17,509	18,791
	Counterparty risk	146	125	146	125
	Total credit risk	146,854	150,580	146,841	150,530
	Market risk	358	372	358	372
	Operational risk	9,057	9,292	9,057	9,292
	Total	156,269	160,244	156,256	160,194

The total capital and tier 1 capital ratios are calculated in accordance with the CRR/CRD.

rd.dk provides more details about Realkredit Danmark's solvency need. The solvency need calculation is not covered by the statutory audit.

28 Assets deposited as collateral

Realkredit Danmark deposits securities as collateral in connection with repo and securities transactions undertaken on usual terms and conditions for such agreements.

In connection with clearing, Realkredit Danmark has deposited the following securities with the Danish Central Bank

Bonds at fair value	2,567	3,727	2,567	3,727
Portion issued by Realkredit Danmark	-	-	-	-

Assets sold under repo transactions

Bonds at fair value	-	-	-	-
Portion issued by Realkredit Danmark	-	-	-	-

At 31 December 2024, mortgage lending totalling DKK 755,539 million and other assets totalling DKK 5,411 million were registered as security for issued mortgage bonds, including mortgage-covered bonds, and issued bonds at amortised cost (2023: DKK 753,624 million and DKK 6,298 million).

Pursuant to Danish mortgage credit legislation, issued mortgage bonds, including mortgage-covered bonds, are secured against the underlying mortgage loans.

Notes

Note	(DKK millions)
29	<p>Contingent liabilities</p> <p>Owing to its size and business volume, Realkredit Danmark Group is continually a party to various disputes. The Group does not expect the outcomes of the disputes pending to have any material effect on its financial position.</p> <p>As the sponsoring employer, Realkredit Danmark is liable for the pension obligations of Kreditforeningen Danmarks Pensionsafvklingskasse. The pension fund and the Group's defined benefit plan have not accepted new members since 1971.</p> <p>In connection with implementation of the EU Bank Recovery and Resolution Directive, a Danish resolution fund has been established. The resolution fund must amount to 1% of the covered deposits of all Danish credit institutions by 31 December 2024. The first contribution to the fund was made at 31 December 2015. The individual institution must make contributions to the fund on the basis of its size and risk relative to other credit institutions in Denmark. The intention is that losses should be covered by the annual contributions made by the participating credit institutions. If sufficient means are not available in the resolution fund, extraordinary contributions can be required of up to three times the latest annual contribution. Realkredit Danmark pays an annual contribution to the resolution fund. The contribution to the Danish resolution fund is recognised as expenses.</p> <p>The company is jointly taxed with all Danish companies in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax, etc.</p> <p>Realkredit Danmark operates out of leased premises. Leases are concluded by the parent company. Realkredit Danmark pays monthly rent to the parent company.</p> <p>Guarantees and indemnities issued by the Group, irrevocable loan commitments regarding reverse mortgages and other commitments not recognised in the balance sheet amount to:</p>

(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
	2024	2023	2024	2023
Other contingent liabilities				
Irrevocable loan commitments	23,656	17,198	23,654	17,196
Other commitments	27	27	7	7
Total	23,683	17,225	23,661	17,203

Notes

Note	(DKK millions)				
30	Related party transactions				
	Transactions between related parties are concluded and settled on an arm's length or on a cost-reimbursement basis. No unusual transactions were made with associates and group undertakings in 2024.				
	Realkredit Danmark A/S made the below-mentioned major intra-group transactions with companies directly or indirectly associated with the Group/company. Danske Bank A/S is the parent company of Realkredit Danmark A/S.				
		Realkredit Danmark Group		Realkredit Danmark A/S	
		2024	2023	2024	2023
	Fees, etc. paid to Danske Bank A/S for the arranging and guaranteeing of mortgage loans	744	817	744	817
	Fees received from Danske Bank A/S for referral of customers and for property valuation	81	56	81	56
	Fees paid to Danske Bank A/S for managing Realkredit Danmark's IT operations and development, portfolio management and finance functions, etc.	633	663	632	663
	Interest received by Realkredit Danmark A/S on outstanding accounts with Danske Bank A/S	185	414	185	414
	Interest paid by Realkredit Danmark A/S on outstanding accounts with Danske Bank A/S	217	504	217	504
	Amounts due from Danske Bank A/S	6,826	3,542	6,751	3,473
	Loss guarantees from Danske Bank A/S	28,330	31,587	28,330	31,587
	Other guarantees from Danske Bank A/S	10,206	9,578	10,206	9,578
	Amounts due to Danske Bank A/S	3,500	2,000	3,500	2,000
	Any amounts due to related parties in the form of issued bonds have not been included in the above outstanding accounts as such bonds are bearer securities. In these cases, the Group does not know the identity of the creditors.				
31	Loans etc. to management				
	Mortgage loans established on an arm's length basis for				
	Board of Directors of Realkredit Danmark A/S	26	12	26	12
	Executive Management of Realkredit Danmark A/S	7	8	7	8
	Board of Directors and Executive Leadership Team of Danske Bank A/S	39	57	39	57
	Average interest rate and administration margin for loans etc. to management	2.6%	1.9%	2.6%	1.9%

Notes

Note	(DKK millions)	Realkredit Danmark Group			
32	Financial instruments at fair value				
	2024	Quoted prices	Observable input	Non-observable input	Total
	Bonds at fair value	1,138	23,229	-	24,367
	Mortgage loans at fair value	-	755,539	-	755,539
	Shares	-	-	2	2
	Derivatives	-	22	-	22
	Total	1,138	778,790	2	779,930
	Issued mortgage bonds at fair value	762,125	-	-	762,125
	Derivatives	-	9	-	9
	Total	762,125	9	-	762,134
	2023				
	Bonds at fair value	1,686	15,118	-	16,804
	Mortgage loans at fair value	-	753,624	-	753,624
	Shares	-	-	3	3
	Derivatives	-	29	-	29
	Total	1,686	768,771	3	770,460
	Issued mortgage bonds at fair value	756,509	-	-	756,509
	Derivatives	-	186	-	186
	Total	756,509	186	-	756,695

Fair value is the amount at which a financial asset can be traded between knowledgeable, willing parties. If an active market exists, Realkredit Danmark uses the quoted price.

Developments in the financial markets did not lead to reclassification of bonds between listed prices and observable input in 2024.

Mortgage loans and issued mortgage bonds are recognised at the fair value of the issued mortgage bonds. In accordance with the accounting policies, the fair value of the credit risk on the mortgage loans is adjusted.

Valuation techniques are generally used for OTC derivatives and unlisted shares. The most frequently used valuation models include pricing of businesses with future settlement and swap models using present value calculations. The valuation is based substantially on observable input.

Notes

Note	(DKK millions)				
33	Group holdings and undertakings	Share capital (DKK millions)	Net profit (DKK millions)	Shareholders' equity (DKK millions)	Holding of share capital (%)
	Realkredit Danmark A/S, Copenhagen	630	4,424	54,642	
	Subsidiaries				
	Real-estate agency business				
	home a/s, Aarhus	15	24	128	100

The information published is extracted from the most recent annual report of the companies

Notes

Note 34

RISK MANAGEMENT

The principal risk faced by Realkredit Danmark is credit risk on mortgage loans. Realkredit Danmark only has limited exposure to market risk due to the balance principle and the fact that Realkredit Danmark does not invest in equities. The principal market risk is interest rate risk on Realkredit Danmark's proprietary portfolio of bonds.

In recent years, Realkredit Danmark has increased its focus on non-financial risks like operational risks and risks related to financial crime.

Total capital

The purpose of capital management is to ensure efficient use of capital in relation to risk tolerance and business development. The Group must have sufficient capital to comply with regulatory capital requirements, and the Group has also defined a goal of maintaining bond ratings from external rating agencies that are on a level with those of its peers.

The Group met this goal in 2024 by maintaining a total capital ratio of 31.9%, well above the regulatory requirement of 19.9%, and AAA ratings from SP Global and Scope Ratings. The capital requirement has been covered by tier 1 capital.

Credit risk

Realkredit Danmark serves mortgage credit customers in Denmark, Sweden and Norway. Realkredit Danmark serves all customer segments in Denmark, while the strategy in Sweden and Norway is to serve large business customers. Realkredit Danmark's principal segment is loans to the Personal customer market, which accounts for 52% of lending. Residential accounts for 27%, Urban trade for 16% and Agriculture for the remaining 5%. The current composition of the exposure matches Realkredit Danmark's target that residential property loans should account for at least two-thirds of the total exposure.

In 2024, Realkredit Danmark continued its prudent credit-granting process, accommodating the Group's existing and new customers. Continuing this prudent credit-granting process will remain the objective in 2025. When granting credit, the Group requires the customer to be able to service a fixed-rate loan with principal repayment. When granting a FlexLån® loan, the customer must also be able to service a fixed-rate loan with principal repayment with an interest rate equal to a fixed rate over 30 years plus 1 percentage point however, not less than 4%.

The credit risk on a mortgage loan basically derives from two factors; the risk that the borrower is unable to repay the loan and the expected loss if the customer is unable to repay the loan, which largely depends on the value of the property. These two factors are commonly designated by Probability of Default ("PD") and Loss Given Default ("LGD"). The higher the PD and LGD, the higher risk a loan involves. The value of the property is determined in a property value model. This property value model is regularly monitored, and it is also subjected to an annual validation.

The credit process widely builds on the two above-mentioned components and the size of the loan. Most often, the Group performs a decentralised assessment of whether a customer has the ability and the willingness to repay their loan. However, the Group handles the largest customers at a central corporate centre, which has the expertise to serve this customer segment.

When the Group assesses that there is a high credit risk, the credit granting process will be assigned to the central credit department. A high credit risk may arise for less financially strong customers (high PD), but it may also be due to expectations of a high LGD if the credit involves a property type that is difficult to sell, and which may lose much of its value if it has to be sold in a forced sale. Very large loans must be approved by Realkredit Danmark's Executive Management or Board of Directors.

Realkredit Danmark applies customer classification models as a key tool in deciding when to grant the loan.

Depending on the customer's loan facility and customer type, customers are classified using rating models or statistical scoring models. The rating models typically rely on the customer's financial statements, industry information and an assessment of the customer's situation in terms of management and competition. The rating is assessed in the central rating department by a rating specialist and a credit officer, before it is fixed. The customer's rating is translated into a PD.

The statistical scoring models rely on factors such as relevant sector information and payment records. The calculated PD is translated into a rating category.

The customer classification models break down customers into 11 rating categories, with category 1 being the most creditworthy.

Portfolio broken down by customer type and rating category (DKK billions)

Rating category	Personal	Business	2024 Total	2023 Total
1	-	3	3	3
2	58	1	59	56
3	118	61	179	176
4	100	99	199	193
5	66	84	150	158
6	24	88	112	109
7	13	23	36	41
8	2	4	6	7
9	-	-	-	-
10	5	1	6	5
11	5	3	8	8
Total	391	367	758	756

Probability of Default (PD) %

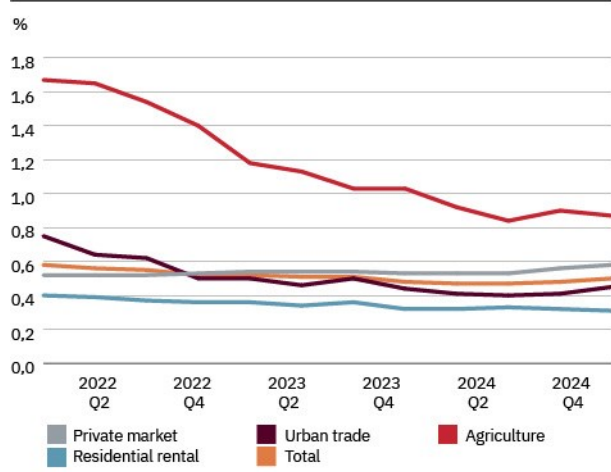
Rating category	Low PD	High PD
1	0.00	0.01
2	0.01	0.03
3	0.03	0.06
4	0.06	0.14
5	0.14	0.31
6	0.31	0.63
7	0.63	1.90
8	1.90	7.98
9	7.98	25.70
10	25.70	100.00
11	100.00	100.00

Notes

Note

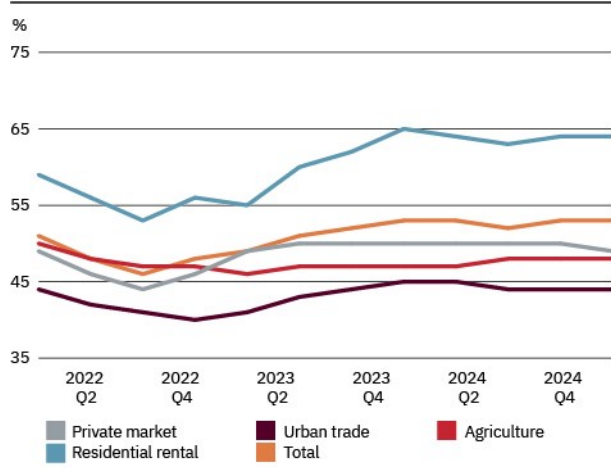
Over the past year, the average defaults probability has remained stable.

Development in average PD



Interest rates have decreased compared to end-2023, thereby affecting the market value of the loans. The effect is countered by increasing house prices which results in unchanged Loan-to-Value (LTV). For the entire loan portfolio, the LTV stood at 53 at end-2024, compared with 53 at end-2023.

Development in average LTV



The loan portfolio remained very secure. 94% of the loan portfolio was secured within 60% of the value of the property, and 98% was secured within 80% of the value.

Loan portfolio broken down by loan-to-value ratios 2024

Sector, %	0-20	20-40	40-60	60-80	>80	Total DKK billions
Personal market	180	134	63	13	1	391
Urban trade	63	42	17	2	-	124
Agriculture	17	14	6	-	-	37
Residential rental	85	55	36	16	14	206
Weighted distribution	46%	32%	16%	4%	2%	100%
Total DKK billions	345	245	122	31	15	758

Loan portfolio broken down by loan-to-value ratios 2023

Sector, %	0-20	20-40	40-60	60-80	>80	Total DKK billions
Personal market	178	135	66	14	2	395
Urban trade	61	43	17	2	-	123
Agriculture	17	13	6	-	-	36
Residential rental	84	55	34	15	14	202
Weighted distribution	45%	33%	16%	4%	2%	100%
Total DKK billions	340	246	123	31	16	756

As shown in the table, no loans with an LTV ratio higher than 80% were granted to customers in one of the four lowest categories.

Portfolio broken down by loan to value and rating category 2024

Rating category	Loan to value					Total DKK billions
	0-20%	20-40%	40-60%	60-80%	80-100%	
1	1	1	1	-	-	3
2	32	19	7	1	-	59
3	85	56	25	7	6	179
4	91	60	31	10	7	199
5	66	51	25	5	2	149
6	47	39	22	5	-	113
7	15	12	7	2	-	36
8	3	2	1	-	-	6
9	-	-	-	-	-	-
10	3	2	1	-	-	6
11	2	3	2	1	-	8
Total	345	245	122	31	15	758

Notes

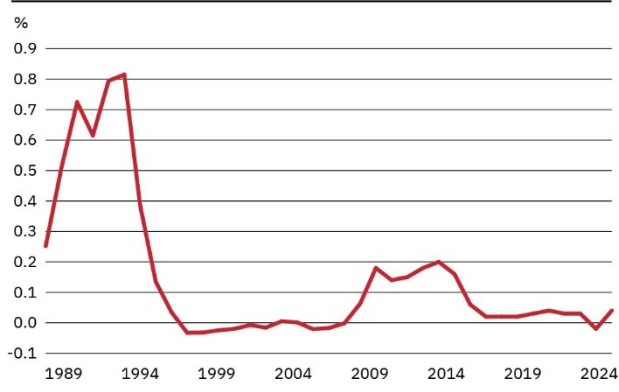
Note

Portfolio broken down by loan to value and rating category 2023

Rating category	Loan to value					Total DKK billions
	0-20%	20-40%	40-60%	60-80%	80-100%	
1	1	1	1	-	-	3
2	30	18	7	1	-	56
3	82	56	25	7	6	176
4	88	58	31	9	7	193
5	68	54	27	6	3	158
6	46	38	21	4	-	109
7	16	14	8	3	-	41
8	4	2	1	-	-	7
9	-	-	-	-	-	-
10	2	2	1	-	-	5
11	3	3	1	1	-	8
Total	340	246	123	31	16	756

Loan impairment charges were at a normalised level and amounted to DKK 333 million in 2024 (2023: an income of DKK 114 million). Loan impairment charges were affected by a planned model change of DKK 100 million and a reversal of post-model adjustments of DKK 92 million due to the improved macroeconomic situation. The underlying credit quality remained strong.

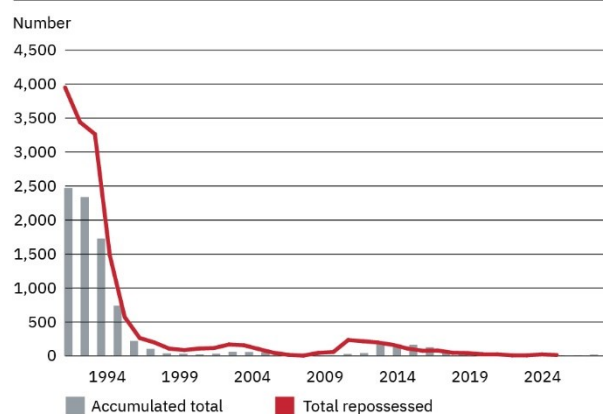
Historical loss percentage



The number of new properties repossessed by Realkredit Danmark at a forced sale in 2024 were 14. The stock of repossessed properties stood at 13 properties at end-2024 compared to 14 properties at the beginning of the year.

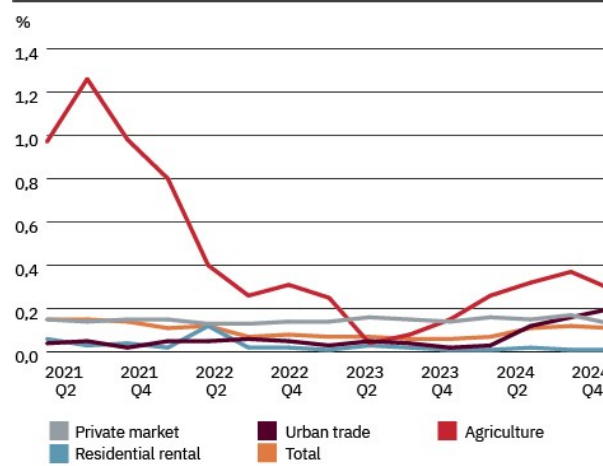
In a historical context, the number of properties repossessed in 2024 were much lower than during the crisis of the early 1990s, when more than 4,000 properties were repossessed in the worst year.

Holding of mortgages repossessed



Realkredit Danmark is to a certain extent covered against losses, as Danske Bank provides a loss guarantee for loans granted via the bank. The guarantee covers the part of the loan which at the date of disbursement is within the last 20% of the statutory lending limits. Total lending of DKK 178 billion was partly covered by this loss guarantee at the end of 2024. The total guarantee in 2024 amounted to DKK 28 billion.

3-month delinquency rates

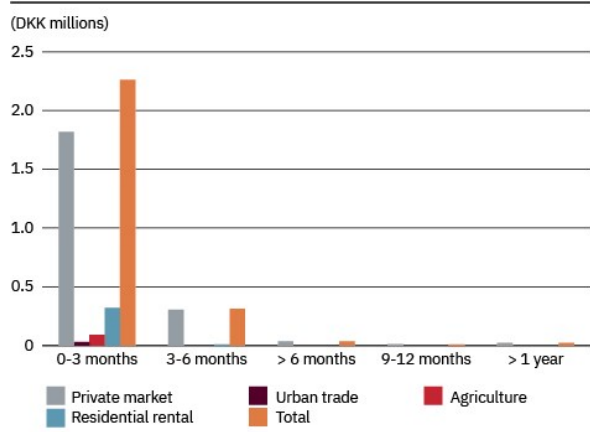


The delinquency rate, calculated as the proportion of due payments remaining unpaid 3 months after the last due payment date, generally is on the same level in 2024 compared with 2023.

Notes

Note

Arrears on loans outside stage 3 at 31 December 2024



The chart shows arrears on loans in stage 1 and 2 at 31 December 2024. Total arrears on loans in stage 1 and 2 amounted to DKK 2.6 million at the end of 2024, whereof 85% are less than three months old.

Forbearance practices

Realkredit Danmark adopts forbearance plans to assist customers in financial difficulty. Concessions granted to customers cancellation of outstanding fees, waiver of covenant enforcement and debt forgiveness. Forbearance plans must comply with Realkredit Danmark's Credit Policy. They are used as an instrument to retain long-term business relationships during economic downturns if there is a realistic possibility that the customer will be able to meet its obligations again or are used for minimising losses in the event of default.

Realkredit Danmark applies the European Banking Authority's (the EBA's) definition of loans subject to forbearance measures. The EBA definition states that a probation period of a minimum of two years must pass from the date when forbore exposures are considered to be performing again. Forbearance measures lead to changes in staging for impairment purposes.

The forbearance figure has been updated in 2024 to align with Danske Bank Group. At 31 December 2024, the total exposure to loans with forbearance terms amounted to DKK 0.9 billion, compared to DKK 1.4 billion as at 31 December 2023 under the updated method.

Arrears	Loan portfolio (DKK millions)		Loan to value %		Arrears Sept. paym. in %	
	2024	2023	2024	2023	2024	2023
Private market	390,737	395,023	49	50	0.13	0.14
Urban trade	124,081	201,808	44	45	0.20	0.02
Agriculture	37,241	36,910	48	47	0.29	0.15
Residential rental	206,317	122,539	64	65	0.01	0.01
Total	758,376	756,280	53	53	0.11	0.06

Notes

Note

Sustainability risk

As result of current or future environmental, social and governance (ESG) events or conditions, Realkredit Danmark may be exposed to sustainability risk. Such events are considered external factors that could impact existing risks.

In the long term, credit risk is deemed to be the risk type most materially affected by sustainability risk. Climate risk is currently the most urgent of all ESG-related drivers capable of affecting the credit risk of Realkredit Danmark. From a financial materiality perspective, climate-related risks have been deemed most relevant for the lending activities of Realkredit Danmark. Climate risk pertains to transition risks, which are the risks associated with shifting to a low-carbon economy, and to physical risks arising from projected climate changes, including both long-term shifts (chronic changes) and event-driven changes (acute changes) to weather patterns.

In alignment with the Danske Bank Group (the Group) Realkredit Danmark takes a risk-based approach when prioritising risk management efforts for credit portfolios that are likely to be most exposed to transition and physical risks. For that purpose, the Danske Bank Group's climate risk heat map is based on a mix of qualitative and quantitative input to define the credit exposures most exposed to transition and physical risks. The climate heat map gives an indication of the size of the exposure at risk but does not include the expected stress effects such as impairment charges. Such quantitative measures are to be assessed through scenario analysis and future stress testing. Climate scenario analyses are already being performed, following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) for key sectors for both transition risk and physical risk, such as for agriculture and property portfolios. The Danske Bank Group will continue to refine the climate risk heat map as more climate risk data becomes available to support the identification of both transition and physical risks for the purpose of determining financial materiality. However, conclusions have not led to adjustments to staging or expected credit losses, as the impacts either manifest over a longer time period than loan maturities, or as transition risks are concentrated on sectors where downside risks have already been recognized in Realkredit Danmark's expected credit losses, one example being the agriculture portfolios.

Physical risks are identified mainly for collateral-related exposure (flooding risk, in particular) by using data on historically worst flooding events and most extreme climate projections. As a result, assessments are considered to be conservative. Flooding risk is the primary physical risk hazard to be taken into consideration in the Nordic countries. The Group's and thereby Realkredit Danmark's risks associated with flooding risk are managed primarily at the portfolio level.

See Danske Bank Group's risk management report; Risk Management 2024 for more information on sustainability risk and Danske Bank Group's additional Pillar III Disclosures for more information on climate risk. The publications are available at danskebank.com/ir. The publications are not covered by the statutory audit.

Single-name concentration

Limits are set on credit risk exposures to single names, thus protecting the Group from excessive losses resulting from the default of a single customer group. The limits on large exposures are defined within the large exposure restrictions of article 391 of the Capital Requirements Regulation (EU) No 575/2013 (CRR). The exposure to a single customer or a group of related customers, after deduction of particularly secure claims, may not exceed 25% of the capital base. In 2024, the Group's exposures did not exceed these limits.

Market risk

Market risk is the risk of losses because of changes in market prices and interest rates. Realkredit Danmark's Board of Directors defines the overall framework for interest rate, equity market and exchange rate risks in accordance with the limits laid down in the Danish Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act. Realkredit Danmark calculates, monitors and reports these risks on a regular basis, and the Group pursues a policy of only having limited market risk exposure. By complying with the statutory principle of balance, Realkredit Danmark eliminates interest rate, exchange rate and liquidity risks on most of its assets and liabilities.

Interest rate risk

Realkredit Danmark calculates interest rate risk as the change in net present value from an upward parallel shift in interest rates of 1 percentage point.

In accordance with Danish law, the cash flows received from interest payments and instalments on mortgage loans and payments made on issued bonds may not result in an interest rate risk exceeding 1% of Realkredit Danmark's total capital, that is, DKK 498 million. At the end of 2024, this interest rate risk amounted to DKK 4 million against DKK 3 million in 2023.

The interest rate risk on other assets and liabilities and on off-balance-sheet items, including in particular the proprietary investment portfolio, may not exceed 8% of the total capital, or DKK 3,982 million, in accordance with Danish law. At the end of 2024, the interest rate risk on these items amounted to DKK 997 million, against DKK 958 million the year before.

At the end of 2024, the total interest rate risk amounted to DKK 1,001 million. The year before, Realkredit Danmark's interest rate risk was DKK 961 million.

For a qualitative description of RD's IRRBB framework, please refer to Danske Bank Group Risk Management Report 2024.

Notes

Note

In the table below, mortgage loans and the fair value of credit risk is broken down by 11 rating categories and stages 1, 2 and 3 of IFRS 9 (DKK billions). Although Stage 3 and default (rating 11) are generally aligned, a small amount of credit exposure in stage 3 can be found outside default. This is due to impairment staging being updated monthly (after each month-end), whereas default is updated daily. For the same reason, some credit exposure in default is outside stage 3.

31 December 2024

Rating category	PD level		Gross Exposure			Expected Credit Loss			Net Exposure		
	Lower	Upper	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	0.00	0.01	3,334	-	-	-	-	-	3,334	-	-
2	0.01	0.03	58,590	166	48	6	3	5	58,584	163	43
3	0.03	0.06	177,729	656	135	19	7	11	177,710	649	124
4	0.06	0.14	197,008	1,932	186	49	20	15	196,959	1,912	171
5	0.14	0.31	145,043	3,250	220	90	35	22	144,953	3,215	198
6	0.31	0.63	106,704	5,834	123	209	83	12	106,495	5,751	111
7	0.63	1.90	30,157	6,167	140	461	127	14	29,696	6,040	126
8	1.90	7.98	1,752	4,594	52	60	372	8	1,692	4,222	44
9	7.98	25.70	29	298	10	-	32	1	29	266	9
10	25.70	100.00	741	4,967	251	20	163	20	721	4,804	231
11	100.00	100.00	791	519	6,950	34	15	924	757	504	6,026
Total			721,878	28,383	8,115	948	857	1,032	720,930	27,526	7,083

31 December 2023

Rating category	PD level		Gross Exposure			Expected Credit Loss			Net Exposure		
	Lower	Upper	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	0.00	0.01	2,815	-	-	-	-	-	2,815	-	-
2	0.01	0.03	56,010	102	34	6	2	2	56,004	100	32
3	0.03	0.06	175,450	542	123	22	6	6	175,428	536	117
4	0.06	0.14	191,388	1,505	144	62	18	11	191,326	1,487	133
5	0.14	0.31	155,059	2,301	221	110	29	19	154,949	2,272	202
6	0.31	0.63	104,105	4,484	119	204	68	7	103,901	4,416	112
7	0.63	1.90	35,006	5,649	138	498	112	10	34,508	5,537	128
8	1.90	7.98	2,936	4,283	95	100	241	6	2,836	4,042	89
9	7.98	25.70	15	451	23	-	44	1	15	407	22
10	25.70	100.00	378	4,665	203	16	108	15	362	4,557	188
11	100.00	100.00	674	445	6,917	29	10	894	645	435	6,023
Total			723,836	24,427	8,017	1,047	638	971	722,789	23,789	7,046

Notes

Note

Equity market risk

The equity market risk is calculated as the market value of Realkredit Danmark Group's equity portfolios and holdings in subsidiary and group undertakings etc. The Group intends to maintain strategic share portfolios only and hence the Group has defined very low exposure thresholds with respect to overall equity market risk. At end-2024, the market value and hence the equity market risk amounted to DKK 130 million, against DKK 127 million the year before. The risk relates to the Group's ownership of home a/s.

Exchange rate risk

Realkredit Danmark intends to hedge all currency positions. The exchange rate risk is calculated in accordance with exchange rate indicator 2 of the Danish FSA and may, in accordance with legislation, not exceed 0.1% of the total capital, that is DKK 50 million. At the end of 2024, the exchange rate risk amounted to DKK 2 million, against DKK 1 million the year before.

Derivatives (DKK millions)	2024			2023		
	Nominal value	Positive market value	Negative market value	Nominal value	Positive market value	Negative market value
Interest rate contracts						
Forward/futures bought	56,330	2	64	31,028	1	47
Forward/futures sold	33,928	21	9	19,895	28	186
Currency contracts						
Forward/futures bought	2	-	-	22	-	-
Forward/futures sold	-	-	-	2	-	-
Interest rate and currency contracts held for trading purposes, total		23	73		29	233
Outstanding spot transactions						
Interest rate contracts bought	581	1	-	708	1	-
Interest rate contracts sold	746	-	-	754	1	-
Total outstanding spot transactions		1	-		2	-

All derivatives have a maturity of less than one year.

The calculation applies to the Realkredit Danmark Group and Realkredit Danmark A/S.

Derivatives

The Group does not employ derivatives for hedging purposes in relation to mortgage finance business but exclusively to hedge the interest rate risk on fixed-rate liabilities from issued senior debt and are carried at fair value in the financial statements. The market risk on these instruments is included in the risk calculations mentioned above.

Pension risk

The Group's pension risk is the risk of a pension shortfall in the Group's defined benefit plans, which means that it will have to make additional contributions to cover its pension obligations to former employees. The Group aims to reduce the pension risk of the defined benefit pension plans in the same way that it handles other risks in the Group. To achieve this goal, the Group matches pension obligations with assets similar mainly in terms of maturity and volatility.

Liquidity risk

Realkredit Danmark finances its lending activities by issuing bonds on an ongoing basis. Consequently, Realkredit Danmark's main liquidity risk is not related to the ongoing funding of loans but to the refinancing auctions at which large volumes of bonds need to be sold during a short period of time. Realkredit Danmark constantly seeks to mitigate this risk by spreading the auctions across the year and giving borrowers an incentive to opt for loans without or with less frequent needs for refinancing.

The refinancing auctions are also supported by the well-functioning Danish bond market. The refinancing risk is governed by the Danish FSA by

two indicators in the supervisory diamond for mortgage credit institutions in Denmark.

Non-financial risks

In recent years, Realkredit Danmark has focused increasingly on non-financial risks. Realkredit Danmark continuously assesses non-financial risks in existing Critical or Important Functions and products and conduct ongoing reporting to the Board of Directors on non-financial risks. Prior to launch of a new product the non-financial risks are assessed, and the product is approved.

Realkredit Danmark registers operational events and conducts event management to ensure timely and appropriate handling of events to minimise the impact on Customers and Realkredit Danmark and prevent reoccurrence. Realkredit Danmark strives to learn from materialised events and observed near-misses to continuously improve its operational risk management framework. Realkredit Danmark notifies relevant authorities on significant events.

Realkredit Danmark's IT portfolio is outsourced to Danske Bank including Digital Operational Resilience. Realkredit Danmark is part of Danske Bank's IT Risk and Security Management and Data Risk Management framework.

Compliance

Realkredit Danmark is exposed to compliance risks, such as financial crime risks, market integrity risks, outsourcing risks, GDPR risks and other governance and conduct risks. See, also Compliance under "Management".

Notes

Note 35

Realkredit Danmark Group					
(DKK millions)	2024	2023	2022	2021	2020
HIGHLIGHTS					
Net interest and fee income*	6,478	6,187	6,128	6,158	6,475
Value adjustments*	727	633	-236	-327	-410
Staff costs and administrative expenses	1,008	1,054	1,102	994	863
Loan impairment charges	333	-114	212	269	335
Income from associates	-	-	-	-	-
Net profit for the year	4,424	4,394	3,626	3,669	3,883
Loans	755,746	753,843	724,642	810,547	817,026
Shareholders' equity	54,642	50,223	49,477	49,472	49,590
Total assets	827,023	816,263	782,228	876,999	891,268
RATIOS AND KEY FIGURES					
Total capital ratio (%)	31.9	31.5	29.1	25.3	27.4
Tier 1 capital ratio (%)	31.9	31.1	28.6	24.9	26.9
Return on equity before tax (%)	11.4	12.0	9.4	9.5	10.0
Return on equity after tax (%)	8.4	8.8	7.3	7.4	7.8
Cost/core income ratio DKK	5.44	7.34	4.54	4.72	5.15
Foreign exchange position (%)	0.7	0.7	0.7	0.8	0.6
Gearing of loans	13.8	15.0	14.6	16.4	16.5
Growth in lending for the year (%)	-1.4	0.5	-0.7	1.9	1.2
Impairment ratio for the year (%)	0.04	-0.02	0.03	0.03	0.04
Return on assets (%)	0.5	0.5	0.5	0.4	0.4

Realkredit Danmark A/S					
HIGHLIGHTS					
Net interest and fee income*	6,476	6,184	6,128	6,158	6,475
Value adjustments*	728	633	-236	-327	-410
Staff costs and administrative expenses	948	998	1,053	940	898
Loan impairment charges	332	-115	212	269	335
Income from associates and group undertakings	24	21	25	64	44
Net profit for the year	4,424	4,394	3,626	3,669	3,883
Loans	755,730	753,822	724,622	810,527	817,003
Shareholders' equity	54,642	50,223	49,477	49,472	49,590
Total assets	826,945	816,148	782,084	876,959	891,194
RATIOS AND KEY FIGURES					
Total capital ratio (%)	31.9	31.6	29.2	25.3	27.4
Tier 1 capital ratio (%)	31.9	31.2	28.7	24.9	26.9
Return on equity before tax (%)	11.3	11.9	9.4	9.5	10.0
Return on equity after tax (%)	8.4	8.8	7.3	7.4	7.8
Cost/core income ratio DKK	5.64	7.75	4.67	4.88	5.34
Foreign exchange position (%)	0.7	0.7	0.7	0.8	0.6
Gearing of loans	13.8	15.0	14.6	16.4	16.5
Growth in lending for the year (%)	-1.4	0.5	-0.7	1.9	1.2
Impairment ratio for the year (%)	0.04	-0.02	0.03	0.03	0.04
Return on assets (%)	0.5	0.5	0.5	0.4	0.4

* Comparative information has been restated as described in note 1 to the consolidated financial statements for 2020.

The ratios and key figures are defined in the Danish FSA's executive order on financial reports of credit institutions, investment companies, etc.

Notes

Note 36

Series accounts

Pursuant to the executive order on the presentation of series accounts by mortgage credit institutions, Realkredit Danmark A/S' financial statements are broken down by the individual underlying mortgage credit associations as follows:

Note	(DKK millions)	Jysk Grundejer- Kredit- forening	Ny jyske Kjøbstad- Kredit- forening	Østifternes Kredit- forening	Series not subject to a reimbursement obligation	Danske Kredit
Income statement						
	Income from lending	0.1	0.2	0.5	18.2	0.1
	Net interest income etc.	-	-	1.6	20.6	-
1	Administrative expenses etc.	0.5	0.5	0.6	10.5	0.3
1	Loan impairment charges	-	-	-	-2.3	-
	Tax	-0.1	-0.1	0.4	8.0	-0.1
2	Net profit for the year	-0.3	-0.2	1.1	22.6	-0.1
Balance sheet - assets						
	Mortgage loans etc.	7.6	14.4	64.3	10,103.5	12.2
	Other assets	1.1	3.8	62.3	618.3	2.6
	Total assets	8.7	18.2	126.6	10,721.8	14.8
Balance sheet - liabilities and equity						
3	Issued bonds	8.1	17.0	73.4	10,594.0	14.5
	Other liabilities	0.2	0.1	0.6	44.8	0.1
4	Shareholders' equity	0.4	1.1	52.6	83.0	0.2
5	Total liabilities and equity	8.7	18.2	126.6	10,721.8	14.8
	(DKK millions)	SDRO S	SDRO T	SDRO Almen	Other reserves	Total
Income statement						
	Income from lending	1,538.4	3,729.2	216.4	77.1	5,580.2
	Net interest income etc.	591.7	977.5	55.1	109.7	1,756.2
1	Administrative expenses etc.	386.7	413.8	120.5	126.6	1,060.0
1	Loan impairment charges	45.5	300.6	-	-11.9	331.9
	Tax	441.5	1,038.0	39.3	-1.8	1,525.1
2	Net profit for the year	1,256.4	2,954.3	111.7	73.9	4,419.4
Balance sheet - assets						
	Mortgage loans etc.	231,519.2	444,142.3	53,765.9	15,942.3	755,571.7
	Other assets	30,933.4	106,813.1	3,875.8	7,143.7	149,454.1
	Total assets	262,452.6	550,955.4	57,641.7	23,086.0	905,025.8
Balance sheet - liabilities and equity						
3	Issued bonds	243,503.6	519,384.3	56,116.9	16,857.0	846,568.8
	Other liabilities	1,105.7	2,321.1	242.8	97.3	3,812.7
4	Shareholders' equity	17,843.3	29,250.0	1,282.0	6,131.7	54,644.3
5	Total liabilities and equity	262,452.6	550,955.4	57,641.7	23,086.0	905,025.8

Notes

Note	(DKK millions)	
1	Pursuant to section 3(1) and (2) of the executive order on the presentation of series accounts by mortgage credit institutions, a share of net interest etc. equivalent to the ratio of the individual series reserve fund to other series reserve funds has been allocated to each series. Pursuant to section 3(3) of the executive order on the presentation of series accounts by mortgage credit institutions, the Danish FSA has approved the allocation of administrative expenses etc. to individual associations using a distribution scale by which the number of loans in the association is weighted at 3, and the principal of the loans is weighted at 1. The same distribution scale is used for allocation to individual series and series reserve funds, however, allocation to pre-1972 series is made in accordance with the statutes etc. of the associations in question.	2024
2	Net profit for the year, series accounts	
	Net profit for the year, Realkredit Danmark A/S's financial statements	4,424
	Transferred to other reserves etc.	-
	Adjustment of defined benefit plans	-5
	Net profit for the year, series accounts	4,419
3	Issued bonds, series accounts	
	Issued bonds, Realkredit Danmark A/S's financial statements	762,125
	Own mortgage bonds, not offset in the series accounts	77,319
	Accrued interest, own bonds	7,125
	Issued bonds, series accounts	846,569
4	Shareholders' equity, series accounts	
	Shareholders' equity, Realkredit Danmark A/S's financial statements	54,642
	Reserves in pre-1972 series subject to a reimbursement obligation	2
	Shareholders' equity, series accounts	54,644
5	Total assets, series accounts	
	Total assets, Realkredit Danmark A/S's financial statements	826,945
	Own mortgage bonds, not offset in the series accounts	77,319
	Accrued interest, own bonds	762
	Total assets, series accounts	905,026
6	Transfers to and from reserves subject to a reimbursement obligation	
	In 2024, the following net transfers of funds to and from the reserves were made between individual associations and other reserves.	
	Transferred from and to shareholders' equity:	
	Series not subject to a reimbursement obligation	-2,091
	Other reserves	2,091
	Total	-

Financial statements for the individual series may be obtained from Realkredit Danmark.

Statement by the management

The Board of Directors and the Executive Management (the management) have today reviewed and adopted the annual report of the Realkredit Danmark Group for the financial year 1 January – 31 December 2024.

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU. The Parent Company's financial statements are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Furthermore, the annual report has been prepared in accordance with legal requirements, including the disclosure requirements for annual reports of issuers of listed bonds in Denmark.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position on 31 December 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2024.

Moreover, in our opinion, the management's report includes a fair view of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

ESEF-compliant financial reports

In our opinion, the annual report of the Realkredit Danmark Group for the financial year 1 January - 31 December 2024 with the file name RealkreditDanmark-2024-12-31-0-en.zip has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 7 February 2025

Executive Management

Kamilla Hammerich Skytte
Chief Executive Officer

Bjarne Aage Jørgensen
Member of the Executive Management

Board of Directors

Christian Bornfeld
Chairman

Magnus Thor Agustsson
Vice Chairman

Jakob Bøss

Jesper Koefoed

Linda Fagerlund

Majken Hammer Sløk

Christian Hilligsøe Heinig

Auditor's report

Independent auditor's report

To the shareholders of Realkredit Danmark A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of Realkredit Danmark A/S for the financial year 1 January 2024 to 31 December 2024, page 27-71, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as the Parent and the consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for issuers of listed bonds in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2024 and of its financial performance and cash flows for the financial year 1 January 2024 to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for issuers of listed bonds in Denmark.

Also, in our opinion, the parent financial statements give a true and fair view of the financial position of the Parent at 31 December 2024 and of its financial performance for the financial year 1 January 2024 to 31 December 2024 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Realkredit Danmark A/S for the first time on 5 March 2015 for the financial year 2015. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 10 years up to and including the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matters were addressed in our audit
Impairment charges for loans and provisions for guarantees	
Loans for the Group amounted to DKK 755,539 million at 31 December 2024 (DKK 753,624 million at 31 December 2023), and loan impairment charges of DKK 333 million in 2024 (DKK -114 million at 31 December 2023).	Based on our risk assessment and industry knowledge, we have examined the impairment charges for loans and provisions for guarantees and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter.
Measurement of loan impairment charges for loans and provisions for guarantees is deemed a key audit matter as the determination of assumptions for expected credit losses is highly subjective due to the level of judgement applied by Management.	Our examination included the following elements:
The most significant judgements are:	<ul style="list-style-type: none">• Testing of key controls over assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer.• Obtaining and substantively testing evidence to support the assumptions used in the expected credit loss models concerning methods applied to derive loss given default.• Testing of key controls over timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures.• Obtaining and substantively testing evidence of timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures.
<ul style="list-style-type: none">• Assumptions used in the expected credit loss model to assess the credit risk related to the exposure and the expected future cash flows of the customer.• Timely identification of exposures with significant increase in credit risk and credit impaired exposures.• Valuation of collateral and assumptions of future cash flows on manually assessed credit-impaired exposures.	

Auditor's report

<ul style="list-style-type: none">• Post-model adjustments for particular high-risk portfolios, which are not appropriately captured in the expected credit loss model. <p>Management has provided further information about the loan impairment charges and provisions for guarantees in notes 10, 15-16 and 19 and Risk management to the consolidated financial statement.</p>	<ul style="list-style-type: none">• Testing of key controls over models and manual processes for valuation of collateral and assumptions of future cash flows.• Obtaining and substantively testing evidence to support appropriate determination of assumptions for loan impairment charges and provisions for guarantees including valuation of collateral and assumptions of future cash flows on manually assessed credit impaired exposures.• Testing of key controls over post-model adjustments applied to manage non-linearity that are not included in the modelled expected credit losses.• Obtaining and substantively testing evidence of post-model adjustments for high-risk portfolios including industries affected by the macroeconomic uncertainties with particular focus on the methodology applied, evidence of assumptions-setting processes and the consistency thereof by:<ul style="list-style-type: none">○ Assessing the key developments since last year against industry standards and historical data.○ Assessing the appropriateness of the different identified post-model adjustments compared with the embedded macro forecasts applied in the expected credit loss models.○ Challenging the methodologies applied by using our industry knowledge and experience.○ Challenging assumptions implemented due to expected effects of the macroeconomic uncertainties.
---	---

Statement by Management on the management report

Management is responsible for the management report.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management report and, in doing so, consider whether the management report is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management report provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management report is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement of the management report.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for issuers of listed bonds in Denmark, and for the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Auditor's report

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Realkredit Danmark A/S, we performed procedures to express an opinion on whether the annual report for the financial year 1 January 2024 to 31 December 2024, with the file name RealkreditDanmark-2024-12-31-0-en.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion.

The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

Auditor's report

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report for the financial year 1 January 2024 to 31 December 2024, with the file name RealkreditDanmark-2024-12-31-0-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 7 February 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jakob Lindberg
State-Authorised
Public Accountant
MNE no-40824

Lica Lyngsø Nielsen
State-Authorised
Public Accountant
MNE no-47801

Directorships

Management's report, continued

Under section 80(8) of the Danish Financial Business Act, financial institutions are required to publish information at least once a year about directorships held with the approval of the Board of Directors by persons employed by the Board (section 80(1) of the Act). This page also lists directorships held by members of the Board of Directors outside the Realkredit Danmark Group.

Board of Directors

Christian Bornfeld Chairman

Member of the Executive Leadership Team of Danske Bank A/S

Born on 19 December 1976

Joined the Board of Directors on 24 November 2022

Directorships and other offices:

Vipps AS

Finans Danmark (personal substitute to the 2nd vice chairman of the board of directors)

FR I af 16 september 2015 A/S (personal substitute for the chairman of the board of directors)

Magnus Thor Agustsson

Member of the Executive Leadership Team of Danske Bank A/S

Born on 6 January 1973

Joined the Board of Directors on 10 March 2022

Jakob Bøss

Head of Group Positioning & Sustainability, Danske Bank A/S

Born on 10 October 1975

Joined the Board of Directors on 16 April 2024

Member of the Audit Committee

Jesper Koefoed

Managing Director

Born on 18 June 1964

Joined the Board of Directors on 9 March 2020

Independent

Chairman of the Audit Committee

The combined members of the Board of Directors have appointed Jesper Koefoed as a qualified member of the Audit Committee. Jesper Koefoed holds an MSc in Business Administration and Auditing from CBS (1989) and has since 1992 been working as a state authorised public accountant, but in July 2019 he deposited his license to start a

career as a professional board member. He has long-standing experience in auditing and advisory services, especially to large corporates, and corporate governance services, including his work on the Audit Committee. He also has extensive domestic and international management experience from the auditing and consulting industry and is now a board member in several Danish companies.

On the basis of his qualifications, the Board of Directors believes that Jesper Koefoed is able to make an independent assessment of whether the Realkredit Danmark Group's financial reporting, internal controls, risk management and statutory audit are planned and conducted in an expedient manner in relation to the Group's size and complexity.

Directorships and other offices:

Danica Ejendomme P/S

Danica Pension, Livsforsikringsaktieselskab

LM|Pihl A/S (chairman)

Koefoed Invest 2019 A/S

Nordic Investment Opportunities A/S

BG40-5 A/S

Autobudgets ApS (chairman)

Linda Fagerlund

Nordic Head of Commercial Real Estate, Danske Bank A/S & Country Manager, Danske Bank Sweden

Born on 25 December 1975

Joined the Board of Directors on 22 July 2022

Majken Hammer Sløk (elected by the employees)

Chief Consultant, Realkredit Danmark A/S

Born on 2 January 1965

Joined the Board of Directors on 6 March 2017

Christian Hilligsøe Heinig (elected by the employees)

Chief Economist, Realkredit Danmark A/S

Born on 7 December 1978

Joined the Board of Directors on 3 March 2021

Directorships

Executive Management



Kamilla Hammerich Skytte

Chief Executive Officer

Born on 3 October 1972

Joined the Executive Management on 1 March 2022

Directorships and other offices:

home a/s (chairman)

Danske Hypotek AB, Sverige

Association of Danish Mortgage Banks (chairman)

Kreditforeningen Danmarks Pensionsafviklingskasse (chairman)

European Mortgage Federation (EMF) (co-chairman)



Bjarne Aage Jørgensen

Member of the Executive Management, Head of Large Real Estate

Born on 4 June 1961

Joined the Executive Management on 6 September 2023

Supplementary information

Management's report, continued

Financial calendar

- Annual general meeting:
10 March 2025
- Company announcement - first quarter results 2025:
2 May 2025
- Interim report – first half 2025:
18 July 2025
- Company announcement - first nine months results 2025:
31 October 2025

Contact

Chief Executive Officer
Kamilla Hammerich Skytte
Tel +45 45 13 20 82

Adresse

Realkredit Danmark
Bernstorffsgade 40
DK-1577 København V
Telephone +45 70 12 53 00
CVR no. 13 39 91 74 København

Links

rd.dk
danskebank.dk
danskebank.com
home.dk

ESEF data

Domicile of entity	Denmark
Description of nature of entity's operations and principal activities	Mortgage finance
Country of incorporation	Denmark
Principal place of business	Denmark
Legal form of entity	A/S
Name of reporting entity or other names of identification	Realkredit Danmark Group
Name of parent	Realkredit Danmark A/S
Name of ultimate parent of group	Realkredit Danmark A/S
Address of entity's registered office	Bernstorffsgade 40, DK-1577 København V

