

Interim Report for first half 2025

KommuneKredit has published its [interim report 2025](#) today, 18 September 2025.

Summary

- Profit before value adjustments and tax came to DKK 338 million, up by DKK 108 million on the year-earlier period. The increase was mainly attributable to the sale of our properties at Kultorvet 14 and 16.
- Comprehensive income came to DKK -139 million for the period compared to DKK -212 million for the same period last year.
- Net interest and fee income was DKK 439 million for H1 2025, an increase of DKK 110 million on the year-earlier period.
- The value of total loans and leases was up by DKK 4.5 billion on end-2024 to DKK 198,588 billion at end-H1 2025.
- Common Equity Tier 1 (CET1) capital, which corresponds to equity, declined from 10,188 million at end-2024 to DKK 10,004 million.

For more than 125 years, KommuneKredit has provided funding to municipalities and regions in Denmark through the issuance of bonds in the international capital markets. This funding model was changed on 26 March 2025. In the future, the Government will purchase KommuneKredit's bonds.

The new funding model has resulted in lower funding costs and, hence, lower prices of loans and leases which will on average be half a percentage point lower than previously. This will amount to annual savings for society of about DKK 1 billion when the model is fully phased in, savings that will ultimately benefit citizens and taxpayers.

Since early 2024, the municipal sector in Greenland has had the possibility to take out loans with KommuneKredit guaranteed by the Danish Government. After the reporting date, loans totalling DKK 873 million have been granted to the municipal sector in Greenland.

New funding model leaves its mark

Profit before value adjustments and tax came to DKK 338 million, up by DKK 108 million on the year-earlier period. The profit covers total net interest income of DKK 368 million in H1 2025, an increase of DKK 32 million

on the year-earlier period, extraordinary income of DKK 76 million stemming from the sale of our properties at Kultorvet 14 and 16 as well as administrative expenses which totalled DKK 101 million compared to DKK 99 million for the same period last year.

We recorded negative value adjustments of DKK -516 million for H1 2025 versus DKK -502 for H1 2024. The negative value adjustments were expected in light of the large positive value adjustments recorded in recent years.

As a result, comprehensive income was a loss of DKK -139 million for H1 2025, all of which is taken to equity which then amounts to DKK 10,004 million. According to the Board of Directors' target, earnings must ensure suitable capitalisation corresponding to an equity ratio of at least 3 per cent. With an equity ratio of 4.0 per cent, our capitalisation is in line with previous years and meets the Board of Directors' target.

Outlook for 2025

We lower our expectation for net interest income from DKK 750 million to DKK 650 million due in part to lower lending rates which are partly financed by bonds issued under the previous model and which are expected to show through to net interest income in H2 2025. Also, we have adjusted our expectation for net lending upwards from DKK 0.5 billion to DKK 2.0 billion reflecting higher-than-expected net lending in H1 2025, including loans totalling DKK 873 million granted to the municipal sector in Greenland. Our expectation for administrative expenses is unchanged at DKK 215 million. Accordingly, we expect profit for the year before value adjustments and tax of DKK 500 million.

In light of the value adjustments of DKK -516 for H1 2025, comprehensive income for the year is likely to come to a loss. We still expect to maintain an equity ratio of at least 3 per cent both in the short and long run.

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Key figures and financial ratios for Kommune Kredit

Million	H1 2025	H1 2025	H1 2024	H1 2023	H1 2022	H1 2021	FY 2024
	EUR	DKK	DKK	DKK	DKK	DKK	DKK
Key figures							
Net interest and fee income	59	439	329	187	185	176	717
Value adjustment of financial instruments	-69	-516	-502	153	535	190	-510
Staff costs and administrative expenses	-14	-101	-99	-100	-119	-68	-194
Impairment of loans and receivables, etc.	0	0	0	0	0	0	0
Profit/loss for the period	-19	-139	-212	187	468	233	8
Loans and leases	26,619	198,588	190,748	181,070	179,513	191,156	194,110
Equity	1,341	10,004	9,968	9,953	9,243	8,630	10,188
Assets	33,140	247,245	250,617	240,280	245,327	234,368	252,498
Debt securities issued	30,069	224,333	226,063	211,642	221,784	216,443	231,169
Portfolio of securities	5,226	38,986	45,125	46,279	50,530	36,745	43,618
Investments in property, plant and equipment	-	-	-	3	0	0	2
Activities for the period							
Loans and leases, net additions in nominal value (net lending)	176	1,315	5,616	4,296	3,367	3,782	6,219
Loans and leases, gross additions in nominal value	2,856	21,304	20,439	16,508	16,912	19,874	34,413
Debt securities issued, gross additions in nominal value	2,431	18,137	28,594	24,801	33,319	35,229	43,407
Financial ratios							
Capital base relative to minimum capital requirement	7.3	7.3	6.9	8.1	7.0	8.7	7.2
Solvency ratio	59	59	55	65	56	70	58
Equity Tier 1 ratio	60	60	56	65	57	71	59
Return on equity before tax, %	-1.8	-1.8	-2.7	2.4	6.7	3.5	0.1
Return on equity after tax, %	-1.4	-1.4	-2.1	1.9	5.2	2.7	0.1
Income/cost ratio	-0.8	-0.8	-1.7	1.9	6.1	5.4	1.1
Total risk exposure amount (REA)	2,231	16,641	17,861	15,176	16,267	12,202	17,391
Common Equity Tier 1 (CET1) capital	1,341	10,004	9,968	9,953	9,243	8,630	10,188
Capital base	1,305	9,735	9,880	9,873	9,136	8,530	10,066
Interest rate risk	26	197	66	309	239	244	55
Currency position	28	211	1,037	873	394	375	556
Loans to deposit, %	88.5	88.5	84.4	85.6	80.9	88.3	84.0
Loans to equity, %	19.9	19.9	19.1	18.2	19.4	22.2	19.1
Impairment rate for the period	0	0	0	0	0	0	0
Return on assets (profit for the period/total assets), %	-0.1	-0.1	-0.1	0.1	0.2	0.1	0.0
Equity ratio after tax, %	4.0	4.0	4.0	4.1	3.5	3.6	4.0
Expenses/assets, %	0.04	0.04	0.04	0.04	0.05	0.03	0.08
Net interest income/assets, %	0.15	0.15	0.13	0.08	0.08	0.08	0.29
Number of full-time employees	101	101	104	102	94	87	106

With the adoption of the new Act on KommuneKredit and the subsequent dialogue with the Danish Financial Supervisory Authority, additional key figures and financial ratios have been added. Comparative figures have been restated.

Key figures and financial ratios have been calculated in accordance with the accounting provisions applicable to KommuneKredit. Exchange rate at 30 June 2025: EUR 100 = DKK 746.0514.