



KOMMUNE
KREDIT

STEADY
& STABLE

INTERIM REPORT 2019

SUMMARY

- Profit for the period before value adjustments was DKK 187 million, which was DKK 15 million higher than in the same period of last year.
- Comprehensive income for the period amounted to DKK 316 million against DKK 261 million in the corresponding period last year.
- Net interest income totalled DKK 250 million in the first half of 2019, which is comparable to the first half of 2018.
- Common Equity Tier 1 (CET1) capital, which corresponds to equity, rose to DKK 8,052 million from DKK 7,736 million at the end of 2018.
- The equity ratio was unchanged at 3.4% from the end of 2018.
- In the first half of 2019, the value of lending and leasing rose by DKK 8.4 billion to DKK 185.9 billion, of which DKK 2.8 billion came from new lending and the remainder from value adjustments.
- No loss on lending for the 120th consecutive year.

COMMENT FROM THE CEO

In connection to the announcement of the Interim Report 2019 CEO Jens Lundager says:

» *KommuneKredit recorded a satisfactory financial performance in the first half of 2019 with profit slightly exceeding expectations at the start of the year.*

We cover almost all local financing requirements across Denmark within our defined operating parameters. This underlines that we – after 120 years of existence – still have a viable business model as a common debt office for Danish local authorities.

I am also very satisfied that we have succeeded in becoming a AAA issuer with Standard & Poor's, again, after only one year. Our efforts included adjusting to fit some of Standard & Poor's calculation methods without having to change our business model.

GUIDANCE FOR 2019

Net lending is still expected to amount to approximately DKK 2 billion in 2019. Guidance for net interest income for 2019 has been revised up from DKK 400 million to DKK 500 million. Profit before tax, barring value adjustments, has been revised up from DKK 280 million to DKK 380 million. To which are added value adjustments, which in the first half of 2019 amounted to DKK 218 million.

CONTACT

For further information please contact:

CEO Jens Lundager

phone +45 3369 7622

email: jlu@kommunekredit.dk

KommuneKredit

Kultorvet 16
DK-1175 Copenhagen K

Telephone +45 3311 1512
Fax +45 3391 1521

www.kommunekredit.com
e-mail: kk@kommunekredit.dk

CVR-no.: 2212 8612
EAN-no.: 5790001265762

➤ PRELIMINARY ANNOUNCEMENT OF FINANCIAL STATEMENTS, 30 AUGUST 2019

Million	First half 2019	First half 2019	First half 2018	Full year 2018
	EUR	DKK	DKK	DKK
KEY FIGURES FOR THE PERIOD				
Net interest income	33	250	235	441
Administrative expenses	-8	-62	-62	-127
Profit before value adjustments	25	187	172	314
Value adjustment of financial instruments	29	218	163	227
Tax on profit for the period	-12	-89	-74	-119
Comprehensive income for the period	42	316	261	405
Lending and leasing	24,899	185,878	176,788	177,454
Debt securities portfolio	5,650	42,181	45,683	42,944
Assets	31,771	237,182	229,599	226,609
Debt securities issued	28,994	216,451	207,718	208,218
Equity	1,079	8,052	7,593	7,736
ACTIVITIES DURING THE PERIOD				
Lending and leasing, net additions in nominal value	372	2,774	3,423	3,554
Lending and leasing, gross additions in nominal value	2,410	17,995	24,067	38,261
Debt securities issued, gross additions in nominal value	4,255	31,762	42,871	60,055
CAPITAL STRUCTURE				
Total risk exposure amount (REA)	1,924	14,366	19,926	13,843
Common Equity Tier 1 (CET1) capital	1,079	8,052	7,593	7,736
Capital base	1,052	7,851	7,340	7,520
Capital ratio, pct.	55	55	37	54
Equity ratio, pct.	3.4	3.4	3.3	3.4
SELECTED FINANCIAL RATIOS				
Losses on lending and leasing	0	0	0	0
Expenses/assets, pct.	0.03	0.03	0.03	0.06
Net interest income/assets, pct.	0.11	0.11	0.10	0.19
Liquidity resources, pct. (Note 5)	18	18	22	19
Number of full-time employees	74	74	69	70

Key figures and financial ratios have been calculated in accordance with "Recommendations & Financial Ratios" issued by CFA Society Denmark. Exchange rate at 30 June 2019: EUR 100 = DKK 746.54.