

26 February 2025

Announcement of Annual Report 2024

Summary

- Profit before tax amounted to DKK 3,095m (2023: DKK 2,673m) corresponding to a return of 12.2% on average equity (2023: 11.5%).
- Net profit for the year amounted to DKK 2,289m (2023: DKK 2,030m) corresponding to a return of 9.0% on average equity (2023: 8.8%).
- Core expenses: DKK 443m (2023: DKK 445m).
- Impairment charges affected core profit by an income of DKK 17m (2023: an income of DKK 12m).
- The loan portfolio at nominal value amounted to DKK 382bn. (2023: DKK 374bn), and at a fair value of DKK 366bn (2023: DKK 353bn).
- At the end of 2024, the capital ratio and the core capital ratio amounted to 27.3% (end of 2023: 27.5%).

Comments by Management

In connection with the presentation of the Annual Report 2024, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'Today Jyske Realkredit announces a profit of DKK 2,289m - the best in the history of the company. The net profit for the year was satisfactory and better than expected at the release of the annual report for 2023. Relative to 2023, the profit increased by DKK 259m or 13%. The higher profit was due, among other things, to a higher level of interest rates and a resultant higher return on Jyske Realkredit's portfolio of securities and a lower distribution fee to Jyske Bank.'

'We still see a low level of recognised losses and arrears, and consequently the losses recognised in the income statement and loan impairment charges were at a sustained low level in 2024.'

'The capital base of Jyske Realkredit is at a high level, and the credit quality is good. Therefore, the company is well prepared also in more demanding times.'

Determined at nominal value, Jyske Realkredit's loans and advances rose by DKK 7.9bn in 2024. Hence, nominal loans and advances amounted to DKK 381.5bn at the end of 2024. Determined at fair value, loans and advances rose by DKK 13.2bn, which was caused by rising prices of mortgage bonds at the end of 2024 that are used for the valuation of mortgage loans. Hence, loans and advances at fair value amounted to DKK 365.9bn at the end of 2024.

Capital structure

Jyske Realkredit's equity rose by the net profit for the year of DKK 2,289m and amounted to DKK 26,478m at end-2024. The capital base, exclusive of various deductions, amounted to DKK 26,379m, an increase of DKK 2,326m.

Jyske Realkredit's capital base is solid with a capital ratio of 27.3% and a capital buffer of DKK 10.2bn. It is assessed that the current financial resources can withstand even severe stress scenarios.

Green transition

Jyske Realkredit continues its focus on improving investors' insight into the sustainability of loans and advances through our continuous work on refining the reporting. During the first half of 2025, Jyske Realkredit will initiate discussions with the organization behind the 'Science Based Target initiative' (SBTi) with a view to possibly joining it during 2025. In addition, Jyske Realkredit endeavours on an ongoing basis to meet borrowers' requests for green financing solutions, for instance through the financing of loans through the issue of green bonds.

In 2024, the Jyske Bank Group updated Jyske Bank Green Finance Framework. With this update, the definitions of green lending in the Group are aligned with the definitions in the EU Taxonomy. Among other things, this update has meant that a newly constructed property is no longer automatically considered green, but that it requires that the property owner has implemented energy-reducing measures that have lowered energy consumption to below the requirements of the Danish building regulations.

In 2024, Jyske Realkredit introduced a new option for corporate clients who finance green properties but do not wish to use Jyske Kort interest rate loans funded through green bonds. Instead, these clients can now receive a Green Certificate as proof that their property financing qualifies as green.

In the financial statements and at www.jyskerealkredit.dk/sustainable-transparency-template, a breakdown of loans at ISIN code level by Energy Performance Certificate, the estimated CO2e emission, as well as the distribution of loans according to the UN Sustainable Development Goals and the EU taxonomy are available to investors in Jyske Realkredit's bonds. In addition, as the first issuer in Europe, Jyske Realkredit has published an 'Energy Efficient Mortgage Label Harmonised Disclosure template' designed to increase the transparency of energy-efficient loans for borrowers and investors.

The antitrust authorities' decision opens up new opportunities

Jyske Realkredit was pleased to note the antitrust authorities' commitment decision in the so-called Totalkredit case. Although the decision does not fundamentally change anything in the competitive landscape in the short term, the commitment agreement opens up for keener competition in the mortgage credit area in the long term.

Evaluation of the Systemic Risk Buffer

Last year, the Systemic Risk Council recommended to the Minister for Industry, Business and Financial Affairs that credit institutions should hold an extra buffer for 'unhedged risks' in the real estate sector. The buffer was introduced on 30 June 2024 and is due to be evaluated in 2025. Jyske Realkredit has not agreed with the assessment that there were or are unhedged risks in the real estate sector. The buffer results in higher costs for borrowers and that otherwise sound real estate projects, which may increase the supply of housing, are not implemented. Jyske Realkredit will engage constructively in the discussions with Finansiel Stabilitet (the Danish resolution authority) and will argue for a removal of the buffer.

Jyske Realkredit moves head office to Copenhagen

In 2025, the Jyske Bank Group will gather its activities from Jyske Bank's office at Vesterbrogade, Jyske Realkredit's head office at Kgs. Lyngby and the head office of the former Handelsbanken Danmark at Havneholmen. For this purpose, a tenancy agreement has been signed on the large glass building "Glass Cube" located at Kalvebod Brygge in Copenhagen. The re-location is expected to create a strong professional environment and a good foundation for the Group's activities in Eastern Denmark. The removal has been planned to take place in the third quarter of 2025.

Changes to the Executive Board of Jyske Realkredit

In November 2024, it was announced that Jyske Realkredit's Managing Director, Carsten Tirsbæk Madsen, will retire which will happen at the end of May 2025.

Anders Lund Hansen will be appointed as new CEO on 1 June 2025. Anders Lund Hansen has been with Jyske Realkredit for 16 years and has since June 2023 been a member of the Executive Board. He has broad experience with balance sheet management at Jyske Realkredit and has previously held a wide range of functions in the investment and trading area.

In addition, Jyske Realkredit will appoint Lisbeth Arentzen as new member of its Executive Board with effect as from 1 June 2025. Lisbeth Arentzen has until now held the position as Head of Jyske Bank's credit function and has been with Jyske Bank for 20 years. During her more than 30 years in the financial sector she has held managerial positions in the credit area.

With effect from 1 June 2025, Jyske Realkredit's Executive Board will consist of Anders Lund Hansen, CEO, Lisbeth Arentzen, Director and Torben Hansen, Director.

Future expectations

Jyske Realkredit anticipates a profit in the range of DKK 1.9 bn to 2.2 bn in 2025. The decline relative to the realised profit for 2024 can be attributed to a lower expected return on the portfolio of securities due to expectations of a declining interest-rate level in 2025.

The largest element of uncertainty relating to profit expectations for 2025 is the future development of the interest-rate level as well as of losses and impairment charges.

Other information

General Meeting

The Annual General Meeting will be held in Kgs. Lyngby on 24 March 2025.

Financial calendar

Jyske Realkredit anticipates releasing financial statements on the following dates in 2025:

7 May	Interim Financial Statement, first quarter of 2025
19 August	Interim Financial Report, first half of 2025
29 October	Interim Financial Statement, first nine months of 2025

Further information

For further information, please see www.jyskerealkredit.com, which website gives detailed financial information about Jyske Realkredit.

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Financial Highlights

Core profit and net profit for the year, DKKm

	2024	2023	Index 24/23	2022	2021	2020
Administration margin income, etc.	2,460	2,496	99	2,356	2,343	2,332
Other net interest income	1,028	795	129	160	15	36
Net fee and commission income, etc.	-183	-556	33	-653	-706	-603
Value adjustments, etc.	216	370	58	2	107	218
Other income	0	0	0	0	5	14
Core income	3,521	3,106	113	1,865	1,764	1,997
Core expenses	443	445	100	394	389	345
Core profit before loan impairment charges	3,078	2,661	116	1,471	1,375	1,652
Loan impairment charges (- is income)	-17	-12	142	-272	64	485
Core profit/Pre-tax profit	3,095	2,673	116	1,743	1,311	1,168
Tax	806	643	125	383	283	259
Profit for the year	2,289	2,030	113	1,361	1,028	908

Summary of Balance Sheet, end of period, DKKm

Mortgage loans, nominal value	381,530	373,677	102	365,595	338,965	334,168
Mortgage loans, fair value	365,853	352,663	104	333,728	340,969	344,965
Bonds and shares, etc.	20,683	19,160	108	12,728	15,960	17,533
Total assets	399,976	383,021	104	359,621	369,035	377,132
Issued bonds, fair value	367,941	351,790	105	329,529	344,817	353,357
Equity	26,478	24,189	109	22,159	20,798	19,769

Financial ratios

Pre-tax profit as a pct. of average equity	12.2	11.5	-	8.1	6.5	6.0
Net profit as a percentage of average equity	9.0	8.8	-	6.3	5.1	4.7
Expenses as a percentage of income	12.6	14.3	-	21.1	22.1	17.3
Capital ratio (%)	27.3	27.5	-	28.3	26.8	25.4
Common Equity Tier 1 capital ratio (CET1 %)	27.3	27.5	-	28.3	26.8	25.4
Individual solvency requirement (%)	10.2	9.9	-	9.7	10.0	10.0
Capital base (DKKm)	26,379	24,053	-	22,096	20,769	19,743
Weighted risk exposure (DKKm)	96,526	87,469	-	78,193	77,621	77,787
No. of employees at year-end	29	27	-	25	25	25
No. of employees split between the companies, at year-end ¹	671	725	-	594	561	496
No. of employees split between the companies converted to full-time equivalent	256	253	-	239	238	201

¹ Employees split between the companies are included in the number of employees stated in the Annual Report of Jyske Bank A/S, and their salaries are paid through Jyske Bank A/S. Jyske Realkredit A/S pays this expense for employees split between the companies through a service agreement with Jyske Bank A/S, and it is recognised under the item 'Core expenses'.

Financial Highlights, cont.

Core profit and net profit for the year, DKKm

	2024	2023	Index 24/23	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Administration margin income, etc.	2,460	2,496	99	615	611	620	615	627
Other net interest income	1,028	795	129	238	272	262	256	249
Net fee and commission income, etc.	-183	-556	33	-59	-82	55	-97	-133
Value adjustments, etc.	216	370	58	19	100	43	55	143
Other income	0	0	0	0	-	-	-	0
Core income	3,521	3,106	113	813	901	980	828	886
Core expenses	443	445	100	112	109	110	112	113
Core profit before loan impairment charges	3,078	2,661	116	701	792	869	716	774
Loan impairment charges, etc. (- is income)	-17	-12	142	33	-6	-66	21	11
Core profit/Pre-tax profit	3,095	2,673	116	668	798	935	695	763
Tax	806	643	125	174	208	243	181	162
Profit for the year	2,289	2,030	113	494	590	692	514	601

Summary of Balance Sheet, end of period, DKKm

	2024	2023	Index 24/23	31 Dec. 2024	30 Sept. 2024	30 June 2024	31 March 2024	31 Dec. 2023
Assets / equity and liabilities	399,976	383,021	104	399,976	397,355	382,249	385,161	383,021
Mortgage loans, nominal value	381,530	373,677	102	381,530	376,784	375,965	373,147	373,677
Loans, fair value	365,853	352,663	104	365,853	361,205	353,302	351,542	352,663
Issued bonds, fair value	367,941	351,790	105	367,941	365,534	350,266	353,275	351,790
Equity	26,478	24,189	109	26,478	25,984	25,394	24,702	24,189