

Interim report – first half 2024



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Financial highlights – Realkredit Danmark Group

INCOME STATEMENT (DKK millions)	First half 2024	First half 2023	Index 24/23	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Full year 2023
Administration margin	2,769	2,806	99	1,382	1,387	1,393	1,394	1,396	5,593
Net interest income	709	410	173	342	367	390	314	252	1,114
Net fee income	53	2	-	3	50	15	-87	-50	-70
Income from investment portfolios	36	97	37	25	11	44	42	11	183
Other income	42	39	108	22	20	22	23	20	84
Total income	3,609	3,354	108	1,774	1,835	1,864	1,686	1,629	6,904
Expenses	511	516	99	233	278	289	250	264	1,055
Profit before loan impairment charges	3,098	2,838	109	1,541	1,557	1,575	1,436	1,365	5,849
Loan impairment charges	227	-14	-	28	199	-96	-4	-66	-114
Profit before tax	2,871	2,852	101	1,513	1,358	1,671	1,440	1,431	5,963
Tax	742	711	104	389	353	495	363	353	1,569
Net profit for the period	2,129	2,141	99	1,124	1,005	1,176	1,077	1,078	4,394

BALANCE SHEET (END OF PERIOD) (DKK millions)

Due from credit institutions etc.	12,030	6,877	175	12,030	16,632	11,618	13,759	6,877	11,618
Mortgage loans	744,296	725,360	103	744,296	746,880	753,624	726,741	725,360	753,624
Bonds and shares	48,045	47,559	101	48,045	53,949	49,580	45,827	47,559	49,580
Other assets	2,076	1,470	141	2,076	2,888	1,441	1,803	1,470	1,441
Total assets	806,447	781,266	103	806,447	820,349	816,263	788,130	781,266	816,263
Due to credit institutions etc.	2,000	2,000	100	2,000	2,005	2,000	2,000	2,000	2,000
Issued mortgage bonds	746,434	725,714	103	746,434	760,589	756,509	728,989	725,714	756,509
Other liabilities	5,660	5,548	102	5,660	6,529	7,531	8,064	5,548	7,531
Shareholders' equity	52,353	48,004	109	52,353	51,226	50,223	49,077	48,004	50,223
Total liabilities and equity	806,447	781,266	103	806,447	820,349	816,263	788,130	781,266	816,263

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of average shareholders' equity	8.3	8.8		8.7	7.9	9.5	8.9	9.1	8.8
Impairment charges as % p.a. of mortgage lending	0.06	-0.01		0.02	0.11	-0.05	-0.01	-0.04	-0.02
Cost/income ratio (%)	14.2	15.4		13.1	15.1	15.5	14.8	16.2	15.3
Total capital ratio (%)	31.6	29.1		31.6	31.4	31.5	29.3	29.1	31.5
Tier 1 capital ratio (%)	31.6	28.6		31.6	31.4	31.1	28.8	28.6	31.1
Mortgage loans, nominal value	801,855	804,362		801,855	801,172	806,154	807,956	804,362	806,154
Full-time-equivalent staff (end of period)	226	229		226	224	229	231	229	229

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 represent alternative performance measures that are non-IFRS measures. Note 2 provides an explanation of the differences and a reconciliation between these measures and IFRS.

Overview, first half 2024

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

“Realkredit Danmark delivered a solid result for the first half-year of 2024 that was on par with the result for the year-earlier period. The positive trend in the top line was attributable to the higher level of interest rates, although this increase was offset by model-based loan impairment charges.

Activity in the housing market has recovered in 2024 following a plunge early in the year. Overall, the housing market has not been affected to any major extent by the transition to the new property tax rules. Although uncertainty about both developments in the economy and the housing market in the coming years continues to be considerable, the housing market is supported by factors such as a low unemployment rate, good salary increases and lower inflation, and all in all, we expect to see price increases of around 3-4% in 2024.

As always, the Danske Bank Group maintains a focus on providing the best possible advisory services and attractive loan terms across mortgage credit and bank home finance propositions. As part of the Group’s Forward ’28 strategy, most recently, Realkredit Danmark has together with Danske Bank lowered the interest rate on supplementary home financing, which benefits first-time buyers in particular.

For both residential and commercial property owners, the green transition is an important focus area, and our aim is to make it as simple as possible for our customers to future proof their homes and properties. The attractive terms offered by the Danske Bank Group for loans for energy efficiency improvements thus also now apply to loans for climate adaptation of homes. In addition, we have expanded our partnership with consulting engineers OBH to offer customers advice not only about energy efficiency improvements but also about climate adaptation.”

Business initiatives and sustainability

Realkredit Danmark plays a key role when it comes to supporting homeowners and businesses in reducing carbon emissions from their properties. We actively seek to engage with our customers and provide focused advice and targeted financing to support the green transition of their properties. Further, we continue to finance the transition towards sustainable energy sources such as wind farms and solar power plants and the critical expansion of the electrical distribution network.

We made progress with our Climate Action Plan, and we see momentum from commercial property customers picking up. We are thus almost on track to meet our reduction target. In respect of personal mortgages, we do not see the same tendency among homeowners to retrofit their property or change the energy source, due primarily to low energy prices. Our ambition to reach a 75% reduction of carbon emissions from properties in Denmark is highly dependent on the government plans for the roll-out of district heating and access to renewable energy sources.

We continuously monitor our customers’ need for advisory services and financial products and solutions to support the reduction of greenhouse gas emissions from buildings and other properties. Together with Danske Bank, we have revised our advisory offering for climate adaptation through our partnership with OBH to support homeowners who seek to prepare for a changing climate and to protect their property where this is needed. In addition, we include climate adaptation in our mortgage and banking finance offer on favourable terms.

For business customers, we continue to issue green bonds to finance properties that meet the requirements set out in

our Green Financing Framework. At the end of June 2024, we had issued DKK 28.3 billion in green bonds.

In the coming period, we expect to see the focus on the sustainability agenda increase further as the requirements of the Energy Performance of Buildings Directive need to be defined for the property market in Denmark with implementation in spring 2026 at the latest.

The final text for the systemic risk buffer, based on a recommendation from the Danish Systemic Risk Council, was received in April 2024. The Systemic Risk Council has recommended that a systemic buffer of 7% be introduced for exposures to property companies. As a result, the financial sector will face increasing capital buffer requirements from 1 July 2024 of DKK 10 billion. Consequently, in order to support a balanced capital structure, Realkredit Danmark has decided not to pay extraordinary dividend during 2024.

Mortgage credit market

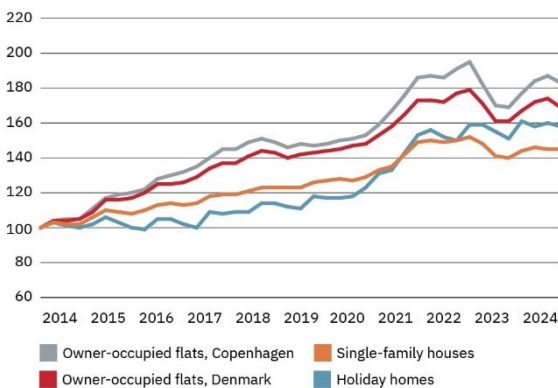
Danish economic indicators remain strong. GDP grew by 1.9% in 2023 (heavily influenced by Novo Nordisk’s growth rate), the government budget surplus last year amounted to 3.1% of GDP, unemployment is low, and businesses are competitive. Various recent forecasts for the Danish economy indicate a continually favourable trend with sound economic growth and a high level of employment, while inflation is expected to stabilise at around 2%.

The housing market has handled the transition to the new property tax system with little drama. While trading activity declined early in the year due to many housing trades being brought forward to late 2023 as some home buyers wanted to secure a permanent tax rebate, activity has subsequently returned to more normal levels. In addition, house prices have either moved sideways or have seen small increases.

There is, however, still considerable uncertainty about developments in both the economy and the housing market in the coming years. Geopolitical uncertainty, inflation, interest rates and the delayed effect of recent years' sharply rising interest rates will be some of the key factors to watch out for.

Housing prices

Index 100 = 100, housing price, seasonally adjusted

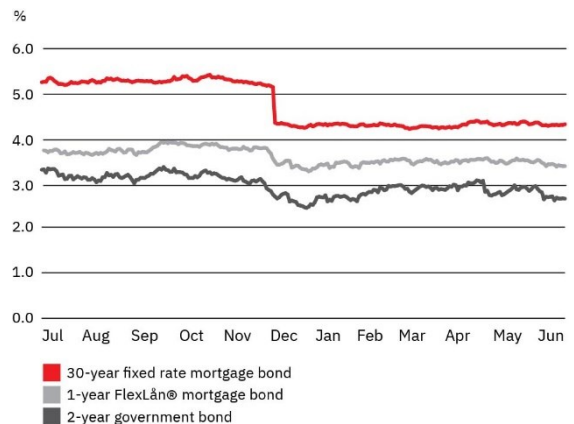


Source: Finans Danmark

Zooming in on the domestic housing market, there is also the question of how the market for owner-occupied flats in Copenhagen will land following the property tax reform. The Copenhagen market for owner-occupied flats has performed better than expected as prices have fallen only marginally since the turn of the year, but it is still too early to dismiss the risk of prices declining in the coming quarters. This could also affect the general housing market around the Copenhagen area.

Overall, however, there are several factors that support the housing market, and house prices are expected to increase around 3-4% in 2024. The property tax reform generally provides a tailwind to the housing market as 8 out of 10 homeowners will pay less in property taxes, interest rates seem to have peaked, and while there are no prospects of any sharp fall in interest rates on 30-year fixed-rate mortgage loans, variable interest rates will be pushed somewhat lower in the coming year in step with expected rate cuts by the ECB. Finally, the housing market is forecast to be underpinned by a favourable trend in real wages.

Trend in interest rates past 12 months



Turning to the market for residential and commercial real estate, the cyclical picture – rents and vacancy rates – is well supported in the office, retail and residential rental segments in step with a continuing improvement in the labour market. However, several structural issues such as working from home, e-commerce and the risk of slowing urbanisation, continue to pose potential long-term challenges.

On the financial side – yields and property prices – the market for residential and commercial real estate remains in correction mode. This is evident in the transaction market, as transaction volumes in the first half of 2024 resemble those in the first half of 2023.

Even as yields on prime location properties have moved higher already, interest rates on long-duration bonds have remained at a relatively high level, so unless interest rates begin to move lower, yields look set to continue upwards. In such case, the correction mode is likely to continue going forward.

Results

For the first half of 2024, Realkredit Danmark's net profit was DKK 2,129 million (H1 2023: DKK 2,141 million). The topline increased, driven by the higher interest rate levels, although the increase was offset by model-based loan impairment charges.

Administration margin income was DKK 2,769 million (H1 2023: DKK 2,806 million).

Net interest income rose to DKK 709 million (H1 2023: DKK 410 million), driven by the higher interest rate levels.

Net fee income rose DKK 51 million, driven primarily by higher activity towards shorter refinancing intervals.

Expenses amounted to DKK 511 million (H1 2023: DKK 516 million).

Credit quality remained solid and loan impairment charges amounted to DKK 227 million in the first half of 2024 (H1 2023: DKK -14 million). Loan impairment charges were affected by a planned model change of DKK 100 million and a net increase in post-model adjustments of DKK 40 million, which related mainly to the agriculture segment to counter potential CO₂ taxation. At 30 June 2024, the total allowance account amounted to DKK 2,914 million (end-2023: DKK 2,738 million).

Loan impairment charges amounted to 0.06% (H1 2023: -0.01%) of total mortgage lending.

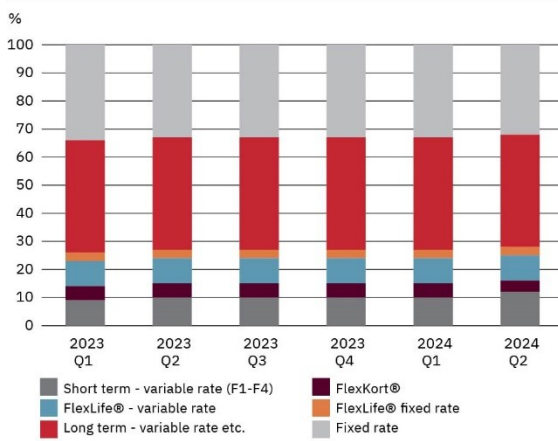
The tax charge totalled DKK 742 million (H1 2023: DKK 711 million). The effective tax rate for the period was 25.8% (H1 2023: 24.9%).

Balance sheet

Gross lending amounted to DKK 45 billion (H1 2023: DKK 53 billion).

Mortgage lending at fair value decreased DKK 9 billion to DKK 744 billion in the first half of 2024. The development in mortgage lending at fair value is composed of a decrease in the nominal outstanding bond debt of DKK 4 billion and a decrease of DKK 5 billion in the market value adjustment.

Development in loan portfolio by loan type (%)



In the first half of 2024, fixed-rate mortgages accounted for approximately 29% of all disbursed loans, while about 55% of all FlexLån® loans were disbursed with refinancing intervals of less than five years.

At 30 June 2024, the average loan-to-value ratio stood at 53% (end-2023: 53%). The stable loan-to-value is underpinned by the stable market value of outstanding debt and a property market that did not shift significantly during the first half of 2024.

The number of new properties repossessed was 6 in the first half of 2024, with the total number standing at 11.

The value of the properties repossessed was DKK 17 million. At 30 June 2024, the delinquency rate was unchanged from the level at the end of 2023, and thus at a persistently low level.

Issued mortgage bonds fell DKK 10 billion to DKK 746 billion. The nominal value of issued mortgage bonds was DKK 801 billion. The amounts are exclusive of holdings of own mortgage bonds. Realkredit Danmark issued bonds for a total of DKK 45 billion exclusive of bonds issued for re-financing auctions.

Realkredit Danmark is subject to the specific principle of balance and therefore has very limited exposure to market risks. At the end of June 2024, Realkredit Danmark’s interest rate risk and exchange rate risk amounted to DKK 909 million and DKK 1.3 million, respectively (end-2023: DKK 961 million and DKK 1.0 million.).

Capital and solvency

At the end of June 2024, shareholders’ equity stood at DKK 50.4 billion (end-2023: DKK 50.2 billion).

Realkredit Danmark’s total capital amounted to DKK 49.7 billion (end-2023: DKK 50.6 billion), and the total capital ratio calculated in accordance with the Capital Requirements Regulation and Directive (CRR/CRD) was 31.6% (end-2023: 31.5%).

Realkredit Danmark uses the internal ratings-based (IRB) approach to calculate the risk exposure amount for credit risk. The total risk exposure amount (REA) was DKK 157.6 billion at 30 June 2024 (end-2023: DKK 160.2 billion).

At the end of June 2024, Realkredit Danmark’s solvency need, including the combined buffer requirement, was calculated at DKK 29.5 billion, corresponding to a solvency need ratio including buffers of 18.8% of the total REA. With total capital of DKK 49.7 billion, Realkredit Danmark had DKK 20.2 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.

Supplementary collateral

As an institution issuing mortgage-covered bonds, Realkredit Danmark is required by statutory regulation to provide supplementary collateral in cases where the loan-to-value ratio exceeds 80% for a residential property and 60% for a commercial property. At the end of June 2024, the need for supplementary collateral was DKK 6.0 billion (end-2023: DKK 6.3 billion). Of the DKK 6.0 billion, DKK 0.7 billion was provided in the form of loan loss guarantees. The remaining DKK 5.3 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 originated.

At the end of June 2024, the loan loss guarantees amounted to DKK 43 billion of the loan portfolio (end-2023: DKK 32 billion).

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 June 2024, the combined requirement corresponded to approximately DKK 7.9 billion (end-2023: DKK 8.1 billion).

Realkredit Danmark's holding of unencumbered liquid assets after caps and haircuts was DKK 20 billion at the end of June 2024 (end-2023: DKK 20 billion).

Rating

Realkredit Danmark's bonds are rated by SP Global, Fitch Ratings and Scope Ratings. All three 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 three agencies increased during the first half of 2024 to DKK 28.3 billion (end-2023: DKK 26.3 billion).

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 continually stable overcollateralisation requirements from the rating agencies in 2024. 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.

Management

Jakob Bøss was elected member of the Board of Directors as per 16 April 2024 and was shortly after appointed member of the Audit Committee.

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. In the first half of 2024, the result for home increased slightly to DKK 12 million from DKK 9 million in the first half of last year. At 1 July 2024, Martin Wiesener started as CEO of home a/s, replacing Jens Peter Jensen, who was interim CFO.

Supervisory diamond for mortgage credit institutions

Realkredit Danmark complies with all threshold values by a satisfactory margin.

Threshold value	Q2 2024	Full year 2023	Limit
Growth in lending¹			
Owner-occupied dwellings and holiday homes	-2.9%	-2.9%	15%
Residential rental property	4.7%	6.4%	15%
Agriculture	-2.9%	-4.1%	15%
Other	1.1%	3.7%	15%
Borrower interest-rate risk²			
Properties for residential purposes	7.1%	6.1%	25%
Interest-only option³			
Owner-occupied dwellings and holiday homes	5.4%	5.6%	10%
Loans with short-term funding⁴			
Refinancing, annually	14.5%	12.4%	25%
Refinancing, quarterly	4.9%	0.6%	12.5%
Large exposures⁵			
Loans relative to shareholders' equity	69%	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 in 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.

Outlook for 2024

In 2024, Realkredit Danmark expects income to be higher than in 2023, due mainly to income from higher average interest rate levels.

Expenses are expected on par with the level in 2023.

Loan impairment charges are expected to be at a more normalised level in 2024.

Realkredit Danmark therefore expects net profit in 2024 to be marginally higher than net profit in 2023.

Income statement and Comprehensive income – Realkredit Danmark Group

Note	(DKK millions)	First half 2024	First half 2023	Q2 2024	Q2 2023	Full year 2023
	Income statement					
	Interest income	11,431	10,698	5,660	5,414	22,458
	Interest expense	8,236	7,641	4,063	3,871	16,201
	Net interest income	3,195	3,057	1,597	1,543	6,257
	Fee and commission income	491	494	211	179	906
	Fee and commission expense	438	492	207	229	976
	Net interest, fee and commission income	3,248	3,059	1,601	1,493	6,187
	Value adjustments	319	256	152	116	633
	Other operating income	42	39	22	20	84
	Staff costs and administrative expenses	510	515	233	264	1,054
	Impairment, depreciation and amortisation charges	1	1	1	-	1
3	Loan impairment charges	227	-14	28	-66	-114
	Profit before tax	2,871	2,852	1,513	1,431	5,963
	Tax	742	711	389	353	1,569
	Net profit for the period	2,129	2,141	1,124	1,078	4,394
	Comprehensive income					
	Net profit for the period	2,129	2,141	1,124	1,078	4,394
	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	Actuarial gains/losses on defined benefit plans	1	-19	5	-36	-65
	Tax	-	-5	1	-9	-17
	Total other comprehensive income	1	-14	4	-27	-48
	Total comprehensive income for the period	2,130	2,127	1,128	1,051	4,346

Balance sheet – Realkredit Danmark Group

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	ASSETS			
	Cash in hand and demand deposits with central banks	11,200	8,075	4,582
	Due from credit institutions and central banks	830	3,543	2,295
	Bonds at fair value	16,656	16,804	18,149
	Bonds at amortised cost	31,387	32,773	29,407
4, 8	Mortgage loans at fair value	744,296	753,624	725,360
4	Loans and other amounts due at amortised cost	246	219	230
	Shares	2	3	3
	Other tangible assets	3	3	2
	Current tax assets	712	-	-
	Deferred tax assets	-	-	10
	Assets temporarily taken over	17	17	12
4	Other assets	1,058	1,201	1,170
	Prepayments	40	1	46
	Total assets	806,447	816,263	781,266
	LIABILITIES AND EQUITY			
	AMOUNTS DUE			
	Due to credit institutions and central banks	2,000	2,000	2,000
	Issued mortgage bonds at fair value	746,434	756,509	725,714
	Current tax liabilities	-	117	755
	Deferred tax liabilities	155	459	-
	Other liabilities	5,505	6,955	4,793
	Total amounts due	754,094	766,040	733,262
	SHAREHOLDERS' EQUITY			
	Share capital	630	630	630
	Reserves in series	47,276	47,276	45,171
	Other reserves	4,447	2,317	2,203
	Proposed dividends	-	-	-
	Total shareholders' equity	52,353	50,223	48,004
	Total liabilities and equity	806,447	816,263	781,266

Statement of capital – Realkredit Danmark Group

CHANGES IN SHAREHOLDERS' EQUITY (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 period	-	-	2,129	-	2,129
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	1	-	1
Tax	-	-	-	-	-
Total other comprehensive income	-	-	1	-	1
Total comprehensive income for the period	-	-	2,130	-	2,130
Dividend paid	-	-	-	-	-
Shareholders' equity at 30 June 2024	630	47,276	4,447	-	52,353
Shareholders' equity at 1 January 2023	630	45,171	76	3,600	49,477
Net profit for the period	-	-	2,141	-	2,141
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-19	-	-19
Tax	-	-	5	-	5
Total other comprehensive income	-	-	-14	-	-14
Total comprehensive income for the period	-	-	2,127	-	2,127
Dividend paid	-	-	-	-3,600	-3,600
Shareholders' equity at 30 June 2023	630	45,171	2,203	-	48,004

At 30 June 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.

TOTAL CAPITAL AND TOTAL CAPITAL RATIO (DKK millions)	30 June 2024	31 December 2023	30 June 2023
Shareholders' equity	50,223	50,223	45,877
Proposed dividends	-	-	-
Deferred tax assets	-	-	-
Prudent valuation	-6	-8	-6
Minimum Loss Coverage for Non-Performing Exposures	-401	-223	-270
Defined benefit pension fund assets	-88	-90	-127
Common equity tier 1 capital	49,728	49,902	45,474
Difference between expected losses and impairment charges	-	-	-
Tier 1 capital	49,728	49,902	45,474
Reserves in series subject to a reimbursement obligation	-	-	-
Difference between expected losses and impairment charges	-	654	764
Total capital	49,728	50,556	46,238
Risk exposure amount	157,597	160,244	159,021
Common equity tier 1 capital ratio (%)	31.6	31.1	28.6
Tier 1 capital ratio (%)	31.6	31.1	28.6
Total capital ratio (%)	31.6	31.5	29.1

At 30 June 2024, total capital and the total risk exposure amount are calculated in accordance with the Capital Requirements Regulation and Directive (CRR/CRD).

The profit for the period will not be recognised in the statement of total capital and total capital ratio until in connection with the audited full-year financial statements. The statement of total capital and total capital ratio will therefore be based on shareholders' equity at 1 January.

The solvency need calculation is described in more detail on rd.dk.

Cash flow statement – Realkredit Danmark Group

(DKK millions)	First half 2024	First half 2023	Full year 2023
Cash flow from operating activities			
Profit before tax	2,871	2,852	5,963
Tax paid	-1,876	-	-1,011
Adjustment for non-cash operating items	176	-48	-173
Cash flow from operating capital	-759	-1,088	1,678
Cash flow from operating activities	412	1,716	6,457
Cash flow from investing activities			
Acquisition/sale of tangible assets	-	-	-
Cash flow from investing activities	-	-	-
Cash flow from financing activities			
Dividends	-	-3,600	-3,600
Cash flow from financing activities	-	-3,600	-3,600
Cash and cash equivalents at 1 January	11,618	8,761	8,761
Change in cash and cash equivalents	412	-1,884	2,857
Cash and cash equivalents, end of period	12,030	6,877	11,618
Cash and cash equivalents, end of period			
Cash in hand and demand deposits with central banks	11,200	4,582	8,075
Amounts due from credit institutions and central banks within 3 months	830	2,295	3,543
Total	12,030	6,877	11,618

Notes – Realkredit Danmark Group

Note

1 Significant accounting policies

and significant accounting estimates and assessments

The Group's interim report for the first half of 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of issuers of listed bonds.

The interim report for the first half of 2024 has not been audited or reviewed.

Changes to significant accounting policies

Amendments to IFRS 16 (sale and leaseback transactions), IAS 1 (classification of liabilities as current or non-current; impact of covenants on classification of liabilities), IAS 7 and IFRS 7 (impact of supplier finance arrangements on disclosures and cash flows) 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 assessments

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the Group's consolidated financial statements. The amount most influenced by critical estimates and assessments is the fair value measurement of mortgage loans.

The estimates and assessments are based on assumptions 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.

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. 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 forward-looking information reflects management's

expectations and involves the creation of scenarios (base case, upside and downside), including an assessment of the probability for each scenario.

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 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, improved house prices and decreasing interest rates.

The base case is an extension of the Danske Bank Group's official view of the Nordic economies (the Nordic Outlook report). At 30 June 2024, the base case scenario reflects a soft landing with economic growth moving toward normalised levels. Inflation is coming down quickly but a growth pickup across Europe means that inflation pressures will remain an issue and impact how fast interest rates will be cut. The Nordic property markets have generally recovered, and modest price increases are expected.

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.

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.

Notes – Realkredit Danmark Group

Note

1 **Significant accounting policies
and significant accounting estimates and assessments**

cont'd

At the end of June 2024, the fair value adjustment of the credit risk on mortgage loans was calculated at DKK 2,808 million (2023: DKK 2,656 million), reducing the value of mortgage loans. The scenario weighting is unchanged from 2023. 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 the end of June 2024 would be DKK 2,450 million (2023: DKK 2,450 million). The fair value adjustment at the end of June 2024 would increase to DKK 4,225 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 2,400 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 30 June 2024, the allowance account would increase by DKK 22 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 June 2024, the post-model adjustments amounted to DKK 1,286 million (2023: DKK 1,241 million). The adjustments cover for instance specific macroeconomic risks that are not specifically captured by the expected credit loss model, such as secondary effects from the war in Ukraine, which have given rise to a new set of challenges that affect economic and business activity, rising inflation and increasing interest rates.

The Group's principal risks and the external factors that may affect the Group are described in greater detail in Annual Report 2023.

Notes – Realkredit Danmark Group

Note	(DKK millions)					
2	Profit broken down by activity					
		Mortgage finance	Own holdings	Highlights	Reclassi- fication	IFRS
First half 2024						
Administration margin		2,769	-	2,769	-	2,769
Net interest income		1,050	-341	709	-283	426
Net fee income		53	-	53	-	53
Income from investment portfolios		5	31	36	-36	-
Value adjustments		-	-	-	319	319
Other income		42	-	42	-	42
Total income		3,919	-310	3,609	-	3,609
Expenses		509	2	511	-	511
Profit before loan impairment charges		3,410	-312	3,098	-	3,098
Loan impairment charges		227	-	227	-	227
Profit before tax		3,183	-312	2,871	-	2,871
Tax				742	-	742
Net profit for the period				2,129	-	2,129
Total assets		754,198	52,249	806,447	-	806,447
First half 2023		Mortgage finance	Own holdings	Highlights	Reclassi- fication	IFRS
Administration margin		2,806	-	2,806	-	2,806
Net interest income		719	-309	410	-159	251
Net fee income		2	-	2	-	2
Income from investment portfolios		4	93	97	-97	-
Value adjustments		-	-	-	256	256
Other income		39	-	39	-	39
Total income		3,570	-216	3,354	-	3,354
Expenses		514	2	516	-	516
Profit before loan impairment charges		3,056	-218	2,838	-	2,838
Loan impairment charges		-14	-	-14	-	-14
Profit before tax		3,070	-218	2,852	-	2,852
Tax				711	-	711
Net profit for the period				2,141	-	2,141
Total assets		733,128	48,138	781,266	-	781,266

Mortgage finance encompasses property financing services provided in Denmark, Sweden and Norway to personal and business customers. Property financing services are provided via Danske Bank's branch network and finance centres and via 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.

Notes – Realkredit Danmark Group

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 statement 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.

	First half 2024	First half 2023
3 Loan impairment charges		
ECL on new assets	191	117
ECL on assets derecognised	243	252
Impact of remeasurement	266	114
Write-offs charged directly to income statement	13	14
Received on claims previously written off	-	7
Total	227	-14

Notes – Realkredit Danmark Group

Note (DKK millions)

4 Loans etc.

Of the total fair value adjustment for the credit risk on mortgage loans, impairments were recognised as an expense of DKK 2,808 million at 30 June 2024, against DKK 2,656 million at the beginning of the year.

Of total loan charges for the credit risk on loans and other amounts due at amortised cost, charges were recognised as an expense of DKK 86 million at 30 June 2024, against DKK 60 million at the beginning of the year.

For loan commitments, expected credit losses at 30 June 2024 amounted to DKK 20 million, against DKK 22 million at the beginning of the year.

Reconciliation of total allowance account				
	Stage 1	Stage 2	Stage 3	Total
ECL at 1 January 2024 incl. impact on loans	1,082	655	1,001	2,738
Transferred to stage 1	191	-133	-58	-
Transferred to stage 2	-36	62	-26	-
Transferred to stage 3	-2	-17	19	-
ECL on new assets	51	122	18	191
ECL on assets derecognised	148	40	55	243
Impact of remeasurement	17	111	138	266
Write-offs, allowance account	11	-	27	38
Total allowance account at 30 June 2024	1,144	760	1,010	2,914
	Stage 1	Stage 2	Stage 3	Total
ECL at 1 January 2023 incl. impact on loans	628	1,365	919	2,912
Transferred to stage 1	567	-528	-39	-
Transferred to stage 2	-11	28	-17	-
Transferred to stage 3	-1	-20	21	-
ECL on new assets	56	37	24	117
ECL on assets derecognised	154	47	51	252
Impact of remeasurement	-198	145	167	114
Write-offs, allowance account	-	-	27	27
Total allowance account at 30 June 2023	887	980	997	2,864

Value adjustments of assets taken over amounted to DKK 0 million at 30 June 2024, against DKK 0 million at end-2023.

5 Assets deposited as collateral

At 30 June 2024, Realkredit Danmark had deposited securities worth DKK 6,111 million (end-2023: DKK 3,727 million) as collateral with the Danish central bank.

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet, and amounts received are recognised as due to credit institutions and central banks. Repo transaction securities are treated as assets provided as collateral for liabilities. At 30 June 2024, the carrying amount of such securities totalled DKK 0 million (end-2023: DKK 0 million). Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

At 30 June 2024, mortgage lending totalling DKK 744,196 million and other assets totalling DKK 6,027 million were registered as collateral for issued mortgage bonds, including mortgage-covered bonds, and issued bonds at amortised cost (end-2023: DKK 753,624 million and DKK 6,298 million). Collateral in the form of other assets covers the requirement for supplementary collateral and the 2% overcollateralisation requirement.

Notes – Realkredit Danmark Group

Note	(DKK millions)				
6	Financial instruments at fair value				
	30 June 2024	Quoted prices	Observable input	Non-observable input	Total
	Bonds at fair value	12,312	4,344	-	16,656
	Mortgage loans at fair value	-	744,296	-	744,296
	Shares	-	-	2	2
	Derivatives	-	10	-	10
	Total	12,312	748,650	2	760,964
	Issued mortgage bonds at fair value	746,434	-	-	746,434
	Derivatives	-	25	-	25
	Total	746,434	25	-	746,459
	31 December 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

Note 32 to Annual Report 2023 provides a description of the valuation techniques used for financial instruments. Financial market developments did not result in reclassification of bonds between listed prices and observable input during the first six months of 2024.

Notes – Realkredit Danmark Group

Note (DKK millions)

7 Contingent liabilities

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.

As the sponsoring employer, Realkredit Danmark is liable for the pension obligations of Kreditforeningen Danmarks Pensionsafviklingskasse. The pension fund and the Group's defined benefit plan have not accepted new members since 1971.

In connection with implementation of the EU Bank Recovery and Resolution Directive, a Danish resolution fund was established. The resolution fund must amount to 1% of the covered deposits of all Danish credit institutions by 31 December 2023. If the resolution fund does not have sufficient means to make the required payments, extraordinary contributions of up to three times the latest annual contributions may be required. Realkredit Danmark pays an annual contribution to the resolution fund based on its size and risk relative to other credit institutions. The contribution to the Danish resolution fund is recognised as expenses. After payment of the contribution for 2024, the Resolution Fund is fully funded.

Danske Bank A/S is taxed jointly with all Danish entities of Danske Bank Group and is jointly and severally liable with these for payment of Danish corporation tax and withholding tax, etc.

Realkredit Danmark operates out of leased premises. Leases are entered into by the parent company. Realkredit Danmark pays monthly rent to the parent company.

Guarantees and indemnities issued by the Group, irrevocable loan commitments regarding reverse mortgages and other commitments not recognised in the balance sheet amount to:

	30 June 2024	31 December 2023	30 June 2023
Other contingent liabilities			
Irrevocable loan commitments	19,903	17,198	22,890
Other commitments	26	27	26
Total	19,929	17,225	22,916

Notes – Realkredit Danmark Group

Note

8 Risk management

The Board of Directors defines Realkredit Danmark's risk management framework, while the Executive Management monitors Realkredit Danmark's risks and ensures compliance with the framework. The principal risk faced by Realkredit Danmark is the credit risk on mortgage loans. Realkredit Danmark has only limited exposure to market risk.

Credit risk

As a mortgage credit institution, Realkredit Danmark provides loans secured on real property. 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 does not repay the loan. The latter depends largely on the value of the mortgaged property. The table below shows a breakdown of the loan portfolio on customer classification by creditworthiness (rating categories) and loan-to-value (LTV) ratios. Loans to customers with an LTV ratio of more than 80% in the four lowest rating categories total DKK 0 billion, which corresponds to 0.0% of the total loan portfolio (end-2023: DKK 0 billion and 0.0%).

Portfolio broken down by loan to value and rating category

30 June 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	31	19	7	1	-	58
3	83	56	25	7	5	176
4	88	58	31	9	6	192
5	67	52	27	6	2	154
6	44	37	21	5	-	107
7	15	12	7	2	-	36
8	4	2	1	-	-	7
9	-	-	-	-	-	-
10	2	2	1	-	-	5
11	3	3	2	1	-	9
Total	338	242	123	31	13	747

Portfolio broken down by loan to value and rating category

31 December 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

In the financial statements, mortgage loans, and thus the associated credit risk, are recognised at fair value. Calculating the fair value of credit risk involves significant estimates and assumptions. This is described in detail in note 1. The total fair value adjustment of credit risk is described in note 4.

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):

30 June 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	2,782	-	-	-	-	-	2,782	-	-
2	0.01	0.03	58,056	124	38	6	3	3	58,050	121	35
3	0.03	0.06	175,348	630	99	24	8	6	175,324	622	93
4	0.06	0.14	190,546	1,519	172	53	20	13	190,493	1,499	159
5	0.14	0.31	151,264	2,380	206	106	38	21	151,158	2,342	185
6	0.31	0.63	102,813	4,309	103	200	73	8	102,613	4,236	95
7	0.63	1.90	31,184	4,865	113	524	117	13	30,660	4,748	100
8	1.90	7.98	2,715	4,105	52	143	271	5	2,572	3,834	47
9	7.98	25.70	112	347	1	1	43	-	111	304	1
10	25.70	100.00	464	4,505	207	16	142	16	448	4,363	191
11	100.00	100.00	605	506	6,934	26	20	889	579	486	6,045
Total			715,889	23,290	7,925	1,099	735	974	714,790	22,555	6,951

Notes – Realkredit Danmark Group

Note

8 Risk management Cont'd

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

Market risk

Market risk comprises interest rate, equity market and exchange rate risks and, to a very limited extent, liquidity risk and operational risk. In addition, the Group is exposed to some degree to pension risk on defined benefit plans for current and/or former employees.

However, the statutory principle of balance eliminates most of the interest rate, exchange rate and liquidity risks on Realkredit Danmark's loans. Realkredit Danmark's other assets and liabilities involve some degree of market risk, mainly in the form of interest rate risk. Realkredit Danmark uses derivatives to hedge the interest rate risk on some of the bonds in the proprietary portfolio. The derivatives and the hedged bonds are recognised at fair value.

Realkredit Danmark has placed DKK 31,387 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 30 June 2024, Realkredit Danmark's bonds at amortised cost exceeded fair value by DKK 861 million (end-2023: DKK 821 million). DKK 28.5 billion of this portfolio has a term to maturity of less than five years, while DKK 2.9 billion has a term to maturity of more than 5 years (end 2023: DKK 27.0 billion and 5.8 billion, respectively). The interest rate risk duration for the portfolio is 3.46 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.

Non-financial risk

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

Realkredit Danmark registers operational events and performs event management to ensure timely and appropriate handling of events to minimise the impact on 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 of significant events.

Realkredit Danmark's IT portfolio is outsourced to Danske Bank, including cyber security. Realkredit Danmark is part of Danske Bank's IT and security risk management framework.

The Group's management of credit, market and non-financial risk is described in detail in the risk management note in Annual Report 2023.

Interim financial statements – Realkredit Danmark A/S

Note (DKK millions)

The financial statements of the parent company, Realkredit Danmark A/S, 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.

Note 1 to the consolidated financial statements provides further information on changes in accounting policies implemented at 1 January 2024. Except for these changes, Realkredit Danmark A/S has not changed its significant accounting policies from those applied in Annual Report 2023.

The format of the parent company's financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRS.

Income statement and Comprehensive income – Realkredit Danmark A/S

Note	(DKK millions)	First half 2024	First half 2023
	Income statement		
	Interest income	11,430	10,697
	Interest expense	8,236	7,641
	Net interest income	3,194	3,056
	Fee and commission income	491	494
	Fee and commission expense	438	492
	Net interest, fee and commission income	3,247	3,058
1	Value adjustments	320	256
	Other operating income	-	1
	Staff costs and administrative expenses	483	488
	Impairment, depreciation and amortisation charges	1	1
	Loan impairment charges	227	-14
	Income from associated and group undertakings	12	9
	Profit before tax	2,868	2,849
	Tax	739	708
	Net profit for the period	2,129	2,141
	Comprehensive income		
	Net profit for the period	2,129	2,141
	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Actuarial gains/losses on defined benefit plans	1	-19
	Tax	-	-5
	Total other comprehensive income	1	-14
	Total comprehensive income for the period	2,130	2,127

Balance sheet – Realkredit Danmark A/S

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	ASSETS			
	Cash in hand and demand deposits with central banks	11,200	8,075	4,582
	Due from credit institutions and central banks	776	3,474	2,238
	Bonds at fair value	16,656	16,804	18,149
	Bonds at amortised cost	31,387	32,773	29,407
2	Mortgage loans at fair value	744,296	753,624	725,360
2	Loans and other amounts due at amortised cost	228	198	208
	Holdings in group undertakings	116	124	112
	Other tangible assets	3	3	2
	Current tax assets	708	-	-
	Deferred tax assets	-	-	5
	Assets temporarily taken over	17	17	12
2	Other assets	925	1,055	1,007
	Prepayments	38	1	45
	Total assets	806,350	816,148	781,127
	LIABILITIES AND EQUITY			
	AMOUNTS DUE			
	Due to credit institutions and central banks	2,000	2,000	2,000
	Issued mortgage bonds at fair value	746,434	756,509	725,714
	Current tax liabilities	-	117	755
	Other liabilities	5,400	6,832	4,650
	Total amounts due	753,834	765,458	733,119
	PROVISIONS			
	Deferred tax	161	465	-
	Reserves in early series subject to a reimbursement obligation	2	2	4
	Total provisions	163	467	4
	SHAREHOLDERS' EQUITY			
	Share capital	630	630	630
	Reserves in series	47,276	47,276	45,171
	Other reserves	4,447	2,317	2,203
	Proposed dividends	-	-	-
	Total shareholders' equity	52,353	50,223	48,004
	Total liabilities and equity	806,350	816,148	781,127

Statement of capital – Realkredit Danmark A/S

CHANGES IN SHAREHOLDERS' EQUITY (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 period	-	-	2,129	-	2,129
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	1	-	1
Tax	-	-	-	-	-
Total other comprehensive income	-	-	1	-	1
Total comprehensive income for the period	-	-	2,130	-	2,130
Dividend paid	-	-	-	-	-
Shareholders' equity at 30 June 2024	630	47,276	4,447	-	52,353
Shareholders' equity at 1 January 2023	630	45,171	76	3,600	49,477
Net profit for the period	-	-	2,141	-	2,141
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-19	-	-19
Tax	-	-	5	-	5
Total other comprehensive income	-	-	-14	-	-14
Total comprehensive income for the period	-	-	2,127	-	2,127
Dividend paid	-	-	-	-3,600	-3,600
Shareholders' equity at 30 June 2023	630	45,171	2,203	-	48,004

Notes - Realkredit Danmark A/S

Note	(DKK millions)	First half 2024	First half 2023
1	Value adjustments		
	Mortgage loans	-4,876	-1,481
	Bonds	190	77
	Currency	-7	-9
	Derivatives	882	1,273
	Other assets	6	5
	Issued mortgage bonds	4,125	391
	Total	320	256

2 Loans etc.

Of the total fair value adjustment for the credit risk on mortgage loans, impairments were recognised as an expense of DKK 2,808 million at 30 June 2024, against DKK 2,656 million at the beginning of the year.

Of total loan charges for the credit risk on loans and other amounts due at amortised cost, charges were recognised as an expense of DKK 86 million at 30 June 2024, against DKK 59 million at the beginning of the year.

For loan commitments, expected credit losses at 30 June 2024 amounted to DKK 20 million, against DKK 22 million at the beginning of the year.

Reconciliation of total allowance account

	Mortgage loans			Other loans			Loan commitments			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
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	185	-129	-56	6	-4	-2	-	-	-	-
Transferred to stage 2	-35	60	-25	-1	2	-1	-	-	-	-
Transferred to stage 3	-2	-16	18	-	-1	1	-	-	-	-
ECL on new assets	49	118	17	2	3	1	-	1	-	191
ECL on assets derecognised	144	39	51	3	1	2	1	-	2	243
Impact of remeasurement	10	103	126	7	8	12	-	-	-	266
Write-offs, allowance account	11	-	26	-	-	1	-	-	-	38
Total allowance account at 30 June 2024	1,099	735	974	34	22	30	11	3	6	2,914

	Mortgage loans			Other loans			Loan commitments			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
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	559	-521	-38	8	-7	-1	-	-	-	-
Transferred to stage 2	-11	28	-17	-	-	-	-	-	-	-
Transferred to stage 3	-1	-20	21	-	-	-	-	-	-	-
ECL on new assets	55	37	12	1	-	-	-	-	12	117
ECL on assets derecognised	146	26	50	2	-	1	6	21	-	252
Impact of remeasurement	-201	127	153	3	18	14	-	-	-	114
Write-offs, allowance account	-	-	27	-	-	-	-	-	-	27
Total allowance account at 30 June 2023	864	965	967	11	13	13	12	2	17	2,864

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.

Value adjustment of assets taken over amounted to DKK 0 million at 30 June 2024, against DKK 0 million at end-2023.

Statement by the management

The Board of Directors and the Executive Management (the management) have today reviewed and adopted the Interim report – first half 2024 of the Realkredit Danmark Group.

The consolidated interim financial statements have been presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Furthermore, the interim report has been prepared in accordance with legal requirements, including the disclosure requirements for interim reports of issuers of listed bonds in Denmark.

In our opinion, the consolidated interim financial statements and the Parents 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 at 30 June 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period starting on 1 January 2024 and ending on 30 June 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.

Copenhagen, 19 July 2024

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

Supplementary information

Financial calendar

- Company announcement – first nine months 2024:
31 October 2024
- Annual Report 2024:
7 February 2025
- Annual general meeting:
10 March 2025
- Company announcement - first quarter 2025:
2 May 2025
- Interim report – first half 2025:
18 July 2025
- Company announcement - first nine months 2025:
31 October 2025

Contact

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