



KOMMUNE  
KREDIT

STEADY  
& STABLE

# Annual report 2021

## Summary

- At DKK 383 million, net interest income was in line with expectations.
- Pre-tax profit for the year amounted to DKK 487 million, while comprehensive income for the year was DKK 378 million, against DKK 218 million in 2020. The difference was primarily due to value adjustments.
- Lending and leasing increased by DKK 2.5 billion to approx. DKK 195 billion.
- Common Equity Tier 1 (CET1) capital, which equals equity, increased to DKK 8,775 million from DKK 8,397 million at the end of 2020.

Today, 31 March 2022, KommuneKredit released its

📄 [Annual Report 2021](#).

KommuneKredit had a satisfactory financial performance in 2021 with pre-tax profits of DKK 487 million and a net profit for the year of DKK 378 million. Net interest income amounted to DKK 383 million, which is in line with expectations at the beginning of the year. As expected, administrative expenses rose to DKK 140 million from DKK 130 million owing to strategic development projects.

In accordance with KommuneKredit's articles of association, the association may not pay dividends, which is why net profit is transferred to equity. KommuneKredit had an equity ratio of 3.5 pct. at the end of 2021, against 3.6 at the end of 2020.

## Outlook for 2022

The situation in Ukraine is not expected to affect the association's ability to source funding in the capital markets.

We expect to maintain the equity ratio above 3 pct. We also expect an increase in lending of approximately DKK 4.5 billion and net interest income around DKK 350 million. Administrative expenses are expected to amount to approximately DKK 165 million.

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**Key figures and financial ratios for KommuneKredit**

Million	2021	2021	2020	2019	2018	2017
	EUR	DKK	DKK	DKK	DKK	DKK
<b>Key figures</b>						
Net interest income	52	383	440	496	441	637
Other operating income	1	8	15	13	11	11
Other operating expenses	-2	-13	-14	-13	-12	-14
Administrative expenses	-19	-140	-130	-126	-127	-123
Profit before value adjustments	32	238	311	369	314	511
Value adjustment of financial instruments	34	249	-33	227	227	117
Tax on profit for the year	-15	-109	-60	-148	-119	-138
Comprehensive income for the year	51	378	218	441	405	489
Lending and leasing	26,235	194,948	192,457	184,965	177,454	173,580
Portfolio of securities	6,512	48,387	33,568	44,982	42,944	42,361
Assets	33,520	249,077	233,872	236,935	226,609	222,564
Debt securities issued	31,476	233,892	212,728	218,932	208,218	202,145
Equity	1,181	8,775	8,397	8,179	7,736	7,333
<b>Activities during the year</b>						
Lending and leasing, net additions in nominal value (net lending)	1,168	8,675	5,057	2,427	3,554	5,022
Lending and leasing, gross additions in nominal value	4,974	36,958	43,507	36,745	38,261	29,835
Debt securities issued, gross additions in nominal value	8,762	65,112	43,163	49,699	60,055	71,379
<b>Capital structure</b>						
Total risk exposure amount (REA)	1,865	13,859	11,496	11,911	13,843	17,544
Common Equity Tier 1 (CET1) capital	1,181	8,775	8,397	8,179	7,736	7,333
Capital base	1,165	8,660	8,277	7,997	7,520	7,121
Capital ratio, pct.	63	63	72	67	54	41
Equity ratio, pct.	3.5	3.5	3.6	3.5	3.4	3.3
<b>Selected financial ratios</b>						
Losses on lending and leasing	0	0	0	0	0	0
Expenses/assets, pct.	0.06	0.06	0.06	0.05	0.06	0.06
Net interest income/assets, pct.	0.15	0.15	0.19	0.21	0.19	0.28
Liquidity resources, pct.	20	20	13	19	19	20
<b>Selected ESG figures</b>						
CO <sub>2</sub> e Scope 2 (indirect) (t)	7	7	13	18	21	20
Gender composition (women), pct.	39.2	39.2	41.1	39.9	42.6	43.9
Board meeting participation, pct.	80.0	80.0	82.1	83.3	86.1	80.6
Number of full-time employees	88	88	82	76	70	70

Key figures and financial ratios have been calculated in accordance with "Recommendations & Financial Ratios" issued by CFA Society Denmark.

Exchange rate at 31/12/2021: EUR 100 = DKK 743.0737.

The table includes selected ESG figures from the Sustainability Report.