

7 May 2025

Company Announcement for the first quarter of 2025

Carsten Tirsbæk Madsen, Chief Executive Officer, states about Q1 2025:

'Jyske Realkredit reported a net profit for Q1 2025 of DKK 575m, which is considered satisfactory. The capital base is still at a high level, and the credit quality is good.'

Jyske Bank has reported a positive development in customer satisfaction, which is now also visible in Jyske Realkredit's business volume as we have seen rising loans and advances to personal as well as corporate customers. Total nominal loans and advances rose by DKK 4.0bn over the quarter.

At end-2024, Jyske Bank announced an updated Group strategy with clear-cut targets of stronger customer focus and stronger cross-organisational collaboration. Therefore, in 2025, we expect to see a continued inflow of customers to both the personal customer and corporate customer area.

Uncertainty about the introduction of higher tariffs by the US, and the resultant rising geopolitical turmoil are not anticipated to impact Jyske Realkredit's financial position for the short term. The securities portfolio is primarily invested in Danish mortgage bonds with floating rates or short maturities which limits the risk of wide price fluctuations.

The capital base is solid with a capital ratio of 25.0% and a capital base of DKK 26,711m. The capital resources can withstand even severe stress scenarios. We still see a low level of recognised losses and arrears, and consequently the losses recognised in the income statement and loan impairment charges are at a sustained low level in 2025. Jyske Realkredit is well-prepared also if the times of the Danish economy should become more challenging.'

Q1 2025

In the first quarter of 2025, Jyske Realkredit generated a net profit of DKK 575m against DKK 514m in the corresponding period of last year corresponding to an improvement of 12%.

Administration margin income etc. rose to DKK 660m in 2025 against DKK 615m in 2024. The increase was due to a combination of rising loan portfolio as well as rising administration margin rates within the corporate customer area.

Other net interest income declined to DKK 208m from DKK 256m in 2024, due primarily to the declining interest-rate level.

Net fee and commission income, etc. amounted to an income of DKK 4m against an expense of DKK 97m in the first quarter of 2024. In 2025, we saw higher fee income from lending activity, but also lower distribution fees to Jyske Bank.

Value adjustments, etc. amounted to an income of DKK 26m against an income of DKK 55m in the corresponding period of last year and relate to Jyske Realkredit's securities portfolios. Considering the turbulent market conditions in Q1 2025, a positive value adjustment of DKK 26m is regarded as satisfactory.

Costs and expenses amounted to DKK 109m against DKK 112m for the same period in the previous year. The reduction was due to lower contribution to the Resolution Fund and conversely higher employee expenses etc.

Loan impairment charges remained at a low level and amounted to an expense of DKK 11m against an expense of DKK 21m in 2024. The total balance of impairment charges amounted to DKK 1,182m at 31 March 2025 against DKK 1,177m at the end of 2024.

At the end of March 2025, Jyske Realkredit's balance sheet amounted to DKK 408bn (DKK 400bn at the end of 2024 and DKK 385bn at the end of the first quarter of 2024).

Mortgage loans at nominal value increased by DKK 4.0bn from DKK 381.5bn at the end of 2024 to DKK 385.5bn at 31 March 2025, corresponding to an increase of 1.1%. Of the increase, DKK 2.3bn related to the corporate customer area and DKK 1.7bn to the personal customer area. Relative to Q1 2024, nominal mortgage loans rose by just over DKK 12bn or 3.3%.

At 31 March 2025, Jyske Realkredit's capital ratio amounted to 25.0% (end of 2024: 27.3%) calculated on the basis of a capital base of DKK 26,711m. The reason behind the decline in the capital ratio in the first quarter of 2025 is primarily due to the transition to new solvency rules according to CRR3, which came into effect at the beginning of 2025, leading as expected to a sizeable increase in the weighted risk exposure.

Housing market

The housing market is robust, which was also evident in the first quarter of the year. Housing prices have generally been on the rise as have trading activities. House prices increased by about 6% on average compared to the first quarter of 2024, whereas owner-occupied flats became approximately 10% more expensive compared to last year. However, the increases were unevenly distributed: The steepest price increases were seen in and around the major cities. Overall, all five regions experienced price increases, but some rural municipalities reported small declines.

The favourable macroeconomic conditions in Denmark helped boost the housing market in the first quarter of 2025 despite increasing global uncertainty. Inflation is under control and consumers' purchasing power has risen. Employment has improved further, and particularly short-term interest rates have fallen.

The outlook for the remainder of 2025 points to a continued stable and active housing market, albeit with more moderate price increases than in 2024, supported by a particularly robust Danish economy with continued high employment and stable growth. Severe shocks to the Danish economy from an unpredictable situation can significantly alter the conditions, regardless of a very strong Danish starting point.

Succession at Jyske Realkredit

As previously announced, Carsten Tirsbæk Madsen, Chief Executive Officer, will retire at the end of May 2025. Anders Lund Hansen, Director, has been appointed new Chief Executive Officer, effective from 1 June 2025. Likewise, effective from 1 June 2025, Lisbeth Arentzen will take office as Director and member of the Executive Board.

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Financial Highlights

Core profit and net profit for the period, DKKm

	Q1 2025	Q1 2024	Index 25/24	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full year 2024
Administration margin income, etc.	660	615	107	660	615	611	620	615	2,460
Other net interest income	208	256	81	208	238	272	262	256	1,028
Net fee and commission income, etc.	4	-97	-	4	-59	-82	55	-97	-183
Value adjustments, etc.	26	55	47	26	19	100	43	55	216
Other income	0	-	-	0	0	-	-	-	0
Core income	897	828	108	897	813	901	980	828	3,521
Core expenses	109	112	97	109	112	109	110	112	443
Core profit before loan impairment charges	788	716	110	788	701	792	869	716	3,078
Loan impairment charges	11	21	52	11	33	-6	-66	21	-17
Core profit/Pre-tax profit	777	695	112	777	668	798	935	695	3,095
Tax	202	181	112	202	174	208	243	181	806
Net profit for the period	575	514	112	575	494	590	692	514	2,289

Summary of balance sheet, end of period, DKKm

Due from credit institutions and central banks, etc.	17,073	14,057	121	17,073	12,010	10,743	8,108	14,057	12,010
Loans at fair value	366,739	351,542	104	366,739	365,853	361,205	353,302	351,542	365,853
Bonds	22,282	18,184	122	22,282	20,626	23,899	19,601	18,184	20,626
Other assets	1,555	1,378	113	1,555	1,486	1,508	1,239	1,379	1,487
Total assets	407,648	385,161	106	407,648	399,976	397,355	382,249	385,161	399,976
Due to credit institutions and central banks	92	68	135	92	151	84	67	68	151
Issued bonds at fair value	373,925	353,275	106	373,925	367,941	365,534	350,266	353,275	367,941
Issued bonds at amortised cost	750	750	100	750	-	-	750	750	-
Other liabilities	5,828	6,366	92	5,828	5,406	5,753	5,772	6,366	5,406
Equity	27,052	24,702	110	27,052	26,478	25,984	25,394	24,702	26,478
Total equity and liabilities	407,648	385,161	106	407,648	399,976	397,355	382,249	385,161	399,976

Financial ratios

Pre-tax profit p.a. as a percentage of average equity	11.6	11.4	-	11.6	10.2	12.4	14.9	11.4	12.2
Profit for the period p.a. as a percentage of average equity	8.6	8.5	-	8.6	7.5	9.2	11.0	8.5	9.0
Expenses as a percentage of income	12.2	13.5	-	12.2	13.8	12.1	11.2	13.5	12.6
Loans and advances at nominal value (DKKm)	385,567	373,147	-	385,567	381,530	376,784	375,965	373,147	381,530
Capital ratio	25.0	28.4	-	25.0	27.3	27.3	28.6	28.4	27.3
Common equity tier 1 capital ratio (CET1 %)	25.0	28.4	-	25.0	27.3	27.3	28.6	28.4	27.3
Individual solvency requirement (%)	9.8	9.9	-	9.8	10.2	10.2	10.1	9.9	10.2
Capital base (DKKm)	26,711	24,557	-	26,711	26,379	25,871	25,298	24,557	26,379
Weighted risk exposure (DKKm)	106,962	86,457	-	106,962	96,526	94,771	88,314	86,457	96,526

The financial data stated show an extract of Jyske Realkredit's financial statements as at 31 March 2025 and were not prepared in accordance with the rules on interim financial reports in the Danish Financial Business Act, including the Executive Order No. 516 of 17 May 2024 on Financial Reports for Credit Institutions and Investment Companies etc.

The Corporate Announcement was not reviewed nor audited.

Please observe that the Danish version of this Corporate Announcement prevails.