

# Annual Report 2023

Today, 13 March, 2024, KommuneKredit has published  
[› Annual Report 2023](#)

## Summary

- Net interest income was DKK 467 million compared with DKK 339 million in 2022.
- Profit before value adjustments and tax was DKK 264 million, an increase of DKK 135 million compared with 2022. The increase was attributable mainly to growth in net interest income.
- Comprehensive income for the year amounted to DKK 414 million compared with DKK 991 million in 2022. The principal reason for the lower comprehensive income was extraordinarily high value adjustments in 2022.
- Net lending, which is new loans including leases less repayment instalments and redemptions, amounted to DKK 5.9 billion.
- Total loans and leases amounted to DKK 187 billion at the end of the year, and the total balance was DKK 243 billion.
- Common Equity Tier 1 (CET1), equivalent to equity, increased to DKK 10,180 million at the end of 2023 from DKK 9,766 million the previous year.

KommuneKredit's profit before value adjustments and tax came to DKK 264 million in 2023, an increase of DKK 135 million compared with 2022. The increase was attributable mainly to growth in net interest income, which was DKK 467 million in 2023 compared with DKK 339 million in 2022.

The increase in net interest income, which is somewhat higher than expected, was in part driven by improved earnings on securities because of a higher level of interest rates in 2023, in part to an increase in earnings from leasing.

The value adjustment for the year was DKK 276 million, which was mainly due to KommuneKredit lowering the lending marginal on new loans to customers in 2023, resulting in a positive value adjustment of existing lending.

In accordance with KommuneKredit's articles of association, the association may not pay dividends, and therefore we transfer the comprehensive income after tax to equity. KommuneKredit's equity ratio was 4.2 percent at the end of 2023 compared with 4.1 percent in 2022.

## Outlook for 2024

We expect KommuneKredit will continue to have good and stable financing opportunities in 2024 and that we will experience moderate growth in lending. We expect to maintain our equity ratio at no less than 3 percent of total assets. We guide for net lending of DKK 4.5 billion and net interest income of approximately DKK 500 million. Administrative expenses are expected to amount to around DKK 200 million.

## Contact

CEO Jens Lundager,  
Phone: +45 3369 7622,  
Email: [jlu@kommunekredit.dk](mailto:jlu@kommunekredit.dk)

## Key figures and financial ratios for KommuneKredit

Million	2023	2023	2022	2021	2020	2019
	EUR	DKK	DKK	DKK	DKK	DKK
<b>Key figures</b>						
Net interest income	63	467	339	383	440	496
Administrative expenses	-26	-193	-224	-140	-130	-126
Profit before value adjustments	35	264	129	238	311	369
Value adjustment of financial instruments	37	276	1,144	249	-33	227
Tax on profit for the year	-17	-126	-282	-109	-60	-148
Comprehensive income for the year	56	414	991	378	218	441
Loans and leases	25,112	187,139	174,974	194,948	192,457	184,965
Portfolio of securities	5,856	43,639	46,591	48,387	33,568	44,982
Investments in property, plant and equipment	0	3	0	0	0	0
Assets	32,556	242,612	237,052	249,077	233,872	236,935
Debt securities issued	29,276	218,173	207,899	233,892	212,728	218,932
Equity	1,366	10,180	9,766	8,775	8,397	8,179
<b>Activities during the year</b>						
Loans and leases, net additions in nominal value (net lending)	788	5,874	4,766	8,675	5,057	2,427
Loans and leases, gross additions in nominal value	3,895	29,027	28,057	36,958	43,507	36,745
Debt securities issued, gross additions in nominal value	5,575	41,543	52,692	65,112	43,163	49,699
<b>Capital structure</b>						
Total risk exposure amount (REA)*	2,098	15,637	15,653	13,859	11,496	11,911
Common Equity Tier 1 (CET1) capital	1,366	10,180	9,766	8,775	8,397	8,179
Capital base	1,356	10,107	9,684	8,660	8,277	7,997
Capital ratio, pct.*	65	65	62	63	72	67
Equity ratio, pct.	4.2	4.2	4.1	3.5	3.6	3.5
<b>Selected financial ratios</b>						
Losses on loans and leases	0	0	0	0	0	0
Expenses/assets, pct.	0.08	0.08	0.09	0.06	0.06	0.05
Net interest income/assets, pct.	0.19	0.19	0.14	0.15	0.19	0.21
Number of full-time employees	101	101	97	88	82	76

Key figures and financial ratios have been calculated in accordance with "Recommendations & Financial Ratios" issued by CFA Society Denmark. Exchange rate at 31 December 2023: EUR 100 = DKK 745.2242. The format is unchanged from last year.

\* REA and capital ratio have been calculated in accordance with the principles applying to credit institutions, even though these rules do not apply to KommuneKredit.