

Interim report  
Q1 2025

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# DLR Kredit at a glance

DLR finances customers' agricultural and commercial properties in collaboration with 41 national and local banks, which also represent the largest part of DLR's shareholders. The business model is based on a daily and close interaction with loan officers at the loan-mediating shareholder banks, which have branches in Denmark, the Faroe Islands and Greenland. The shareholder banks own shares that generally equate to their shares of DLR's lending. DLR has been designated a SIFI (Systemically Important Financial Institution) since the first SIFI designations in Denmark in 2014.

The banks advise customers on DLR loans. They have insight into their customers' finances and can provide the best individual advice. The bank is remunerated for providing advice, loans, customer care and risk hedging of the mediated loans. The risk hedging, which comprises guarantees and offsetting of losses in commissions, ensures that any loss generally does not affect DLR.

DLR is responsible for property valuations, credit processing, calculation, disbursement and administration of loans and procuring funding for DLR's lending by the issuance and sale of bonds listed on the stock exchange in Copenhagen (Nasdaq Copenhagen). Furthermore, DLR acts as a professional sounding board for loan officers in the banks in connection with financing of real property, including about sustainability and ESG matters.

DLR is furthermore responsible for the management and risk monitoring of the loan portfolio and supports the loan-mediating banks through system solutions for the collaborative process, including for advisory services to customers, loan applications, fixed-price agreements, guarantee provisions, remortgaging, portfolio overviews.

# Financial highlights<sup>1</sup>

<b>Income statement, DKKm</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>Ratio 25/24</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>
Administration margin income	501	489	103	496	492	491
Other core income, net	28	22	127	27	23	22
Interest expenses, senior debt and subordinated debt	-32	-26	123	-31	-29	-28
Fee and commission income, net	-153	-160	96	-148	-151	-138
<b>Core income (mortgage credit income)</b>	<b>344</b>	<b>325</b>	<b>106</b>	<b>339</b>	<b>333</b>	<b>344</b>
Staff costs and administrative expenses, etc.	-110	-95	117	-118	-91	-95
Other operating expenses	0	-5	0	-4	-4	-3
<b>Results from core activities</b>	<b>234</b>	<b>225</b>	<b>104</b>	<b>217</b>	<b>237</b>	<b>246</b>
Provision for loan and receivable impairment, etc.	-7	-5		-8	-1	-21
Portfolio earnings	157	163		127	287	179
<b>Profit before tax</b>	<b>384</b>	<b>383</b>	<b>100</b>	<b>340</b>	<b>525</b>	<b>407</b>
<b>Profit after tax</b>	<b>284</b>	<b>284</b>	<b>100</b>	<b>249</b>	<b>388</b>	<b>301</b>

  

<b>Balance Sheet at 30 June</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>Ratio 25/24</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>
<b>Assets</b>						
Loans and advances	196,829	184,247	107	193,627	190,289	186,339
Bonds and shares	10,276	8,980	114	9,676	9,165	7,826
Other assets	2,776	3,523	79	3,249	3,843	3,515
<b>Total assets</b>	<b>209,882</b>	<b>196,750</b>	<b>107</b>	<b>206,552</b>	<b>203,298</b>	<b>197,680</b>
<b>Liabilities and equity</b>						
Issued bonds	187,341	175,268	107	184,672	181,942	177,274
Other debt and payables	2,902	2,750	106	2,564	2,684	2,122
Subordinated debt	1,733	1,299	133	1,694	1,299	1,299
Equity	17,906	17,433	103	17,622	17,373	16,985
<b>Total liabilities and equity</b>	<b>209,882</b>	<b>196,750</b>	<b>107</b>	<b>206,552</b>	<b>203,298</b>	<b>197,680</b>

<sup>1</sup> The figures in the interim report are presented in whole millions of DKK with no decimals unless decimals are considered essential.

Totals in the financial statements have been calculated on the basis of actual amounts. A recalculation of total amounts may in certain cases result in a rounding difference, which reflects that the underlying decimals are not stated in the financial statements.

<b>Financial ratios *</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>
<b>Return on equity (ROE)</b>					
Profit before tax in pc of equity *	2.2%	2.2%	1.9%	3.0%	2.4%
Profit after tax in pc of equity *	1.6%	1.6%	1.4%	2.2%	1.8%
<b>Solvency</b>					
Capital ratio **	23.5%	24.0%	23.7%	23.2%	23.7%
<b>Lending Activity</b>					
Growth in loan portfolio, pc (nominel) *	1.7%	1.2%	2.0%	0.8%	1.2%
New loans, gross (DKKm)	8,917	7,155	8,906	6,569	6,373

\* The financial ratios have been calculated on the basis of the definitions by the Danish Financial Supervisory Authority.

\*\* The capital ratio for Q1, Q2 and Q3 has been calculated without taking into account the period's result, as the accounts have not been subject to an audit review.

## Q1 2025 - Highlights

- DLR generated administration margin income of DKK 501m in Q1 2025
- Pre-tax profit amounted to DKK 384m
- Profit was positively impacted by portfolio earnings of DKK 157m
- Gross lending activities in Q1 2025 were DKK 1.8bn higher than in Q1 2024, and Gross lending amounted to DKK 8.9bn (nominal value) in Q1 2025
- Net lending amounted to DKK 3.4bn (nominal value) in Q1 2025, against DKK 2.4bn in the same period of 2024
- For 2025, DLR retains its guidance for core earnings before impairment in the order of DKK 950m – 1,050m and a pre-tax profit of around DKK 1,300m-1,500m

# CEO statement

## Statement by CEO Jens Kr. A. Møller on the release of the interim report for the first quarter of 2025:

DLR generated a pre-tax profit of DKK 384m in Q1 2025. The result is better than expected and in line with performance in Q1 2024. Stable core earnings, low impairment losses and strong portfolio earnings following a further drop in interest rates contribute to the result,

It was not only the financial performance that was satisfactory in Q1. Lending growth also developed satisfactorily with net lending of DKK 3.4bn, against DKK 2.4bn in the same period last year. Lending for residential rental and collective energy supply was particularly strong. Together with the loan-mediating banks, DLR continued to experience growth across all main lending areas.

Core income grew steadily, amounting to DKK 344m in Q1, against DKK 325m in the same period last year. The higher core income was driven by the growing portfolio, which prompts an increase especially in administration margin income. Fees and commission income showed a slight increase due to limited remortgaging activity.

Impairment losses remained low at DKK 7m in Q1. DLR's customers continue to report satisfactory earnings with good terms of trade in agriculture and low vacancy rates despite rising rent levels for office and retail properties and residential rental properties.

The year to date has been characterised by general economic uncertainty driven, among other factors, by US punitive tariffs and the derived effects on the financial markets. DLR's customers are only marginally directly exposed to the punitive tariffs, and DLR's opinion our customers are well prepared to handle the economic uncertainty.

During the quarter, DLR maintained the level of impairment losses, including those set aside to cover the risk of losses resulting from the green tripartite initiative.

At DKK 157m, portfolio earnings were on a level with Q1 2024. Compared with expectations, portfolio earnings were lifted by a fall in short-term interest rates and the resulting price appreciation in the quarter. Conversely, the falling interest rates in Q1 result in expectations of lower portfolio earnings in the upcoming quarters.

DLR maintains its guidance for a profit before tax for 2025 in the order of DKK 1,300m to DKK 1,500m. The expected lower result compared to 2024 is due to the lower interest rate level and the resulting lower portfolio returns, while DLR expects continued growth in lending, and financially sound customers.

Jens Kr. A. Møller

CEO





# Comments on the result for Q1 2025

## Income statement

DLR's earnings primarily stem from:

- Core earnings: Earnings from mortgage credit activity in the form of administration margins, fees and commission income, etc. less administrative expenses, losses and impairment losses
- Portfolio earnings: Return on the securities portfolio

The income statement for Q1 2025 is set out below.

Income statement, DKKm	Q1 2025	Q1 2024
Administration margin income	501	489
Other core income, net	28	22
Interest expenses subordinated debt	-15	-11
Interest expenses senior debt	-17	-15
Fee and commission income, net	53	39
Fee and commission income, loan intermediaries	-199	-194
Fee and commission income, other	-6	-5
<b>Core income (mortgage credit income)</b>	<b>344</b>	<b>325</b>
Staff costs and pensions expenses	-73	-65
Administrative expenses	-37	-30
Other operating expenses	0	-5
<b>Results from core activities</b>	<b>234</b>	<b>225</b>
Provision for loan and receivable impairment, etc.	-7	-5
Portfolio earnings (securities)	157	163
<b>Profit before tax</b>	<b>384</b>	<b>383</b>
Tax	-100	-100
<b>Profit after tax</b>	<b>284</b>	<b>284</b>

## Core earnings

Administration margin income amounted to DKK 501m, an increase of DKK 12m relative to the same period of last year. The increase was driven by loan portfolio growth.

Other core income primarily concerns income from loan origination fees and various other income. This income amounted to DKK 28m in Q1 2025.

Fees and commission income comprises fee income in connection with the disbursement and repayment of mortgage loans plus spread income stemming from loan refinancing and disbursement. The income amounted to DKK 53m, which was DKK 14 million higher than in the year-earlier period.

Fees and commissions paid – loan intermediaries concerns commission payable to the banks that have mediated loans to DLR. Expenses include both agency commission and commission for the provision of loss guarantees, etc. The expenses amounted to DKK 199m, which was DKK 5 million higher than in the year-earlier period. In addition, various other commission expenses amounted to DKK 6m.

This brought core income to DKK 344m, an increase of DKK 19m relative to the same period of 2024.

Staff costs and administrative expenses, etc. amounted to DKK 73m, which is DKK 8m more than in the same period of last year. The higher costs partly reflect a small increase in the number of employees, partly the agreed pay increases under collective agreements and price increases for a number of expense items. The line item Other operating expenses concerns DLR's contribution to the Resolution Fund, amounting to DKK 0m in Q1 2025, against an expense of DKK 5m in 2024.

Impairment on loans, advances and receivables (profit impact) amounted to an expense of DKK 7m, which is DKK 2m more than in the same period of 2024. The negative impact was primarily due to an adjustment of impairment charges of DKK 6m.

### **Portfolio earnings**

Portfolio earnings amounted to DKK 157m in Q1 2025, which was DKK 6m lower than in the same period of 2024.

DLR's securities portfolio is placed primarily in floating-rate mortgage bonds based on a CIBOR rate plus a small premium, as well as in short-term fixed-rate mortgage bonds.

### **Profit and allocation of comprehensive income**

Profit before tax for the period was DKK 384m, which was at the same level as in Q1 2024.

In 2025, the current tax is calculated based on a tax percentage for 2025 of 26 pct., and is calculated at DKK 100m.

Profit for the period after tax is subsequently DKK 284m.

**Balance sheet**

Mortgage lending at fair value amounted to DKK 196.8bn at the end of Q1 2025, which was an increase of DKK 3.2bn relative to the end of 2024.

Bond holdings amounted to DKK 31.1bn (note 14). Of this amount, the portfolio of DLR bonds amounted to DKK 20.9bn, which is netted in "Issued bonds at fair value", while DKK 10.2bn was attributable to positions in government securities and other mortgage bonds.

In addition to the bond holding of DKK 31.1bn, DLR held other securities in the form of receivables for DKK 2.4bn with central banks and credit institutions and interest receivable on the bond portfolio. The total securities portfolio subsequently amounted to DKK 33.5bn (gross) at the end of Q1 2025.

Of the total securities amount, temporary liquidity in connection with mortgage lending activity comprised DKK 8.5bn, leaving the investment holding at DKK 25.0bn.

DLR's total assets stood at DKK 209.9bn at the end of Q1 2025.

# Capital and solvency

DLR's capital and solvency figures at the end of Q1 2025 are shown in the table below.

	31-Mar 2025	31-Dec 2024
<b>Capital and solvency (DKKm)</b>		
Equity	17,906	17,622
Result etc. that cannot be recognized in core capital	-284	0
Proposed dividends on shares owned by parties other than DLR	-750	-750
Deduction of bond holdings secured by own shares	-295	-290
Deductions as a consequence of prudent valuation	-24	-23
Deductions as a consequence of non-performing exposures	-30	-24
Difference between expected losses and impairment losses	-145	-63
<b>Common equity tier 1 capital</b>	<b>16,377</b>	<b>16,471</b>
Subordinated capital (tier 2 capital)	1,733	1,694
Deductions from tier 2 capital	0	0
<b>Own funds</b>	<b>18,110</b>	<b>18,165</b>
Risk-weighted exposure with credit risk etc.	69,905	70,210
Risk-weighted exposure with market risk	2,394	2,911
Risk-weighted exposure with operational risk	4,797	3,460
<b>Total risk-weighted exposure</b>	<b>77,097</b>	<b>76,581</b>
<b>Common equity tier 1 capital ratio</b>	<b>21.2%</b>	<b>21.5%</b>
<b>Total capital ratio</b>	<b>23.5%</b>	<b>23.7%</b>

The capital ratio was calculated according to the CRR3 rules at the end of Q1, while the figures for 2024 were calculated according to the CRR2 rules. This has affected both the calculation of own funds and the weighted risk exposures.

## Own funds

At 31 March 2025, own funds amounted to DKK 18.1bn. The profit for Q1 2025 has not been recognised in own funds because the auditors have not performed a review of the financial statements. The changes compared to end-2024 relate in particular to the line item *Difference between expected losses and impairment losses*, which have increased by DKK 82m. This change concerns the implementation of the CRR3 rules, which have resulted in an increase in the calculation of "expected losses" due to the introduction of minimum LGD.

**Weighted risk exposure**

Weighted risk exposures amounted to DKK 77.1bn at 31 March 2025, which was DKK 0.5bn higher than at year-end 2024.

Weighted exposures with credit risk fell by DKK 0.3bn in Q1 2025, driven by the transition to CRR3. For DLR, the main changes related to the introduction of an LGD floor of 10 pct. and an increase in the conversion factor for loan offers and loan commitments from 20 pct. to 40 pct.

Concurrently with the introduction of CRR3, the Danish FSA has accepted a reduction in a capital add-on imposed on DLR. Overall, the changes have led to a slight reduction in the weighted exposure amounts with credit risk.

Weighted exposures with market risk fell by DKK 0.5bn because a significant part of DLR's securities portfolio is invested in RT short bonds, on which interest is reset at the end of June and December, respectively. This means that the duration is lower after both the Q1 and Q3 compared to after Q2 and Q4.

Weighted risk exposures with operational risk have increased by DKK 1.3bn compared to the end of 2024, partly due to the introduction of CRR3 and the fact that DLR's profit has increased in recent years. The rules stipulate that this increases the risk exposure.

**Capital ratios**

DLR's total capital ratio was 23.5 pct. at 31 March 2025, against 23.7 pct. at year-end 2024.

The common equity tier 1 capital ratio was 21.2 pct., against 21.5 pct. at year-end 2024.

If the profit for Q1 2025 had been recognised, the total capital ratio would have been 23.9 pct., and the common equity tier 1 capital ratio would have been 21.6 pct.

**Capital target**

DLR's capital target for the capital ratio is 21.5 pct., which means that the excess coverage relative to the target is 2 percentage points.

## Risik factors

DLR's credit and market risks are assessed to be limited. This is due to the combination of the regulatory foundation and the defined internal credit and market policy guidelines. To this should be added measures to mitigate losses, including the guarantees and loss-offsetting measures established for DLR's lending areas in accordance with agreements with DLR's partner banks.

For a more detailed description of market risk and credit risk, please see our report on Risk and Capital Management for 2024, which is available on <https://dlr.dk/investor/regnskaber-rapporter/>.

### **Arrears and forced sales**

At 31 March 2025, outstanding mortgage payments amounted to DKK 59m, against DKK 58m at year-end 2024. Of the amount in arrears, the bulk stems from mortgage payments that are less than 3½ months overdue.

DLR recorded a loss on four properties in Q1 2025, against one in the same period of 2024. The loss on the four loss-making properties amounted to a total of around DKK 1.9m.

DLR had one repossessed property at 31 March 2025, against zero properties at 31 March 2024.

## Outlook for 2025

In its Annual Report 2024, DLR guided for core earnings before impairment in the order of DKK 950m – 1,050m and a pre-tax profit of around DKK 1,300 – 1,500m for the full-year 2025.

The above guidance is unchanged at the end of Q1 2025

## Accounting policies

DLR's interim report has been prepared in accordance with legislative requirements, including the Danish Financial Business Act and the provisions of the Danish Financial Supervisory Authority on financial reports of mortgage credit institutions and the requirements of Nasdaq Copenhagen as regards the financial statements of issuers of listed bonds.

The accounting policies are consistent with those applied in Annual Report 2024.

The financial statements have neither been audited nor reviewed.

## Events after the balance sheet date

No events occurred after the reporting date that would change the income statement or balance sheet in the interim report.

## Additional information

For further information on DLR, please refer to <https://dlr.dk/investor/regnskaber-rapporter/>, where the Annual Report 2024 and DLR's Risk and Capital Management Report, etc. are available for download.

You will also find further information here on DLR's cover pools and ratings.

# Contacts

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# Financial statements Q1 2025

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## Income statement and statement of comprehensive income (DKKm)

Note		Q1 2025	Q1 2024
1	Interest income	1,732	1,981
2	Interest expenses	-1,129	-1,345
	<b>Net interest income</b>	<b>604</b>	<b>636</b>
	Share dividends etc.	0	0
	Fees and commission income	53	39
	Fees and commission paid	-205	-199
	<b>Net interest and fee income</b>	<b>451</b>	<b>476</b>
3	Market value adjustments	49	13
	Other operating income	1	0
4-5	Staff costs and administrative expenses	-109	-94
	Depreciation and impairment of property, plant and equipment	-1	-1
	Other operating expenses	0	-5
6	Impairment of loans, advances, receivables, etc.	-7	-5
	<b>Profit before tax</b>	<b>384</b>	<b>383</b>
	Tax	-100	-100
	<b>Profit after tax</b>	<b>284</b>	<b>284</b>
	<b>Appropriation of profit</b>		
	Transferred to undistributable reserve	9	17
	Transferred to retained earnings	275	267
	<b>Total amount appropriated</b>	<b>284</b>	<b>284</b>

## Balance sheet

(DKKm)

Note		31-Mar 2025	31-Dec 2024
	<b>Assets</b>		
	Cash balance and demand deposits with central banks	2,105	2,479
7	Due from credit institutions and central banks	169	167
8,10-12	Loans, advances and other receivables at fair value	196,826	193,623
9	Loans, advances and other receivables at amortised cost	3	4
14	Bonds at fair value	10,230	9,630
	Shares etc.	46	46
15	Land and buildings, domicile properties	149	149
	Other property, plant and equipment	5	6
	Leasing assets	0	0
	Current tax assets	16	49
	Assets held temporarily	0	0
16	Other assets	297	369
	Prepayments	35	30
	<b>Total assets</b>	<b>209,882</b>	<b>206,552</b>
	<b>Equity and liabilities</b>		
17	Issued bonds at fair value	183,345	180,677
18	Issued bonds at amortised cost	3,996	3,995
19	Other liabilities	2,871	2,523
	Deferred income	2	3
	<b>Total liabilities</b>	<b>190,214</b>	<b>187,198</b>
	Provisions for deferred tax	29	38
	<b>Total provisions</b>	<b>29</b>	<b>38</b>
	Subordinated debt	1,733	1,694
	<b>Total subordinated debt</b>	<b>1,733</b>	<b>1,694</b>
	Share capital	570	570
	Revaluation reserve	86	86
	Undistributable reserve	2,408	2,399
	Retained earnings etc.	14,842	13,750
	Proposed dividends on shares owned by parties other than DLR	0	750
	Proposed dividends on DLR's holding of treasury shares	0	66
	<b>Total equity</b>	<b>17,906</b>	<b>17,622</b>
	<b>Total equity and liabilities</b>	<b>209,882</b>	<b>206,552</b>
20	<b>Off-balance sheet items</b>		
	Guarantees	0	0
	Contingent liabilities (loan offers, other contingent liabilities, etc.)	12,615	12,068
21	<b>Contingent assets</b>		
	Other contingent assets	0	0

## Statement of changes in equity

(DKKm)

	Share capital <sup>1)</sup>	Revaluation reserve	Undistributable reserve	Proposed dividend <sup>2)</sup>	Retained earnings	Total
<b>2024</b>						
Equity at 1 January	570	86	2,355	816	13,322	17,149
Distributed dividends on shares owned by parties other than DLR	0	0	0	-750	0	-750
Distributed dividends on DLR's holding of treasury shares	0	0	0	-66	66	0
Profit for the year	0	0	44	816	362	1,222
<b>Equity at 31 December</b>	<b>570</b>	<b>86</b>	<b>2,399</b>	<b>816</b>	<b>13,750</b>	<b>17,622</b>
<b>2025</b>						
Equity at 1 January	570	86	2,399	816	13,750	17,622
Distributed dividends on shares owned by parties other than DLR	0	0	0	0	0	0
Distributed dividends on DLR's holding of treasury shares	0	0	0	-66	66	0
Profit for the year	0	0	9	0	275	284
<b>Equity at 31 March</b>	<b>570</b>	<b>86</b>	<b>2,408</b>	<b>750</b>	<b>14,092</b>	<b>17,906</b>

1) The share capital is divided into shares of DKK 1.00 each. The total number of shares is 569,964,023. DLR has only one share class, and all shares carry equal rights. DLR held 46,122,083 (2024: 46,122,083) treasury shares at 31 March 2025, corresponding to a nominal value of DKK 46.1m (2024: DKK 46.1m). The portfolio of treasury shares represents 8.1 pct. (2024: 8.1 pct.) of the total share capital. In addition, there is a portfolio of bonds secured by own shares with a market value of DKK 251m.

2) Proposed dividend is a gross amount of DKK 816m, of which DKK 66m relates to dividends on DLRs own shares. The distribution of dividends to external shareholders will amount to DKK 750m.

## Capital and solvency

(DKKm)

	31-Mar 2025	31-Dec 2024
<b>Capital and solvency (DKKm)</b>		
Equity	17,906	17,622
Result etc. that cannot be recognized in core capital	-284	0
Proposed dividends on shares owned by parties other than DLR	-750	-750
Deduction of bond holdings secured by own shares	-295	-290
Deductions as a consequence of prudent valuation	-24	-23
Deductions as a consequence of non-performing exposures	-30	-24
Difference between expected losses and impairment losses	-145	-63
<b>Common equity tier 1 capital</b>	<b>16,377</b>	<b>16,471</b>
Subordinated capital (tier 2 capital)	1,733	1,694
Deductions from tier 2 capital	0	0
<b>Own funds</b>	<b>18,110</b>	<b>18,165</b>
Risk-weighted exposure with credit risk etc.	69,905	70,210
Risk-weighted exposure with market risk	2,394	2,911
Risk-weighted exposure with operational risk	4,797	3,460
<b>Total risk-weighted exposure</b>	<b>77,097</b>	<b>76,581</b>
<b>Common equity tier 1 capital ratio</b>	<b>21.2%</b>	<b>21.5%</b>
<b>Total capital ratio</b>	<b>23.5%</b>	<b>23.7%</b>
<b>Statement of excess capital adequacy</b>		
Own funds after deductions	18,110	18,165
Capital adequacy	-7,161	-7,133
SIFI buffer	-771	-766
Capital conservation buffer	-1,927	-1,915
Countercyclical buffer	-1,927	-1,915
Systemic buffer Denmark (property companies)	-1,145	-943
Systemic buffer Faroe Islands	-8	-15
Reserved debt buffer	0	0
<b>Excess capital adequacy</b>	<b>5,170</b>	<b>5,480</b>

# Notes

## **Notes - Income statement**

- 1 Interest income
- 2 Interest expenses
- 3 Market value adjustments
- 4 Staff costs and administrative expenses
- 5 Remuneration for members of the Executive Board
- 6 Impairment of loans, advances, receivables, etc.

## **Notes - Assets**

- 7 Due from credit institutions and central banks
- 8 Loans, advances and other receivables at fair value
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- 13 Impairment - other financial assets
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- 15 Land and buildings - domicile properties
- 16 Other assets

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- 18 Issued bonds at amortised cost
- 19 Other liabilities
- 20 Off-balance sheet items - guarantees etc.
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## **Notes Other notes**

- 24 Reconciliation of income statement for "core and portfolio earnings" against "official statements" 2025
- 25 Supervisory diamond for mortgage credit institutions

## Income statement

(DKKm)

Note		Q1	Q1
1	Interest income	2025	2024
	Due from credit institutions and central banks	2	4
	Positive interest loans and advances	1,153	1,406
	Contributions	501	489
	Bonds	149	195
	Other interest income	22	21
	<b>Total</b>	<b>1,827</b>	<b>2,114</b>
	Interest on own mortgage bonds offset against interest on issued bonds	-95	-134
	<b>Total</b>	<b>1,732</b>	<b>1,981</b>
	Of which interest income from reverse repo transactions	0	0

Interest income increased in 2024 due to higher average interest rates in 2024. As a consequence of DLR's mortgage loans at fair value being granted under the specific balance principle (match funding), the increased interest income from mortgage loans at fair value is offset by a corresponding rise in interest expenses on issued bonds at fair value. See note 2.

2	Interest expenses	Q1	Q1
		2025	2024
	Credit institutions and central banks	0	0
	Issued bonds at fair value	-1,151	-1,404
	Issued bonds at amortised cost	-42	-51
	Subordinated debt	-26	-24
	Other interest expenses	-4	0
	<b>Total</b>	<b>-1,224</b>	<b>-1,479</b>
	Interest on own mortgage bonds offset against interest on issued bonds	95	134
	<b>Total</b>	<b>-1,129</b>	<b>-1,345</b>
	Of which interest expenses on repo transactions	0	0

DLR has not issued mortgage loans with reserve fund shares.

Interest expenses have increased in 2024 due to higher average interest rates in 2024. As a consequence of DLR's issued bonds at fair value being granted under the specific balance principle (match funding), the increased interest expense on bonds at fair value is offset by a corresponding rise in interest income from loans at fair value, see note 1.

Note		Q1	Q1
3	Market value adjustments	2025	2024
	Mortgage loans *	-250	-87
	Bonds	39	3
	Shares etc.	0	0
	Foreign currency	4	0
	Derivative financial instruments **	5	9
	Other assets	0	0
	Issued mortgage bonds *	250	86
	<b>Total</b>	<b>49</b>	<b>13</b>

\* DLR's Mortgage loans and the corresponding Issued mortgage bonds are granted under the specific balance principle. According to the Danish Financial Supervisory Authority's executive order on the presentation of financial statements, both the mortgage loan and the issued mortgage bonds must be measured at fair value. The fair value of these items is calculated based on the bond prices of the listed bonds. This means that value adjustment of mortgage loans and issued bonds can each represent relatively high amounts, but the application of the specific balance principle, however, means that the net value adjustment of mortgage loans and issued bonds will be close to DKK 0.

\*\* Value adjustments of derivative financial instruments mainly relate to value adjustments on forward sales in connection with refinancing auctions. As the refinancing transaction is fully hedged, there was a corresponding negative value adjustment on bonds, so that the net effect of refinancing is DKK 0.

		Q1	Q1
4	Staff costs and administrative expenses	2025	2024
	Staff costs:		
	Salaries	-58	-52
	Pension costs	-5	-5
	Social security costs	-9	-8
	<b>Total</b>	<b>-73</b>	<b>-65</b>
	Other administrative expenses:		
	IT expenses	-14	-14
	Audit, financial supervision and industry association	-4	-2
	Other expenses	-18	-13
	<b>Total</b>	<b>-36</b>	<b>-29</b>
	<b>Total staff costs and administrative expenses</b>	<b>-109</b>	<b>-94</b>

DLRs remuneration policy is available at [www.dlr.dk/om os/Governance](http://www.dlr.dk/om%20os/Governance).

In addition to the above-mentioned expenses of DKK 109m, depreciation was charged on various assets (separate accounting item) after which expenses for staff, administration and depreciation amounted to DKK 110m in Q1 2025 and DKK 95m in Q1 2024.



<b>Note</b>		<b>Q1</b>	<b>Q1</b>
<b>5</b>	<b>Remuneration for members of the Executive Board</b>	<b>2025</b>	<b>2024</b>
	Fixed remuneration	2.1	2.1
	Variable remuneration	0.0	0.0
	<b>Total</b>	<b>2.1</b>	<b>2.1</b>
	Number of members of the executive management	2	2

		<b>Q1</b>	<b>Q1</b>
<b>6</b>	<b>Impairment of loans, advances, receivables, etc.</b>	<b>2025</b>	<b>2024</b>
	Losses in the period	-2	-1
	Amounts received on claims previously written off	0	0
	Adjustment of acquired properties	0	0
	Impairment losses in the period	-82	-34
	Reversal of impairment losses	76	29
	Losses offset against commission payments to banks	1	1
	<b>Total</b>	<b>-7</b>	<b>-5</b>

## Assets

(DKKm)

Note		31-Mar 2025	31-Dec 2024
<b>7</b>	<b>Due from credit institutions and central banks</b>		
	Due from credit institutions	169	167
	<b>Total amount due from credit institutions and central banks</b>	<b>169</b>	<b>167</b>

DLR did not enter into any reverse repo transactions in 2025 or 2024.

		31-Mar 2025	31-Dec 2024
<b>8</b>	<b>Loans, advances and other receivables at fair value</b>		
	Mortgage loans, nominal value	202,641	199,181
	Adjustment to fair value of underlying bonds *	-5,482	-5,232
	Adjustment for credit risk	-387	-380
	<b>Mortgage loans at fair value</b>	<b>196,771</b>	<b>193,569</b>
	Arrears before impairment losses	59	58
	Other loans and outlays before impairment losses	-1	0
	Impairment losses on arrears and outlays	-4	-5
	<b>Total</b>	<b>196,826</b>	<b>193,623</b>

\* DLR's mortgage loans and the corresponding issued mortgage bonds are granted under the specific balance principle. Pursuant to the Danish FSA's executive order on the presentation of financial statements, the mortgage loan (assets) and the issued mortgage bonds (liability) must be measured at fair value. The fair value of these items is calculated on the basis of the prices of the listed issued bonds. However, the use of the specific balance principle means the net effect was close to DKK 0 in all financial periods.

		31-Mar 2025	31-Dec 2024
<b>9</b>	<b>Loans, advances and other receivables at amortised cost</b>		
	Loans and advances	4	4
	Adjustment for credit risk	0	0
	<b>Total</b>	<b>3</b>	<b>4</b>

Note		31-Mar	31-Dec
		2025	2024
<b>10</b>	<b>Mortgage loans (nominal value) by property category</b>		
	Owner-occupied dwellings	4.6%	5.8%
	Recreational dwellings	0.4%	0.4%
	Subsidised rental housing properties	0.0%	0.0%
	Co-operative housing	1.9%	2.0%
	Private rental housing properties	22.9%	22.9%
	Properties for manufacturing and manual industries	1.5%	1.1%
	Office and business properties	18.2%	17.1%
	Agricultural properties	49.6%	50.0%
	Properties for social, cultural and educational purposes	0.8%	0.8%
	Other properties	0.0%	0.0%
	<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>11</b>	<b>Number of loans - end of period</b>	31-Mar	31-Dec
		2025	2024
	Number of loans - end of period	74,040	73,715

**Note****12 Impairment losses by stage**

<b>Impairment of loans and advances at fair value and amortised cost</b>	<b>31 March 2025</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Specification of impairment losses at the end of the period:				
Loans and advances in stage 1 at beginning of year	40	35	0	<b>75</b>
Loans and advances in stage 2 at beginning of year	1	55	11	<b>67</b>
Loans and advances in stage 3 at beginning of year	0	1	53	<b>54</b>
New loans and advances	6	1	3	<b>9</b>
Management estimate	162	23	1	186
<b>Total</b>	<b>208</b>	<b>115</b>	<b>68</b>	<b>391</b>

DLR's total impairment losses at the end of 2025 consisted of individual impairment losses of DKK 53m, model calculated impairment losses of DKK 152m and a management overlay of DKK 186m. In the accounting policies section of the 2024 annual report, a more detailed explanation was provided of the methods used to determine the impairments.

Management judgment must consider factors that may not be captured by either individual or model-based impairment calculations. In this context, DLR conducts a review of the loan portfolio, including both the various production branches within agricultural properties and the different segments of commercial properties. Overall, DLR's portfolio is assessed to be relatively robust, and the level of arrears remains very low.

However, management considers that significant uncertainty still exists, and that this may entail a higher risk of loss than is reflected in the individual and model-based impairments. In this context, historical loss data going back to the financial crisis has been considered, and scenario analyses have been performed in relation to the risks of storm surges and cloudbursts, as well as uncertainty regarding the implementation of the "Agreement on a Green Denmark". For a detailed description of the methods, reference is made to DLR's 2024 annual report, note 50 (Applied Accounting Policies).

<b>Impairment of loans and advances at fair value and amortised cost</b>	<b>31 December 2024</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Specification of impairment losses at year-end:				
Loans and advances in stage 1 at beginning of year	23	29	1	<b>53</b>
Loans and advances in stage 2 at beginning of year	2	24	23	<b>49</b>
Loans and advances in stage 3 at beginning of year	0	0	39	<b>39</b>
New loans and advances	14	13	0	<b>27</b>
Management estimate	193	23	1	217
<b>Total</b>	<b>232</b>	<b>89</b>	<b>64</b>	<b>385</b>

DLR's total impairment losses at the end of 2024 consisted of individual impairment losses of DKK 72m, modelled impairment losses of DKK 58m and a management overlay of DKK 243m. In the accounting policies section of Annual Report 2024, the methods that form the basis for calculating the impairment losses are explained in more detail.

No loans, advances or other receivables were credit-impaired on initial recognition in 2024 or 2025. Impairment losses on loans and advances at fair value and impairment losses on loans and advances at amortised cost have been aggregated as the amount of impairment of loans and advances at amortised cost represents less than 1 pct. of the total impairment loss.

## Note

### 13 Impairment - other financial assets

	31 March 2025			Total
	Stage 1	Stage 2	Stage 3	
Impairment of cash and demand deposits with central banks	0	0	0	0
Impairment of receivables with credit institutions and central banks	0	0	0	0

All assets in the above table have been classified as stage 1, meaning that impairment losses of less than DKK 0.5m have been recognised. This was also the case at 1 January 2025.

	31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
Impairment of cash and demand deposits with central banks	0	0	0	0
Impairment of receivables with credit institutions and central banks	0	0	0	0

No other financial assets were credit-impaired on initial recognition in 2024 or 2025.

<b>Note</b>		<b>31-Mar</b>	<b>31-Dec</b>
<b>14</b>	<b>Bonds at fair value</b>	<b>2025</b>	<b>2024</b>
	Own mortgage bonds	20,884	21,384
	Other mortgage bonds	9,251	8,678
	Government bonds	979	952
	<b>Bonds - gross</b>	<b>31,114</b>	<b>31,013</b>
	Own mortgage bonds offset against issued bonds	-20,884	-21,384
	<b>Total</b>	<b>10,230</b>	<b>9,630</b>

		<b>31-Mar</b>	<b>31-Dec</b>
<b>15</b>	<b>Land and buildings - domicile properties</b>	<b>2025</b>	<b>2024</b>
	Fair value, beginning of year	149.5	150.0
	Additions during the year	0.0	0.0
	Depreciation	-0.1	-0.5
	Value changes recognised in other comprehensive income	0.0	0.0
	<b>Fair value, end of year</b>	<b>149.4</b>	<b>149.5</b>

Domicile properties are valued on an annual basis by DLR's in-house valuation expert, who specialises in commercial property valuation.

		<b>31-Mar</b>	<b>31-Dec</b>
<b>16</b>	<b>Other assets</b>	<b>2025</b>	<b>2024</b>
	Positive market value of derivative financial instruments etc.	9	4
	Interest and commission receivable	85	96
	Other receivables	203	268
	<b>Total</b>	<b>297</b>	<b>369</b>

Positive market value of derivative financial instruments consists of forward transactions and market value adjustment of pre-issued bonds with a positive market value. These transactions are a direct consequence of DLR's refinancing of mortgage loans.

## Equity and liabilities

(DKKm)

Note		31-Mar 2025	31-Dec 2024
<b>17</b>	<b>Issued bonds at fair value *</b>		
	Mortgage bonds - nominal value	209,857	207,377
	Fair value adjustment	-5,627	-5,316
	<b>Issued bonds - gross</b>	<b>204,229</b>	<b>202,061</b>
	Offsetting of own mortgage bonds - fair value	-20,884	-21,384
	<b>Total</b>	<b>183,345</b>	<b>180,677</b>
	Of which pre-issued, market value	3,150	4,349
	Cash value of bonds drawn for redemption at next repayment date (settlement price)	1,645	1,586

\* DLR's mortgage loans and the corresponding issued mortgage bonds are granted in accordance with the specific balance principle.

Both the mortgage loan and the issued mortgage bonds (balance principle) must, according to the Dansih FSA's accounting executive order, be measured at fair value. The fair value of these items is calculated on the market prices of the listed issued bonds. The net impact of the balance principle is disclosed in note 3 and amounts to DKK 0m in Q1 2025.

		31-Mar 2025	31-Dec 2024
<b>18</b>	<b>Issued bonds at amortised cost</b>		
	Issues in connection with senior debt	3,996	3,995
	Offsetting of own bonds	0	0
	<b>Total</b>	<b>3,996</b>	<b>3,995</b>

<b>Note</b>		<b>31-Mar</b>	<b>31-Dec</b>
<b>19</b>	<b>Other liabilities</b>	<b>2025</b>	<b>2024</b>
	Negative market value of derivative financial instruments etc.	8	3
	Interest and commission payable	2,349	2,351
	Other liabilities	515	170
	<b>Total</b>	<b>2,871</b>	<b>2,523</b>

Negative fair value of derivative financial instruments consists of forward transactions and value adjustments on pre-issued bonds with a negative fair value. Other liabilities include a wide range of items, of which DKK 425m relates to loan cases under processing.

		<b>31-Mar</b>	<b>31-Dec</b>
<b>20</b>	<b>Off-balance sheet items - guarantees etc.</b>	<b>2025</b>	<b>2024</b>
	Financial guarantees	0.2	0.2
	<b>Total</b>	<b>0.2</b>	<b>0.2</b>
	<b>Other contingent liabilities</b>		
	Irrevocable credit commitments (loan offers)	12,615	12,068
	<b>Total</b>	<b>12,615</b>	<b>12,068</b>

In addition to the above guarantees and contingent liabilities, DLR's bond portfolio is used as intraday collateral in connection with settlement of interest and drawings on DLR's outstanding bonds. This is not expected to entail an outflow of DLRs financial resources.

<b>Note</b>	
<b>21</b>	<b>Contingent assets</b>

Loss set-off agreements have been established between DLR and the loan-mediating shareholder banks, under which DLR may offset any loss incurred against commission payable to the banks. Set-off can be made for a number of years, which means that DLR is expected to be able to offset any losses against future commission to the extent that impairment losses on exposures materialise as actual losses.



## Key figures and financial ratios

(DKK m)

Note						
22	Key figures Q1	2025	2024	2023	2022	2021
	<b>Income statement</b>					
	Net interest and fee income	451	476	433	359	352
	Other operating income etc.	1	0	0	4	6
	Staff costs and administrative expenses etc.	-110	-100	-92	-88	-82
	<b>Earnings</b>	<b>342</b>	<b>376</b>	<b>341</b>	<b>275</b>	<b>276</b>
	Impairment of loans, advances and receivables	-7	-5	0	-8	30
	Market value adjustments	49	13	69	-71	-48
	<b>Profit before tax</b>	<b>384</b>	<b>383</b>	<b>411</b>	<b>197</b>	<b>258</b>
	<b>Profit after tax</b>	<b>284</b>	<b>284</b>	<b>308</b>	<b>153</b>	<b>201</b>
	<b>Balance</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>Assets</b>					
	Loans and advances	196,829	184,247	173,036	171,699	168,332
	Bonds, shares, etc.	10,276	8,980	10,174	6,754	11,227
	Other assets	2,776	3,523	2,999	2,612	2,466
	<b>Total assets</b>	<b>209,882</b>	<b>196,750</b>	<b>186,209</b>	<b>181,065</b>	<b>182,024</b>
	<b>Equity and liabilities</b>					
	Issued bonds	187,341	175,268	166,380	162,802	164,847
	Other liabilities	2,902	2,750	2,432	1,739	1,494
	Subordinated debt	1,733	1,299	1,298	1,300	1,300
	Equity	17,906	17,433	16,099	15,224	14,384
	<b>Total equity and liabilities</b>	<b>209,882</b>	<b>196,750</b>	<b>186,209</b>	<b>181,065</b>	<b>182,024</b>

Note						
23	Financial ratios Q1	2025	2024	2023	2022	2021
	<b>Return on equity</b>					
	Profit before tax in per cent of equity *	2.2	2.2	2.6	1.3	1.8
	Profit after tax in per cent of equity *	1.6	1.6	1.9	1.0	1.4
	<b>Return on capital employed</b>					
	Return on capital employed *	0.1	0.1	0.2	0.1	0.1
	<b>Costs</b>					
	Costs in per cent of loan portfolio	0.1	0.1	0.1	0.1	0.1
	Income/cost ratio *	4.3	4.7	5.5	3.0	6.0
	Income/cost ratio, excl. impairment losses	4.5	4.9	5.5	3.3	3.8
	<b>Solvency</b>					
	Total capital ratio *	23.5	24.0	24.1	20.4	18.5
	Tier 1 capital ratio *	21.2	22.2	22.3	18.7	16.9
	Common equity tier 1 capital ratio *	21.2	22.2	22.3	18.7	16.9
	<b>Arrears and impairment losses</b>					
	Arrears, end of period (DKKm)	59	74	66	62	68
	Impairment ratio for the period *	0.00	0.00	0.00	0.00	-0.02
	Accumulated impairment ratio	0.19	0.20	0.21	0.23	0.27
	<b>Lending activity</b>					
	Growth in loan portfolio, per cent (nominal) *	1.7	1.2	1.0	1.0	2.1
	New loans, gross (DKKm)	8,917	7,155	7,191	10,546	9,790
	Number of new loans	2,004	1,686	1,917	2,986	4,481
	Loan/equity ratio *	11.0	10.6	10.7	11.3	11.7
	<b>Margins</b>					
	Profit before tax	0.19	0.20	0.22	0.11	0.16
	Administration margin income	0.25	0.26	0.26	0.26	0.27
	Foreign exchange position as a percentage of tier 1 capital after deductions	1.2	2.1	2.1	1.4	1.8

\* The financial ratios have been calculated in accordance with the definitions of the Danish Financial Supervisory Authority.

## Other notes

(DKKm)

### Note

#### 24 Reconciliation of income statement for "core and portfolio earnings" against "official statements" 2025

	Coreear- nings	Portfolio earnings	Total
Interest income	1,581	151	1,732
Interest expenses	-1,085	-43	-1,129
<b>Net interest income</b>	<b>496</b>	<b>108</b>	<b>604</b>
Share dividends etc.	0		0
Fees and commission received	53		53
Fees and commission paid	-205		-205
<b>Net interest and fee income</b>	<b>343</b>	<b>108</b>	<b>451</b>
Market value adjustments	0	49	49
Other operating income	1		1
Staff costs and administrative expenses	-109		-109
Depreciation and impairment of property, plant and equipment	-1		-1
Other operating expenses	0		0
Impairment of loans, advances, receivables, etc.	-7		-7
<b>Profit before tax</b>	<b>228</b>	<b>157</b>	<b>384</b>
Tax	-59	-41	-100
<b>Profit after tax</b>	<b>168</b>	<b>116</b>	<b>284</b>

Interest income from portfolio earnings represents net earnings that only includes the part of the bond yield that corresponds to a return in addition to an internal net interest rate. This cannot directly be reconciled with note 1.

## Note

25	Supervisory diamond for mortgage credit institutions	End of Q1 2025	End of Q4 2024	Threshold
	<b>1. Lending growth</b>			
	Private homeowners	0.1	3.1	<15%
	Residential rental property	8.5	7.9	<15%
	Agriculture	4.2	3.9	<15%
	Other business lending	5.7	5.9	<15%
	<b>2. Borrower interest-rate risk</b>	21.7	22.1	<25%
	<b>3. Interest-only lending to private home owners</b>	1.0	1.1	<10%
	<b>4. Loans with short-term funding (quarterly) *</b>			
	Q2 2024	6.5	0.2	<12,5%
	Q3 2024	2.6	6.5	<12,5%
	Q4 2024	2.2	2.6	<12,5%
	Q1 2025	1.6	2.2	<12,5%
	<b>Loans with short-term funding annually</b>	<b>12.4</b>	<b>11.3</b>	<b>&lt;25%</b>
	<b>5. Large exposures</b>	52.8	49.6	< 100%

\*The percentage for the individual quarters is calculated on the basis of the quarter-end portfolio, while the annual percentage is calculated on the portfolio at the end of Q1 2025. The percentage for the year therefore does not agree with the sum of the percentage in the individual quarters.

# Management's statement

The Board of Directors and Executive Board have today reviewed and approved the interim report for the period 1 January – 31 March 2025 for DLR Kredit A/S.

The interim report has been prepared in accordance with legal requirements, including the Financial Business Act and the accounting regulations of the Danish Financial Supervisory Authority for mortgage credit institutions, as well as the requirements that Nasdaq Copenhagen imposes on the financial reporting of issuers of listed bonds.

In our opinion, the management's report provides a fair and accurate account of the matters covered in the report, as well as a description of the principal risks and uncertainties that DLR may be affected by.

We consider the chosen accounting policies to be appropriate, ensuring that the interim financial statements give a true and fair view of the DLR's assets, liabilities, and financial position as of 31 March 2025, as well as the results of DLR's activities for the period 1 January – 31 March 2025. The financial statements have not been subject to audit or review by DLR's auditor.

Copenhagen, 29 April 2025

## Executive Board

Jens Kr. A. Møller  
*Managing Director & CEO*

Pernille Lohmann  
*Managing Director*

## Board of Directors

Vagn Hansen  
*Chairman*

Stig Westergaard  
*Vice Chairman*

Claus Andersen

Ole Beith

Frank Mortensen

Lars Petersson

Jakob G. Hald

Lars Faber

Randi Holm Franke

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