

Interim report
H1 2025

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DLR Kredit

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.

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. DLR has been designated a SIFI (Systemically Important Financial Institution) since the first SIFI designations in Denmark in 2014.

Financial highlights¹

	H1 2025	H1 2024	Ratio 25/24	Q2 2025	Q1 2025	Q4 2024
Income statement, DKKm						
Administration margin income	1,015	980	104	514	501	496
Other core income, net	55	41	134	27	28	27
Interest expenses, senior debt and subordinated debt	-67	-54	124	-35	-32	-31
Fee and commission income, net	-292	-298	98	-139	-153	-151
Core income (mortgage credit income)	712	669	106	367	344	339
Staff costs and administrative expenses, etc.	-208	-190	110	-98	-110	-118
Other operating expenses	-1	-8	7	-1	0	-4
Results from core activities	503	471	107	269	234	217
Provision for loan and receivable impairment, etc.	-13	-26	52	-7	-7	-8
Portfolio earnings	281	345	81	124	157	127
Profit before tax	771	791	97	387	384	340
Profit after tax	571	585	98	288	284	249

	H1 2025	H1 2024	Ratio 25/24	Q2 2025	Q1 2025	Q4 2024
Balance Sheet at 30 June						
Assets						
Loans and advances	200,369	186,339	108	200,369	196,829	193,627
Bonds and shares	8,947	7,826	114	8,947	10,276	9,676
Other assets	3,703	3,515	105	3,703	2,776	3,249
Total assets	213,019	197,680	108	213,019	209,882	206,552
Liabilities and equity						
Issued bonds	191,675	177,274	108	191,675	187,341	184,672
Other debt and payables	2,186	2,122	103	2,186	2,902	2,564
Subordinated debt	1,715	1,299	132	1,715	1,733	1,694
Equity	17,443	16,985	103	17,443	17,906	17,622
Total liabilities and equity	213,019	197,680	108	213,019	209,882	206,552

¹ 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.

Financial ratios *	H1 2025	H1 2024	Q2 2025	Q1 2025	Q4 2024
Return on equity (ROE)					
Profit before tax in pc of equity *	4.4%	4.6%	2.2%	2.2%	1.9%
Profit after tax in pc of equity *	3.3%	3.4%	1.7%	1.6%	1.4%
Solvency					
Capital ratio **	23.1%	23.7%	23.1%	23.5%	23.7%
Lending Activity					
Growth in loan portfolio, pc (nominel) *	3.4%	2.4%	1.7%	1.7%	2.0%
New loans, gross (DKKm)	17,454	13,528	8,537	8,917	8,906

* 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 H1 has been calculated without taking into account the period's result, as the accounts have not been subject to an audit review.

H1 2025 - Highlights

- DLR generated administration margin income of DKK 1,015m in H1 2025
- Pre-tax profit amounted to DKK 771m
- Profit was positively impacted by portfolio earnings of DKK 281m
- Gross lending activities amounted to DKK 17.5bn in H1 2025, which is DKK 3.9bn higher than in H1 2024
- Net lending amounted to DKK 6.8bn (nominal value) in H1 2025, against DKK 4.6bn 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 half of 2025:

In the first half of 2025, DLR generated a pre-tax profit of DKK 771m, which is satisfactory. The profit for the period is supported by higher core earnings compared with the year-earlier period, persistently low impairment losses and satisfactory portfolio earnings in spite of the lower level of interest rates. Overall, financial performance in H1 2025 was satisfactory.

Lending activity in the period was also satisfactory. Gross lending was DKK 17.5bn, while net lending amounted to DKK 6.8bn. By comparison, gross and net lending amounted to DKK 13.5bn and DKK 4.6bn, respectively, in H1 2024. The increasing lending activity testifies to the strength of the cooperation between the banks and DLR. The strong growth in lending is broadly based and was recorded in all of DLR's main lending areas; agriculture, residential rental and office and retail properties.

Core income rose to DKK 712m from DKK 669m in the same period last year. Growth was primarily driven by administration margin income resulting from higher lending volumes, while fee income also grew in line with the increase in lending activity.

Losses and impairment losses amounted to DKK 13m, against DKK 26m in the same period last year. DLR's customers continue to experience satisfactory earnings with good terms of trade in agriculture and low vacancy rates for office and retail properties and residential rental properties. The financial uncertainty that has arisen internationally has not directly affected DLR's customers. However, it cannot be ruled out that the turmoil will result in an economic downturn in Denmark as well, which could affect DLR's customers. However, DLR believes that its customers are generally well equipped to withstand a potential economic downturn.

Portfolio earnings reached DKK 281m in H1 2025, against DKK 345m in the same period last year. The development in portfolio earnings can solely be attributed to overall interest rate developments, with lower inflation resulting in lower interest rates. DLR expects that an unchanged to declining level of interest rates will put further pressure on portfolio earnings in the remaining part of the year.

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 as well as the risk of an economic slowdown. Counteracting this are expectations of sustained lending growth and the financial robustness of DLR's customers.

Jens Kr. A. Møller

CEO



Comments on the result for H1 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 H1 2025 is set out below:

Income statement, DKKm	H1 2025	H1 2024
Administration margin income	1,015	980
Other core income, net	55	41
Interest expenses subordinated debt	-30	-22
Interest expenses senior debt	-37	-32
Fee and commission income, net	123	99
Fee and commission income, loan intermediaries	-403	-386
Fee and commission income, other	-12	-10
Core income (mortgage credit income)	712	669
Staff costs and pensions expenses	-142	-132
Administrative expenses	-66	-57
Other operating expenses	-1	-8
Results from core activities	503	471
Provision for loan and receivable impairment, etc.	-13	-26
Portfolio earnings (securities)	281	345
Profit before tax	771	791
Tax	-200	-206
Profit after tax	571	585

Core earnings

Administration margin income amounted to DKK 1,015m, an increase of DKK 35m 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 55m in H1 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 123m, which was DKK 24m 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 403m, which was DKK 17m higher than in the year-earlier period. In addition, various other commission expenses amounted to DKK 12m.

This brought core income to DKK 712m, an increase of DKK 43m relative to the same period of 2024.

Staff costs and administrative expenses, etc. amounted to DKK 142m, which is DKK 10m 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 1m in H1 2025, against an expense of DKK 8m in 2024.

Impairment on loans, advances and receivables (profit impact) amounted to an expense of DKK 13m, against an expense of DKK 26m in the same period of 2024. The negative impact was primarily due to an adjustment of impairment charges of DKK 13m.

Portfolio earnings

Portfolio earnings amounted to DKK 281m in H1 2025, which was DKK 64m 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 771m, which was 20m lower than in the same period of 2024.

In 2025, the current tax is calculated based on a tax percentage for 2025 of 26 pct. and is calculated at DKK 200m.

Profit for the period after tax is subsequently DKK 571 m.

Balance sheet

Mortgage lending at fair value amounted to DKK 200.4bn at the end of H1 2025, which was an increase of DKK 6.7bn relative to the end of 2024.

Bond holdings amounted to DKK 39.6bn (note 14). Of this amount, the portfolio of DLR bonds amounted to DKK 30.7bn, which is netted in "Issued bonds at fair value", while DKK 8.9bn was attributable to positions in government securities and other mortgage bonds.

In addition to the bond holding of DKK 39.6bn, DLR held other securities in the form of receivables for DKK 3.3bn with central banks and credit institutions and interest receivable on the bond portfolio. The total securities portfolio subsequently amounted to DKK 42.9bn (gross) at the end of H1 2025.

DLR applies the balance principle, ensuring that there is at all times a match between the mortgage loans granted and the mortgage bonds issued. The difference between the two balance sheet items relates to temporary positions, primarily arising from refinancing, redemptions, scheduled repayments, and forward rate agreements.

DLR's total assets amounted at DKK 213.0bn at the end of H1 2025.

Capital and solvency

DLR's capital and solvency figures at the end of H1 2025 are shown in the table below.

	30-Jun 2025	31-Dec 2024
Capital and solvency (DKKm)		
Equity	17,443	17,622
Result etc. that cannot be recognized in core capital	-571	0
Proposed dividends on shares owned by parties other than DLR	0	-750
Deduction of bond holdings secured by own shares	-287	-290
Deductions as a consequence of prudent valuation	-25	-23
Deductions as a consequence of non-performing exposures	-30	-24
Difference between expected losses and impairment losses	-143	-63
Common equity tier 1 capital	16,386	16,471
Subordinated capital (tier 2 capital)	1,715	1,694
Own funds	18,101	18,165
Risk-weighted exposure with credit risk etc.	70,964	70,210
Risk-weighted exposure with market risk	2,564	2,911
Risk-weighted exposure with operational risk	4,797	3,460
Total risk-weighted exposure	78,325	76,581
Common equity tier 1 capital ratio	20.9%	21.5%
Total capital ratio	23.1%	23.7%

The capital ratio was calculated according to the CRR3 rules at the end of H1, while the figures for 2024 were calculated according to the CRR rules. This has affected both the calculation of own funds and the weighted risk exposures.

Own funds

At 30 June 2025, own funds amounted to DKK 18.1bn. The profit for H1 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 80m. 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 78.3bn at 30 June 2025, which was DKK 1.7bn higher than at year-end 2024.

Weighted exposures with credit risk increased by DKK 0.7bn in H1 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.

The introduction of CRR3 has increased DLR's IRB risk weights concerning matters that have previously been addressed with a capital add-on. On this basis, and with the Danish FSA's approval, a reduction has been made to the capital add-on that had been imposed on DLR. Overall, the changes have led to a slight reduction in the weighted exposure amounts with credit risk.

The combination of these CRR3 changes (declining REA) and a growing loan portfolio resulted in risk-weighted exposures increasing by DKK 0.7m in H12025.

Weighted exposures with market risk fell by DKK 0.3bn, driven by a change in the composition of the bond portfolio, resulting in a slightly shorter duration.

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 23.1 pct. at 30 June 2025, against 23.7 pct. at year-end 2024.

The common equity tier 1 capital ratio was 20.9 pct., against 21.5 pct. at year-end 2024.

If the profit for H1 2025 had been recognised, the total capital ratio would have been 23.8 pct., and the common equity tier 1 capital ratio would have been 21.7 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 1.6 percentage points.

Risk 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 30 June 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 6 properties in H1 2025, against 11 in the same period of 2024. The loss on the 6 loss-making properties amounted to a total of around DKK 3.1m.

DLR had one repossessed property at 30 June 2025, valued at DKK 0. This is the same property that DLR owned at year-end 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 H1 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 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.

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Income statement and statement of comprehensive income (DKKm)

Note		H1 2025	H1 2024
1	Interest income	3,497	4,000
2	Interest expenses	-2,268	-2,735
	Net interest income	1,229	1,266
	Share dividends etc.	0	0
	Fees and commission income	123	99
	Fees and commission paid	-415	-397
	Net interest and fee income	936	968
3	Market value adjustments	54	46
	Other operating income	3	0
4-5	Staff costs and administrative expenses	-206	-188
	Depreciation and impairment of property, plant and equipment	-1	-2
	Other operating expenses	-1	-8
6	Impairment of loans, advances, receivables, etc.	-13	-26
	Profit before tax	771	791
	Tax	-200	-206
	Profit after tax	571	585
	Appropriation of profit		
	Transferred to undistributable reserve	18	9
	Transferred to retained earnings	553	576
	Total amount appropriated	571	585
	Statement of comprehensive income		
	Profit after tax	571	585
	Property revaluations	0	0
	Tax on property revaluations for the year	0	0
	Comprehensive income after tax	571	585

Balance sheet

(DKKm)

Note		30-Jun 2025	31-Dec 2024
	Assets		
	Cash balance and demand deposits with central banks	3,061	2,479
7	Due from credit institutions and central banks	171	167
8,10-12	Loans, advances and other receivables at fair value	200,366	193,623
9	Loans, advances and other receivables at amortised cost	3	4
14	Bonds at fair value	8,898	9,630
	Shares etc.	50	46
15	Land and buildings, domicile properties	149	149
	Other property, plant and equipment	9	6
	Leasing assets	0	0
	Current tax assets	0	49
	Assets held temporarily	0	0
16	Other assets	281	369
	Prepayments	31	30
	Total assets	213,019	206,552
	Equity and liabilities		
17	Issued bonds at fair value	186,677	180,677
18	Issued bonds at amortised cost	4,998	3,995
	Current tax liabilities	71	0
19	Other liabilities	2,072	2,523
	Deferred income	1	3
	Total liabilities	193,820	187,198
	Provisions for deferred tax	42	38
	Total provisions	42	38
	Subordinated debt	1,715	1,694
	Total subordinated debt	1,715	1,694
	Share capital	570	570
	Revaluation reserve	86	86
	Undistributable reserve	2,417	2,399
	Retained earnings etc.	14,370	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
	Total equity	17,443	17,622
	Total equity and liabilities	213,019	206,552
20	Off-balance sheet items		
	Guarantees	0	0
	Contingent liabilities (loan offers, other contingent liabilities, etc.)	12,640	12,068
21	Contingent assets		

Statement of changes in equity (DKKm)

	Share capital 1)	Revalua- tion re- serve	Undistrib- utable re- serve	Proposed dividend	Retained earnings	Total
2024						
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
Equity at 31 December	570	86	2,399	816	13,750	17,622
2025						
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	-750	0	-750
Distributed dividends on DLR's holding of treasury shares	0	0	0	-66	66	0
Profit for the year	0	0	18	0	553	571
Equity at 30 June	570	86	2,417	0	14,370	17,443

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 30 June 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 267m.

Capital and solvency

(DKKm)

	30-Jun 2025	31-Dec 2024
Capital and solvency (DKKm)		
Equity	17,443	17,622
Result etc. that cannot be recognized in core capital	-571	0
Proposed dividends on shares owned by parties other than DLR	0	-750
Deduction of bond holdings secured by own shares	-287	-290
Deductions as a consequence of prudent valuation	-25	-23
Deductions as a consequence of non-performing exposures	-30	-24
Difference between expected losses and impairment losses	-143	-63
Common equity tier 1 capital	16,386	16,471
Subordinated capital (tier 2 capital)	1,715	1,694
Own funds	18,101	18,165
Risk-weighted exposure with credit risk etc.	70,964	70,210
Risk-weighted exposure with market risk	2,564	2,911
Risk-weighted exposure with operational risk	4,797	3,460
Total risk-weighted exposure	78,325	76,581
Common equity tier 1 capital ratio	20.9%	21.5%
Total capital ratio	23.1%	23.7%
Statement of excess capital adequacy		
Own funds after deductions	18,101	18,165
Capital adequacy	-7,491	-7,133
SIFI buffer	-783	-766
Capital conservation buffer	-1,958	-1,915
Countercyclical buffer	-1,958	-1,915
Systemic buffer Denmark (property companies)	-1,191	-943
Systemic buffer Faroe Islands	-8	-15
Reserved debt buffer	0	0
Excess capital adequacy	4,712	5,480

Notes

Notes - Income statement

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Income statement

(DKKm)

Note		H1 2025	H1 2024
1	Interest income		
	Due from credit institutions and central banks	7	10
	Loans and advances *	2,332	2,850
	Administration margin income	1,015	980
	Bonds **	300	388
	Other interest income	44	39
	Total	3,699	4,268
	Interest on own mortgage bonds offset against interest on issued bonds	-202	-268
	Total	3,497	4,000
	Of which interest income from reverse repo transactions	0	0

* DLRs mortgage loans at fair value are granted under the specific balance principle (match funding). The declining interest income on mortgage loans at fair value is offset by a corresponding decline in interest expenses on issued bonds at fair value. See note 2.

** DLRs bond portfolio is primarily invested in mortgage bonds that are either variable-rate based on CIBOR 6 or short-term adjustable-rate bonds.

		H1 2025	H1 2024
2	Interest expenses		
	Credit institutions and central banks	0	0
	Issued bonds at fair value *	-2,330	-2,848
	Issued bonds at amortised cost	-85	-106
	Subordinated debt	-51	-48
	Other interest expenses	-4	0
	Total	-2,470	-3,002
	Interest on own mortgage bonds offset against interest on issued bonds	202	268
	Total	-2,268	-2,735
	Of which interest expenses on repo-transactions	0	0

DLR has not granted mortgage loans with reserve fund shares.

* Interest expenses on issued bonds at fair value declined in H1 2025 as a result of lower average interest rates in 2025. As DLR's issued bonds at fair value are granted under the specific balance principle (match funding), the decrease in interest expense on bonds at fair value was offset by a corresponding decrease in interest income on loans at fair value, see note 1.

Note		H1 2025	H1 2024
3	Market value adjustments		
	Mortgage loans *	-111	-161
	Bonds	58	46
	Shares etc.	3	0
	Foreign currency	1	0
	Derivative financial instruments **	-9	1
	Other assets	0	0
	Issued mortgage bonds *	111	160
	Total	54	46

* 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.

		H1 2025	H1 2024
4	Staff costs and administrative expenses		
	Staff costs:		
	Salaries	-111	-105
	Pension costs	-11	-10
	Social security costs	-20	-17
	Total	-142	-132
	Other administrative expenses:		
	IT expenses	-28	-27
	Audit, financial supervision and industry association	-7	-4
	Other expenses	-29	-25
	Total	-64	-56
	Total staff costs and administrative expenses	-206	-188

DLRs remuneration policy is available at [www.dlr.dk/om os/Governance](https://www.dlr.dk/om-os/Governance).

In addition to the above-mentioned expenses of DKK 206m, depreciation was charged on various assets (separate accounting item), after which expenses for staff, administration and depreciation amounted to DKK 208m in 2025 and DKK 190m in 2024 (see page 4, Financial highlights).

Note		H1 2025	H1 2024
5	Remuneration of members of the Executive Board		
	Fixed remuneration *	4.6	4.2
	Variable remuneration	0.0	0.0
	Total	4.6	4.2
	Number of members of the Executive Board	2	2
	* The fixed remuneration is calculated as the total value of salary, holiday allowance, company car, multimedia, etc.		

		H1 2025	H1 2024
6	Impairment of loans, advances, receivables, etc.		
	Losses in the period	-3	-4
	Amounts received on claims previously written off	1	1
	Adjustment of acquired properties	0	-2
	Impairment losses in the period	-88	-67
	Reversal of impairment losses	76	43
	Losses offset against commission payments to banks	2	3
	Total	-13	-26

Assets

(DKKm)

Note		30-Jun 2025	31-Dec 2024
7	Due from credit institutions and central banks		
	Due from credit institutions	171	167
	Total amount due from credit institutions and central banks	171	167

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

		30-Jun 2025	31-Dec 2024
8	Loans, advances and other receivables at fair value		
	Mortgage loans, nominal value	206,049	199,181
	Adjustment to fair value of underlying bonds *	-5,343	-5,232
	Adjustment for credit risk	-395	-380
	Mortgage loans at fair value	200,311	193,569
	Arrears before impairment losses	59	58
	Other loans and outlays before impairment losses	-2	0
	Impairment losses on arrears and outlays	-3	-5
	Total	200,366	193,623

* 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.

		30-Jun 2025	31-Dec 2024
9	Loans, advances and other receivables at amortised cost		
	Loans and advances	3	4
	Adjustment for credit risk	0	0
	Total	3	4

Note		30-Jun	31-Dec
10	Mortgage loans (nominal value) by property category	2025	2024
	Owner-occupied dwellings	4.5%	4.8%
	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	23.0%	22.7%
	Properties for manufacturing and manual industries	1.5%	1.2%
	Office and business properties	18.4%	18.0%
	Agricultural properties	49.4%	50.0%
	Properties for social, cultural and educational purposes	0.9%	0.8%
	Other properties	0.0%	0.0%
	Total	100%	100%

11	Number of loans - end of period	30-Jun	31-Dec
	Number of loans - end of period	2025	2024
		74,536	73,715

Note

12 Impairment losses by stage

Impairment of loans and advances at fair value and amortised cost	30 June 2025			Total
	Stage 1	Stage 2	Stage 3	
Specification of impairment losses at the end of the period:				
Loans and advances in stage 1 at beginning of year	35	37	0	72
Loans and advances in stage 2 at beginning of year	2	46	15	62
Loans and advances in stage 3 at beginning of year	0	0	38	38
New loans and advances	8	3	0	11
Management overlay	189	24	1	214
Total	233	111	54	398

DLR's total impairment losses at the end of H1 2025 consisted of individual impairment losses of DKK 48m, modelled impairment losses of DKK 136m and a management judgement of DKK 214m. In the accounting policies section of Annual Report 2024, a more detailed explanation was provided of the methods used to determine the impairment losses.

The management overlay must consider factors that may not be captured by either individual or modelled impairment calculations. In this context, DLR conducts a review of the loan portfolio, including both the various production lines 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 persists and that this may entail a higher risk of loss than that reflected in the individual and modelled impairment losses. 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 Annual Report 2024, note 50 (Accounting policies).

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

DLR's total impairment losses at the end of 2024 consisted of individual impairment losses of DKK 57m, modelled impairment losses of DKK 111m and a management overlay of DKK 217m. 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

	30 June 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.

Note		30-Jun	31-Dec
14	Bonds at fair value	2025	2024
	Own mortgage bonds	30,690	21,384
	Other mortgage bonds	7,919	8,678
	Government bonds	978	952
	Bonds - gross	39,588	31,013
	Own mortgage bonds offset against issued bonds	-30,690	-21,384
	Total	8,898	9,630

		30-Jun	31-Dec
15	Land and buildings - domicile properties	2025	2024
	Fair value, beginning of year	149.5	150.0
	Additions during the year	0.0	0.0
	Depreciation	-0.3	-0.5
	Value changes recognised in other comprehensive income	0.0	0.0
	Fair value, end of year	149.2	149.5

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

		30-Jun	31-Dec
16	Other assets	2025	2024
	Positive market value of derivative financial instruments etc.	18	4
	Interest and commission receivable	62	96
	Other receivables	202	268
	Total	281	369

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		30-Jun 2025	31-Dec 2024
17	Issued bonds at fair value *		
	Mortgage bonds - nominal value	222,667	207,377
	Fair value adjustment	-5,299	-5,316
	Issued bonds - gross	217,368	202,061
	Offsetting of own mortgage bonds - fair value	-30,690	-21,384
	Total	186,677	180,677
	Of which pre-issued, market value	13,839	4,349
	Cash value of bonds drawn for redemption at next repayment date (settlement price)	16,011	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 Danish 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 H1 2025.

		30-Jun 2025	31-Dec 2024
18	Issued bonds at amortised cost		
	Issues in connection with senior debt	4,998	3,995
	Offsetting of own bonds	0	0
	Total	4,998	3,995

Issued bonds measured at amortised cost relate to issued senior debt established to meet various legal requirements, including the debt buffer requirement and the requirement for supplementary collateral in connection with the issuance of mortgage bonds, as well as requirements imposed by DLR's external rating agency.

Of the issued bonds measured at amortised cost, an issuance of DKK 1.0b matures on 1 July 2025, after which issued bonds measured at amortised cost will amount to DKK 4.0bn.

19	Other liabilities	30-Jun 2025	31-Dec 2024
	Negative market value of derivative financial instruments etc. *	11	3
	Interest and commission payable	1,531	2,351
	Other liabilities **	530	170
	Total	2,072	2,523

* 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 relate to loan disbursements in process amounting to DKK 451m (2024: DKK 97m) and various accrued items including holiday pay and employees time banks, accrued expenses, as well as various items.

20	Off-balance sheet items - guarantees etc.	30-Jun 2025	31-Dec 2024
	Financial guarantees	0.2	0.2
	Total	0.2	0.2
	Other contingent liabilities		
	Irrevocable credit commitments (loan offers)	12,640	12,068
	Total	12,640	12,068

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 DLR's financial resources.

Note

21 Contingent assets

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

(DKKm)

Note						
22	Key figures H1	2025	2024	2023	2022	2021
	Income statement					
	Net interest and fee income	936	968	908	729	715
	Other operating income etc.	3	0	1	8	11
	Staff costs and administrative expenses etc.	-208	-198	-183	-173	-167
	Earnings	731	770	726	564	559
	Impairment of loans, advances and receivables	-13	-26	4	-7	74
	Market value adjustments	54	46	68	-195	-59
	Profit before tax	771	791	798	362	574
	Profit after tax	571	585	600	282	448
	Balance sheet	2025	2024	2023	2022	2021
	Assets					
	Loans and advances	200,369	186,339	174,030	169,289	170,712
	Bonds, shares, etc.	8,947	7,826	8,466	7,706	8,825
	Other assets	3,703	3,515	3,452	2,813	2,987
	Total assets	213,019	197,680	185,948	179,807	182,524
	Equity and liabilities					
	Issued bonds	191,675	177,274	166,505	161,868	165,316
	Other liabilities	2,186	2,122	1,754	1,287	1,278
	Subordinated debt	1,715	1,299	1,298	1,300	1,300
	Equity	17,443	16,985	16,391	15,353	14,631
	Total equity and liabilities	213,019	197,680	185,948	179,807	182,524

Note						
23	Financial ratios H1	2025	2024	2023	2022	2021
	Return on equity					
	Profit before tax in per cent of equity *	4.4	4.6	5.0	2.4	4.0
	Profit after tax in per cent of equity *	3.3	3.4	3.7	1.9	3.1
	Return on capital employed					
	Return on capital employed *	0.3	0.3	0.3	0.2	0.3
	Costs					
	Costs in per cent of loan portfolio	0.1	0.1	0.1	0.1	0.1
	Income/cost ratio *	4.5	4.5	5.5	3.0	7.2
	Income/cost ratio, excl. impairment losses	4.8	5.1	5.3	3.1	4.0
	Solvency					
	Total capital ratio *	23.1	23.7	23.5	21.1	18.0
	Tier 1 capital ratio *	20.9	21.9	21.7	19.4	16.5
	Common equity tier 1 capital ratio *	20.9	21.9	21.7	19.4	16.5
	Arrears and impairment losses					
	Arrears, end of period (DKKm)	59	67	60	62	65
	Impairment ratio for the period *	0.01	0.01	0.00	0.00	-0.04
	Accumulated impairment ratio	0.19	0.20	0.21	0.23	0.25
	Lending activity					
	Growth in loan portfolio, per cent (nominal) *	3.4	2.4	1.9	2.1	4.1
	Loans, gross (DKKm)	17,454	13,528	13,172	22,008	18,314
	Number of new loans	3,890	3,257	3,547	6,009	5,772
	Loan/equity ratio *	11.5	11.0	10.6	11.0	11.7
	Margins					
	Profit before tax in per cent of average loan portfolio	0.38	0.41	0.43	0.20	0.34
	Administration margin income in per cent of average loan portfolio	0.50	0.51	0.52	0.53	0.53
	Foreign exchange position as a percentage of tier 1 capital after deductions	1.3	1.7	2.4	1.2	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" H1 2025

	Core earnings H1 2025	Portfolio earnings H1 2025	Total H1 2025
Interest income	3,190	307	3,497
Interest expenses	-2,189	-79	-2,268
Net interest income	1,001	228	1,229
Share dividends etc.	0		0
Fees and commission received	123		123
Fees and commission paid	-415		-415
Net interest and fee income	709	228	936
Market value adjustments	0	53	54
Other operating income	3		3
Staff costs and administrative expenses	-206		-206
Depreciation and impairment of property, plant and equipment	-1		-1
Other operating expenses	-1		-1
Impairment of loans, advances, receivables, etc.	-13		-13
Profit before tax	490	281	771
Tax	-127	-73	-200
Profit after tax	363	208	571

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 H1 2025	End of Q1 2024	Threshold
	1. Lending growth			
	Private homeowners	2.1	0.1	<15%
	Residential rental property	8.6	8.5	<15%
	Agriculture	4.8	4.2	<15%
	Other business lending	8.5	5.7	<15%
	2. Borrower interest-rate risk	22.4	21.7	<25%
	3. Interest-only lending to private home owners	1.0	1.0	<10%
	4. Loans with short-term funding (quarterly) *			
	Refinancing quarterly	6.7	1.6	<12,5%
	Refinancing annually	12.9	12.4	<25%
	5. Large exposures	54.9	52.8	< 100%

1. Lending growth

Lending growth in the segment must be less than 15 pct.

2. Borrower Interest-rate risk

The proportion of loans in the extended housing segment where the loan-to-value exceeds 75 pct. of the loan limit, and where the interest rate is fixed for no more than two years, must be less than 25 pct.

3. Interest -only lending to private home owners

The proportion of interest-only loans for owner-occupied homes and holiday homes where the loan-to-value exceeds 75 pct of the loan limit in relation to the total lending secured by owner-occupied and holiday homes, must be less than 110 pct.

4. Loans with short-term funding

The proportion of loans that are refinanced must be less than 12.5 pct. per quarter and less than 25 pct. annually of the total loan portfolio.

5. Large exposures

The sum of the 20 largest exposures must be less than the actual core capital.

Management's statement

The Board of Directors and Executive Board have today reviewed and approved the interim report for the period 1 January – 30 June 2025 of 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 30 June 2025, as well as the results of DLR's activities for the period 1 January – 30 June 2025. The financial statements have not been subject to audit or review by DLR's auditor.

Copenhagen, 21 August 2025

Executive Board

Jens Kr. A. Møller
Managing Director & CEO

Pernille Lohmann
Managing Director

Board of Directors

Ole Beith
Chairman

Stig Westergaard
Vice Chairman

Claus Andersen

Frank Mortensen

Kim Mouritsen

Lars Petersson

Lars Faber

Randi Holm Franke

Håkan Johansen

