

# Jyske Realkredit A/S

Full year report 2024

Published 26 February 2025

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# Jyske Realkredit financial result 2024

## Result in 2024

- Pre-tax profit was DKK 3,095m
- Return on equity was 9.0 %
- Solid credit quality with low loan-to-value and low level of arrears

## 2024 (compared to 2023)

- Small decrease in admin. margins
- Core earning increased with 13% and net profit with 16%
  - Positive effect from increasing interest rates on bond holdings
- Impairment charges was reversed with DKK 17m in 2024 compared to a reverse of DKK 12m in 2023

## Expectations for 2025

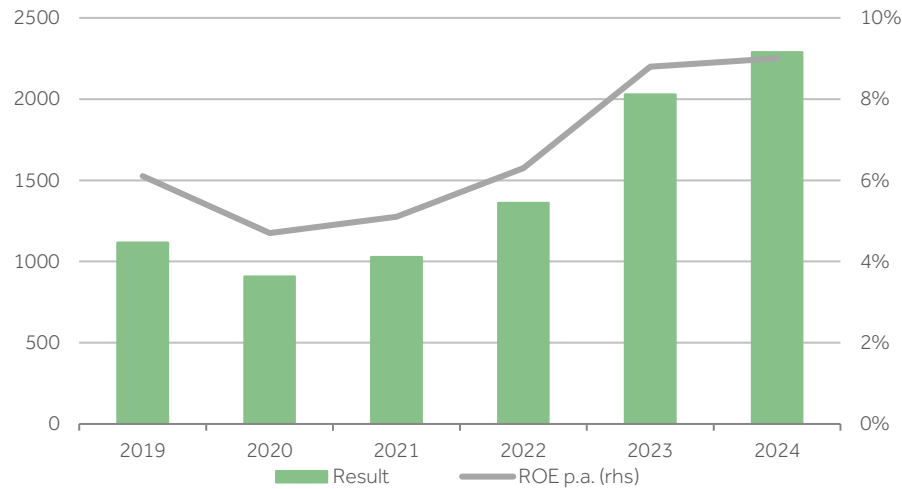
- Expected full year result for 2025 of DKK 1.9bn – 2.2bn
- Lower expected return on investments due to lower expected interest rates

## Core income statement (DKKm)

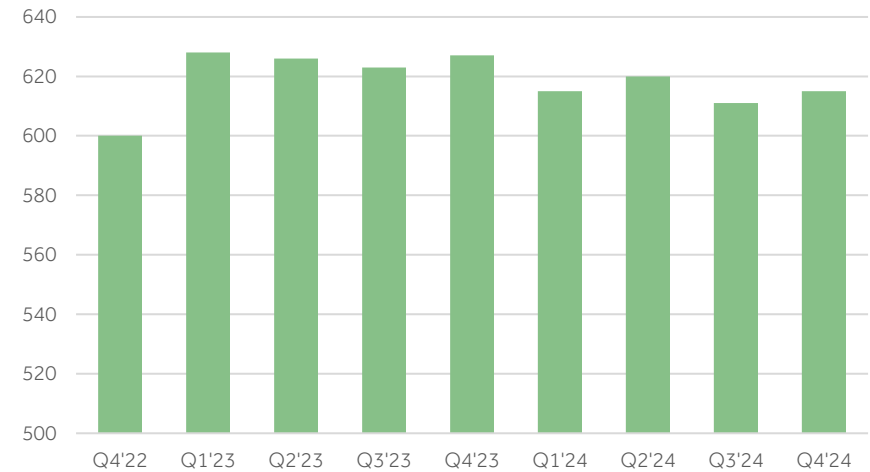
Core profit and net profit for the period	2024	2023	Index 24/23	Q4'24	Q3'24	Index q/q
<b>Core operations</b>						
Administration margin, etc.	2,460	2,496	99	615	611	101
Other net interest income	1,028	795	129	238	272	88
Net fees, charges and commission income etc.	-183	-556	33	-59	-82	72
Value adjustments	216	370	58	19	100	19
Other income	0	0	-	0	0	-
<b>Core earnings</b>	<b>3,521</b>	<b>3,105</b>	<b>113</b>	<b>813</b>	<b>901</b>	<b>90</b>
Core expenses	443	445	100	112	109	103
<b>Core earnings before loan impairment charges etc.</b>	<b>3,078</b>	<b>2,660</b>	<b>116</b>	<b>701</b>	<b>792</b>	<b>89</b>
Loan impairment charges etc.	-17	-12	142	33	-6	-
<b>Pre-tax profit</b>	<b>3,095</b>	<b>2,672</b>	<b>116</b>	<b>668</b>	<b>798</b>	<b>84</b>
Tax	806	643	125	174	208	84
<b>Net profit or loss for the period</b>	<b>2,289</b>	<b>2,029</b>	<b>113</b>	<b>494</b>	<b>590</b>	<b>84</b>

# Financials - selected graphs

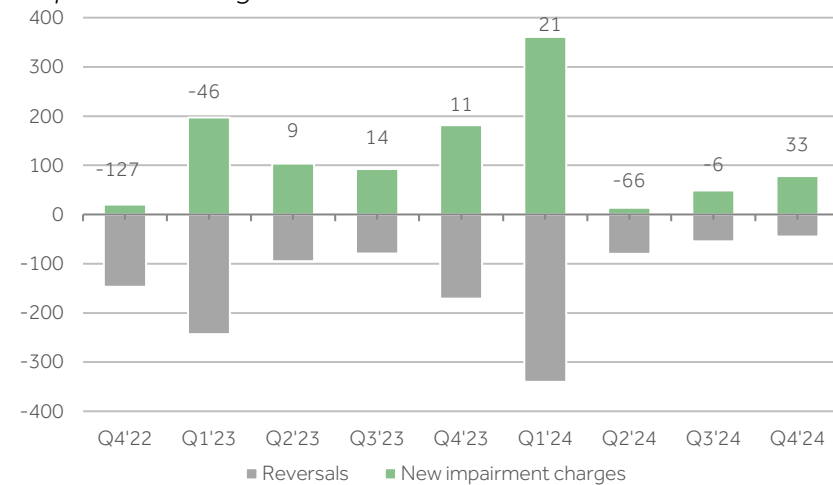
Result and return on equity



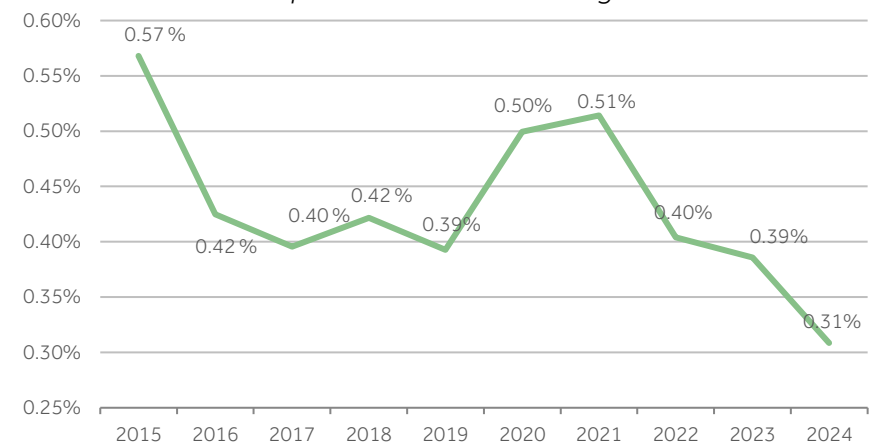
Administrative margin (DKKkM)



Impairment charges and reversals (DKKkM)



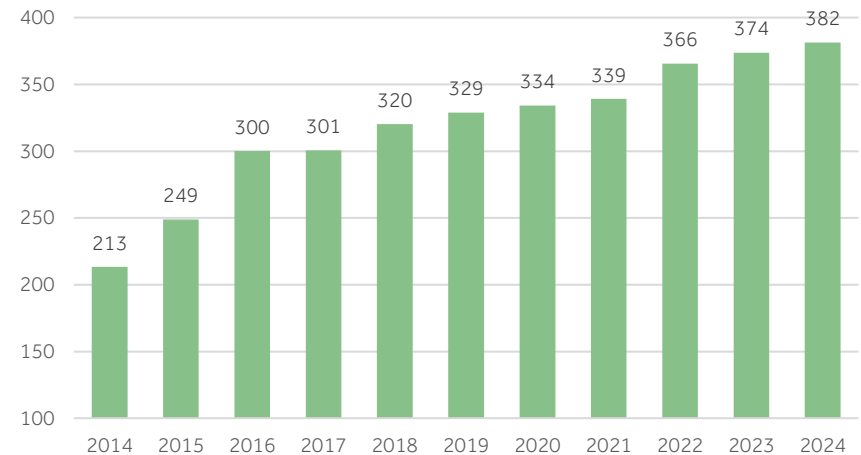
Balance of loan impairments in % of lending



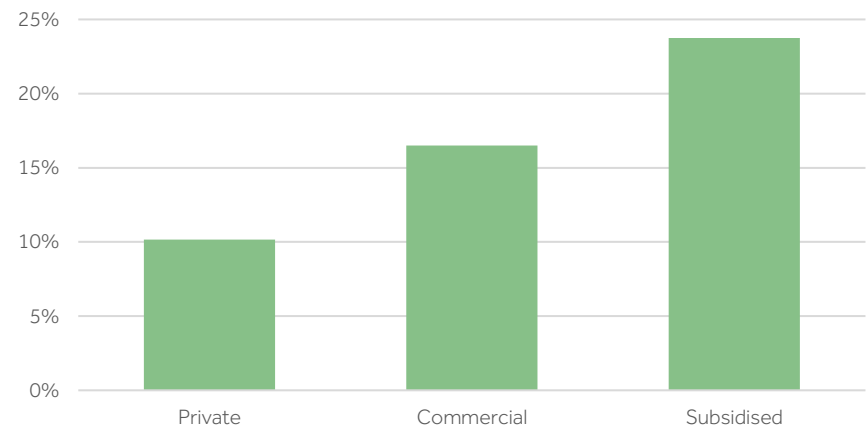
## Increasing mortgage lending in Danish market

- After a slight decrease in mortgage lending in first quarter of 2024, the lending grew in the last three quarters of 2024
  - Lending growth in 2024 of DKK 8bn
  - Lending growth in both private and commercial segment
- Market share of Jyske Realkredit's lending increased in 2024
  - Increasing market share in both private, commercial and subsidised segment
- Growth in the portfolio creates larger issuances and lower funding costs

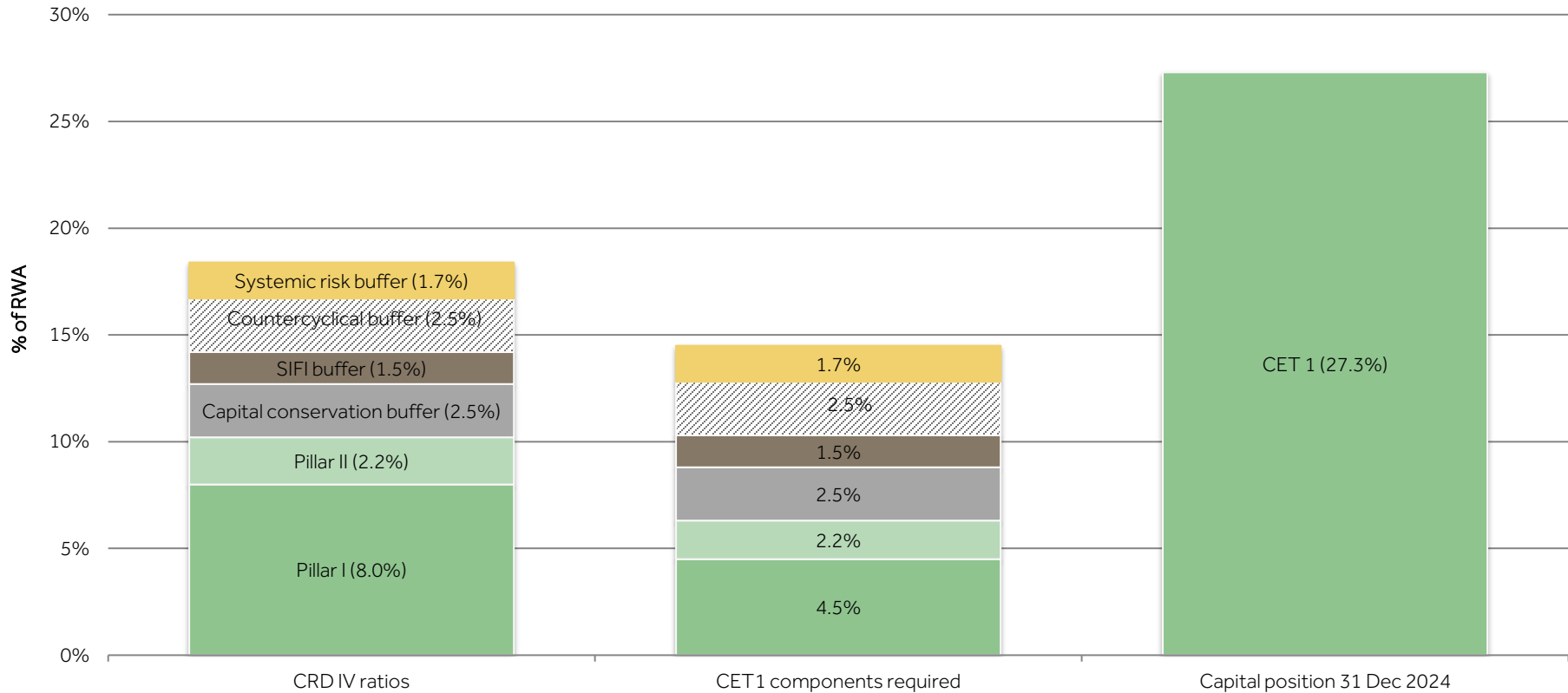
Total mortgage lending at nominal value (DKKbn)



Market share of mortgage market (%)



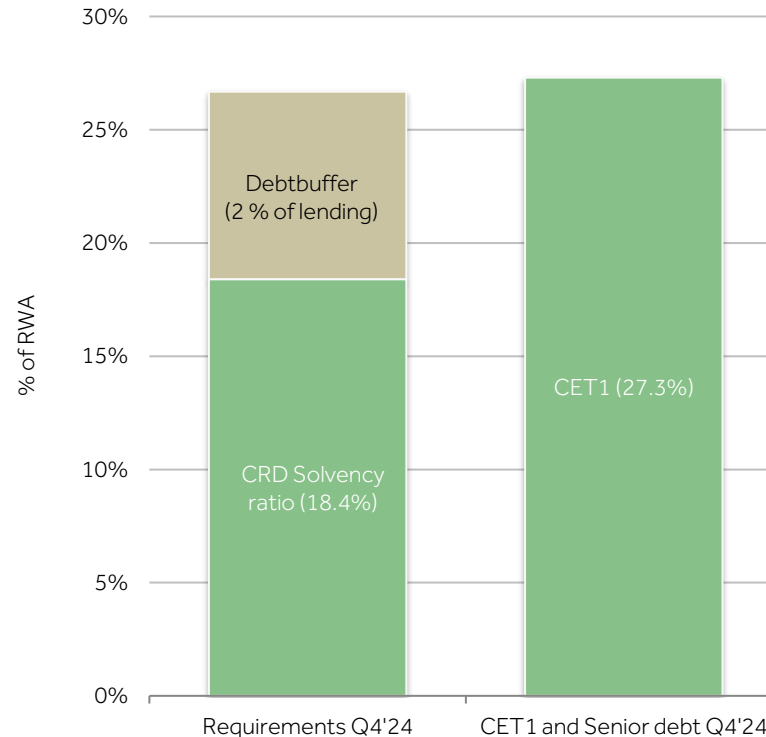
# Jyske Realkredit is well capitalised



- The capital requirement is at 18.4 % at the end of Q4 2024, of which 13.9 % should be covered with core equity (CET1)
- Jyske Realkredit is compliant with the fully implemented requirement
- Growth is not constrained by capital requirements

## Debt buffer for Danish mortgage institutes

- MREL-debt buffer is fully implemented
- Debtbuffer must be covered by CET1, AT1, AT2 or senior (unsecured) debt
- For capital instruments to be compliant with the debt buffer, the following must apply:
  - Original time to maturity at least two years
  - Appropriate maturity diversification
- The Danish FSA can decide that the debt buffer should be covered fully or partly with bail-inable debt instruments
- Jyske Realkredit fulfils the debt buffer in Q4 2024 with CET1

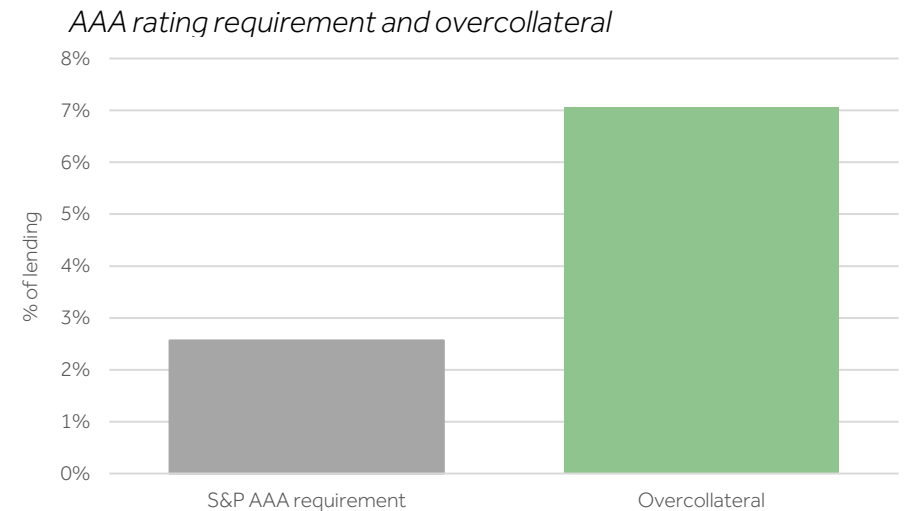
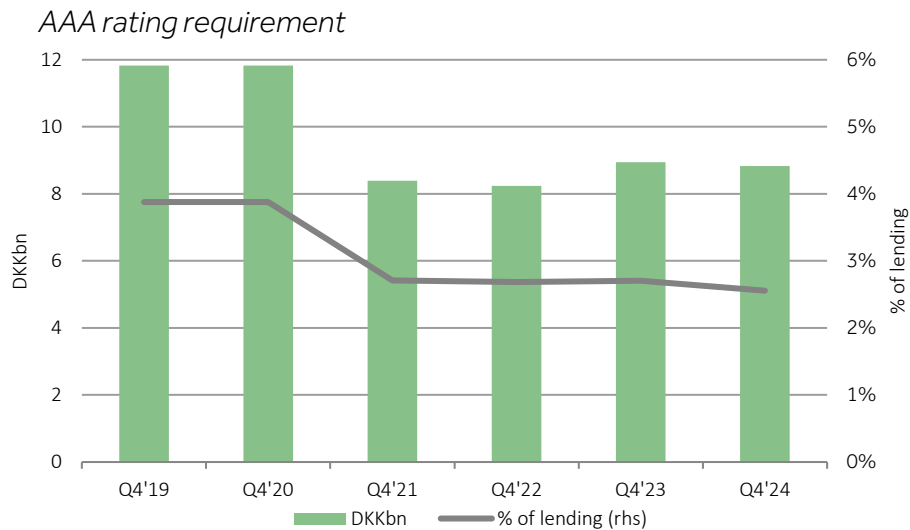


# Rating

- Decrease in AAA OC-requirement
  - Capital Center E at S&P minimum AAA OC-requirement
- AAA OC-requirements is at a lower level than in 2015 despite growth of mortgage loans of DKK +130bn
- Improvement in credit quality and composition of cover pool
- Jyske Bank and Jyske Realkredit issuer credit rating upgraded by S&P to A+ in July 2023

### Rating Standard and Poor's

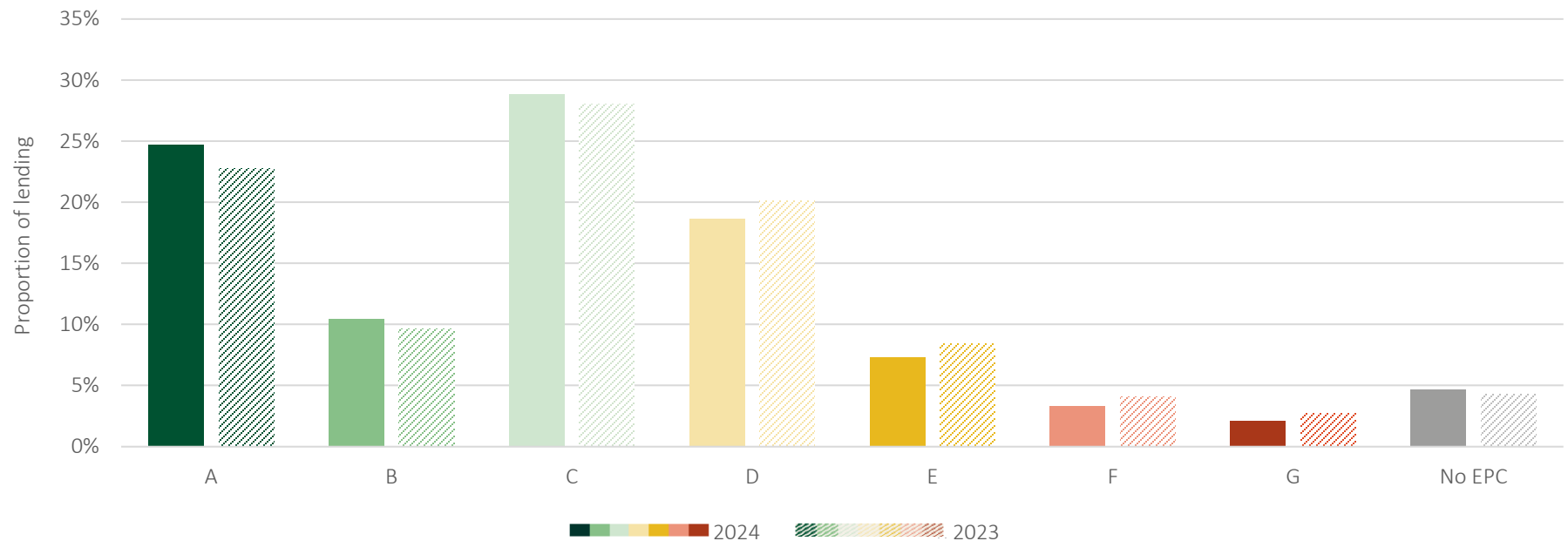
Jyske Realkredit ICR	A+
Outlook	Neutral
Capitalcenter B	AAA
Capitalcenter E	AAA
Capitalcenter General	AAA
Free notches over AAA	3



# Sustainable Transparency Template

- As the first financial institution Jyske Realkredit publish Sustainable Transparency Template
- Investors can follow the development over time and compare to other institutes
- From end-2021 sustainability also included in financial reporting for Jyske Realkredit
  - External audit has verified data published on sustainability
- Improvement in EPC for lending in Jyske Realkredit from Q4'23 to Q4'24

*Distribution of energy performance certificates (% of total lending)*





## UN SDG and EU Taxonomy

- Reporting on lending supporting UN SDG in Sustainable Transparency Template
- Criteria for green lending is aligned with substantial contribution criteria to climate change mitigation in EU taxonomy
- Higher proportion of lending supporting one or more of UN SDGs in Q4'24 compared to Q4'23

*Lending supporting UN SDGs and have a substantial contribution in alignment with climate change mitigation in EU taxonomy*

Lending type	SDG	EU taxonomy criteria	Q4'24		Q4'23	
			Lending (DKKm)	Prop. of lending	Lending (DKKm)	Prop. of lending
Solar electricity	7.2	4.1	782	0.2%	645	0.2%
Wind electricity	7.2	4.3	754	0.2%	710	0.2%
Distribution of electricity	9.4	4.9	2,015	0.5%	1,116	0.3%
Distribution of central heating	9.4	4.15	1,042	0.3%	558	0.1%
Existing buildings	7.3	7.7	105,471	27.6%	96,254	25.8%
<b>Substantial contribution to climate change mitigation</b>			<b>110,064</b>	<b>28.8%</b>	<b>99,283</b>	<b>26.6%</b>
Subsidised Housing	11.3	-	24,064	6.3%	24,210	6.5%
<b>Supporting UN SDG</b>			<b>134,128</b>	<b>35.2%</b>	<b>123,493</b>	<b>33.1%</b>

## Reporting on CO<sub>2</sub>e emissions

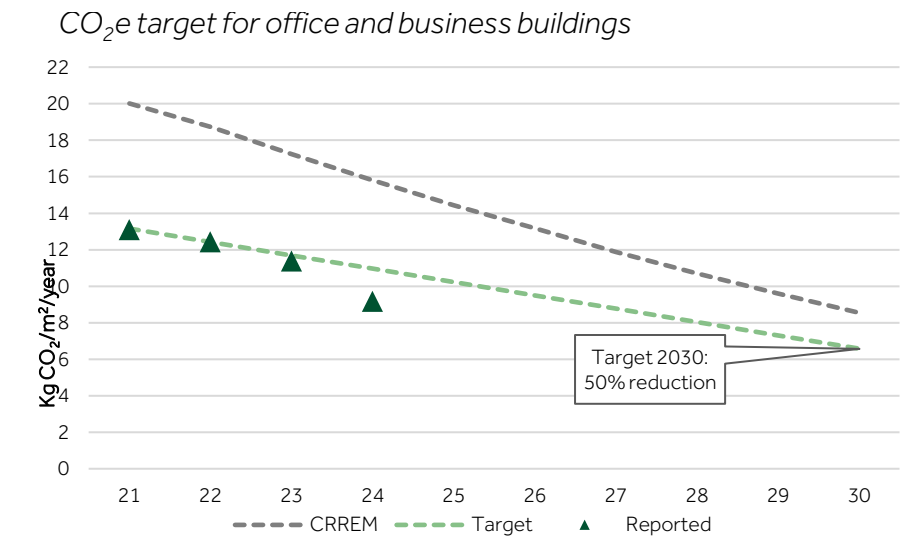
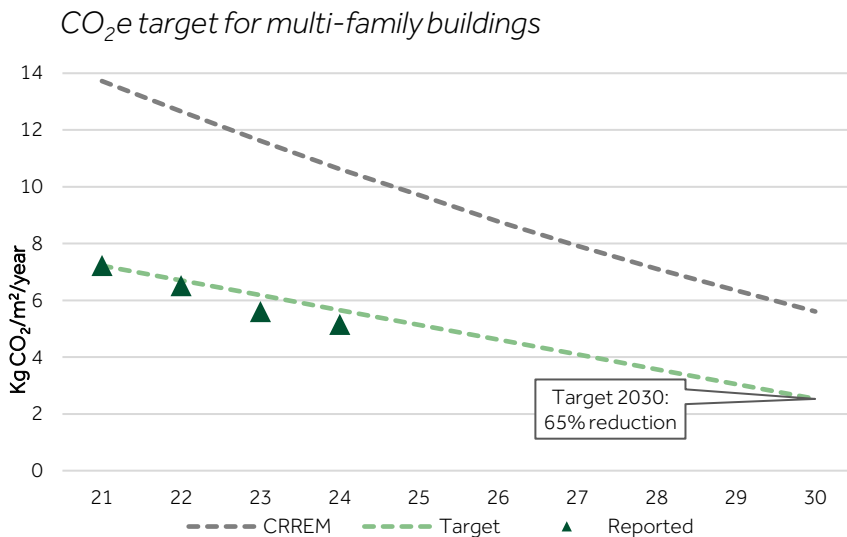
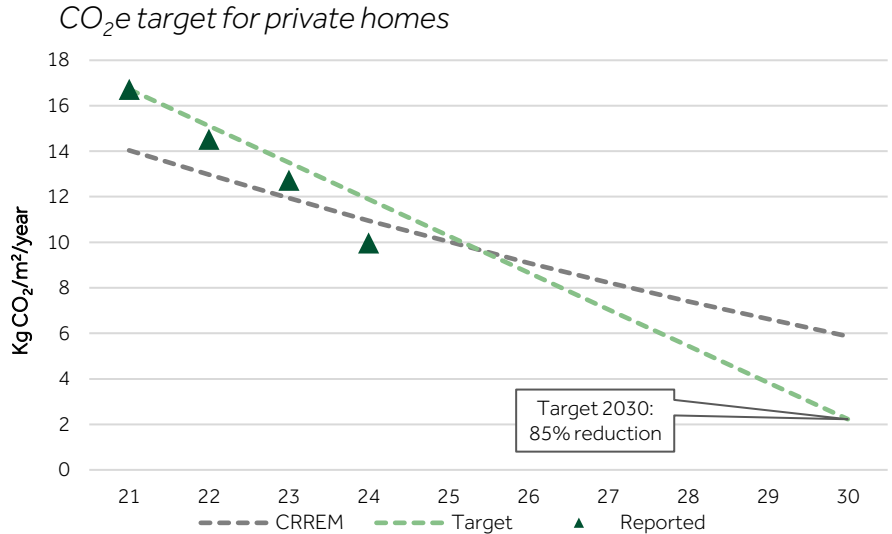
- Jyske Realkredit also reports CO<sub>2</sub>e emissions in Sustainable Transparency Template
- Calculated CO<sub>2</sub>e emissions are based on EPCs and type of heating source
- Gives the investor a possibility to follow the development in CO<sub>2</sub>e emissions in lending behind covered bonds from Jyske Realkredit
- Improvement in CO<sub>2</sub>e emissions from Q4'23 to Q4'24 comes from improved energy efficiency of financed properties and lower CO<sub>2</sub>e emissions in production of energy

### CO<sub>2</sub>e emissions for Jyske Realkredit

Property type	Q4'24		Q4'23	
	Ton CO <sub>2</sub> e (LTV adjusted)	Kg CO <sub>2</sub> e/m <sup>2</sup>	Ton CO <sub>2</sub> e (LTV adjusted)	Kg CO <sub>2</sub> e/m <sup>2</sup>
Owner-occupied homes	73,921	9.9	96,039	12.1
Subsidised Housing	23,983	5.2	24,931	5.4
Cooperative Housing	3,636	5.6	4,054	6.1
Private rental	18,272	4.9	20,833	5.6
Office, Business, Manufacturing	34,303	9.2	37,321	110
Other	8,542	4.0	14,329	8.3
<b>Total</b>	<b>162,657</b>	<b>7.2</b>	<b>197,507</b>	<b>8.5</b>

# CO<sub>2</sub>e-targets for lending in Jyske Bank Group

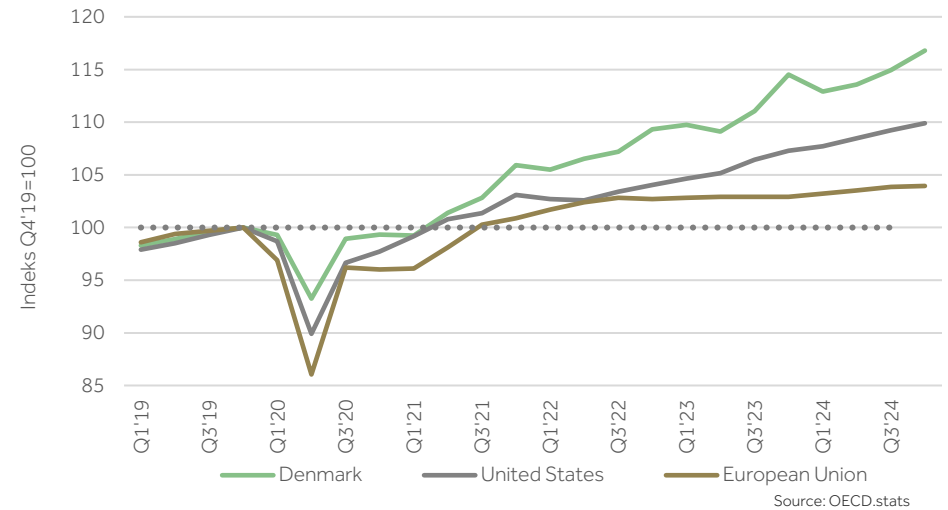
- Jyske Bank has set CO<sub>2</sub>e emission reduction targets for different lending areas
- Targets are based on reduction relative to 2021-level
- Reduction comes from energy renovation, change of heat source and higher proportion of renewable energy in energy production
- Targets will be monitored on a regular basis



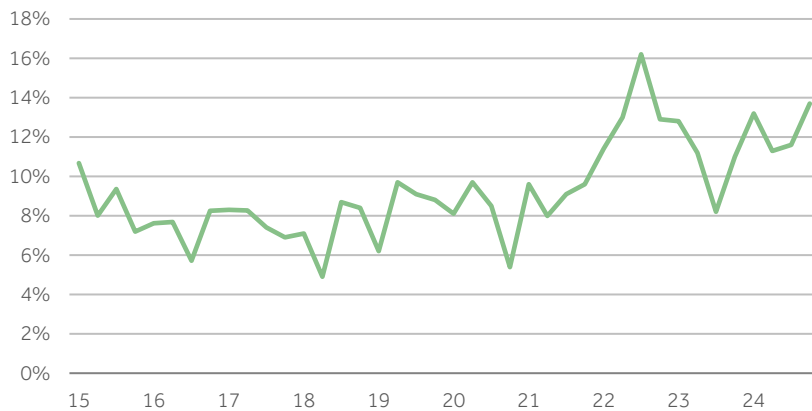
# Danish economy

- Strong GDP growth for the Danish economy
  - Despite slight decrease in Q1'24
- Where many other European countries are in a recession/stagnation the Danish economy still looks strong
- Current account positive for the last many years
  - Driven by pharmaceutical sector and shipping
- Employment at highest ever observed level
  - Unemployment at a low level

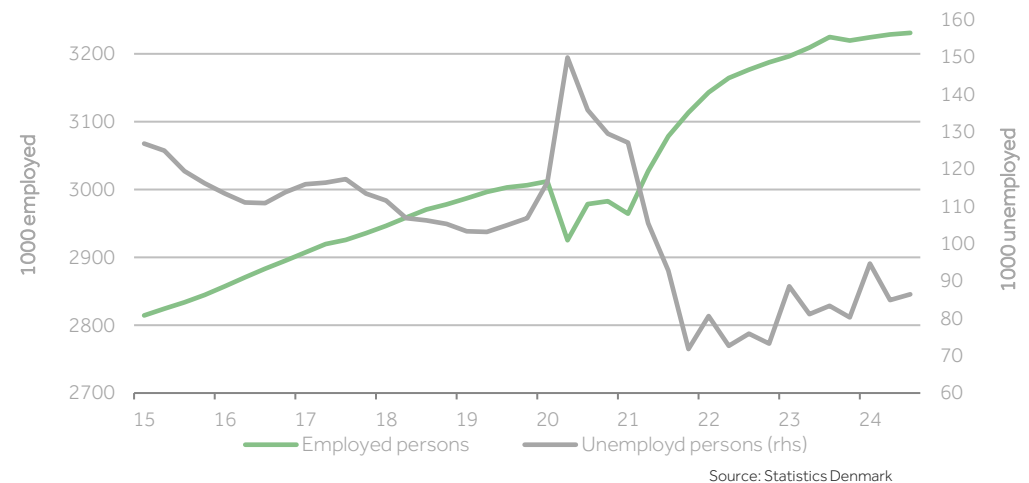
Quarterly GDP in Denmark, USA and European Union



Current account Denmark (% of GDP)



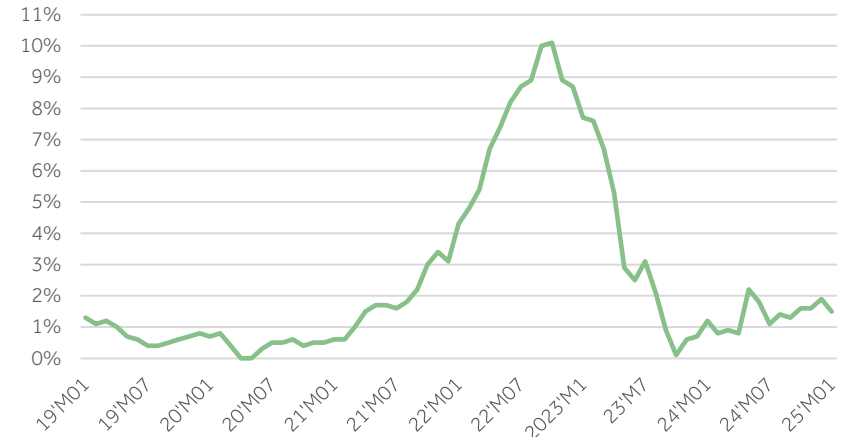
Employment and unemployment



## Strong Danish household sector

- Inflation has come down again
- Still high financial savings in the private sector
- The private sector is well prepared for a potential worsening of economic situation
- There is still a large purchasing power in the private sector
- Household debt as a percentage of disposable income is at a low level

Consumer prices development %, y/y



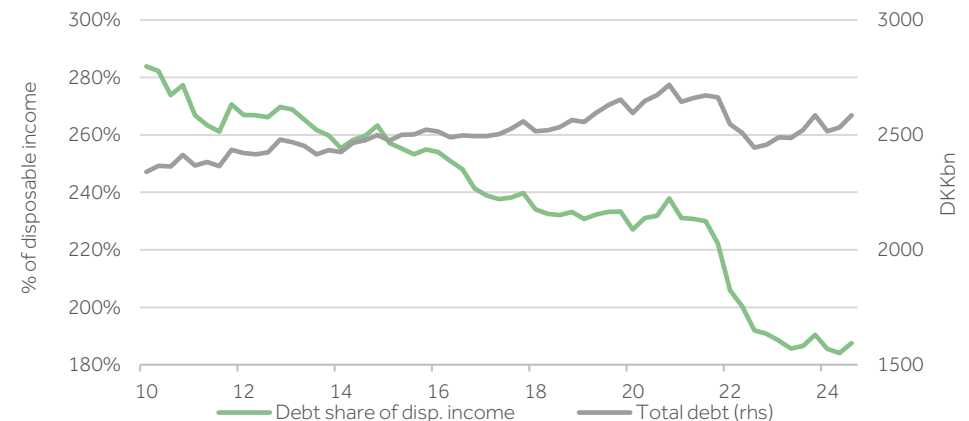
Source: Statistics Denmark

Private sector financial savings



Source: Statistics Denmark

Household gross debt

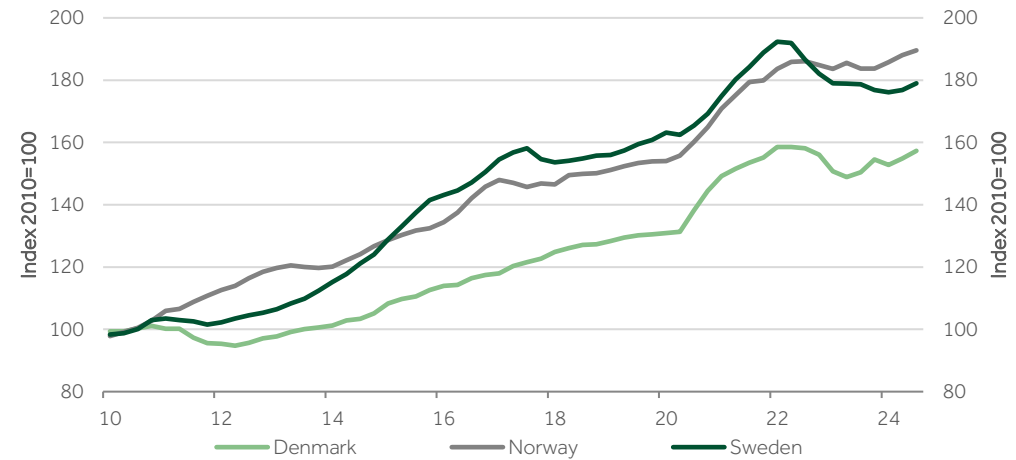


Source: Statistics Denmark

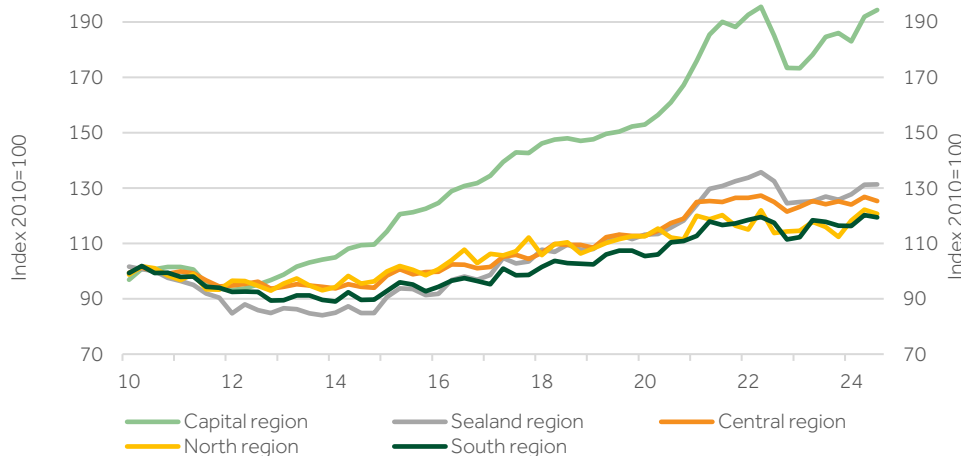
# Danish housing market

- Increasing property prices in Denmark in 2024
- Price development in capital region mainly driven by apartment prices
- Compared to Sweden and Norway prices on Danish housing market hasn't grown with same pace
- Growth in house prices are following wage-growth and development in interest rates

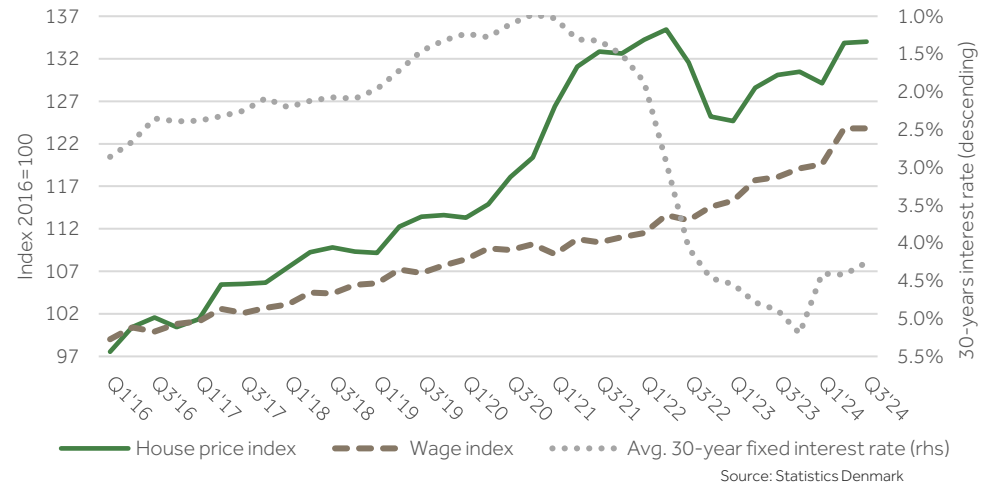
Nordic house prices



Regional house prices in Denmark



Houseprices, wages and interest rate



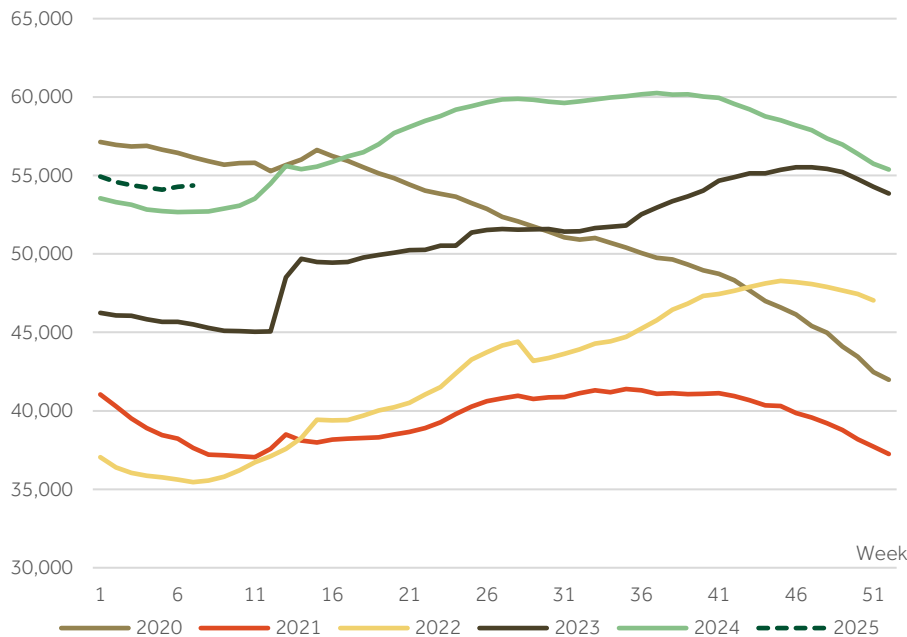
Source: Association of Danish Mortgage Banks

Source: Statistics Denmark

# High activity on property market in 2024

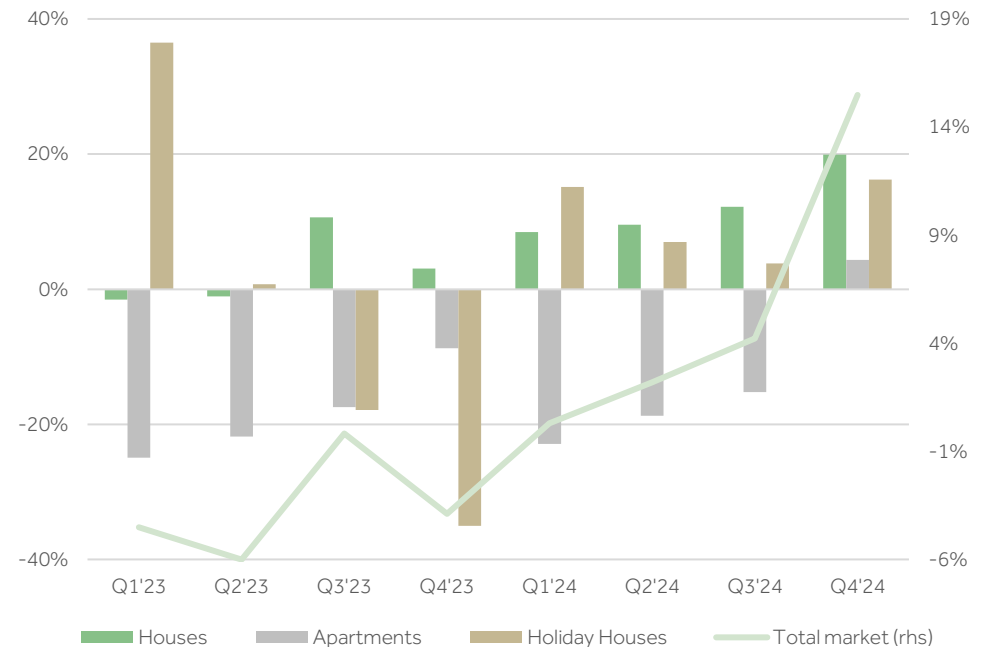
- Number of properties listed for sale is at same level as in 2020, before Covid-19
- On overall basis the activity has been high on the residential market in 2024
  - The activity has mainly been driven by single-family houses and holiday houses
  - Especially high activity in Q4 2024 in all segments

Number of properties listed for sale



Source: boligsiden.dk

Quarterly change in number of sold properties to avg. '15-'19



Source: boligsiden.dk

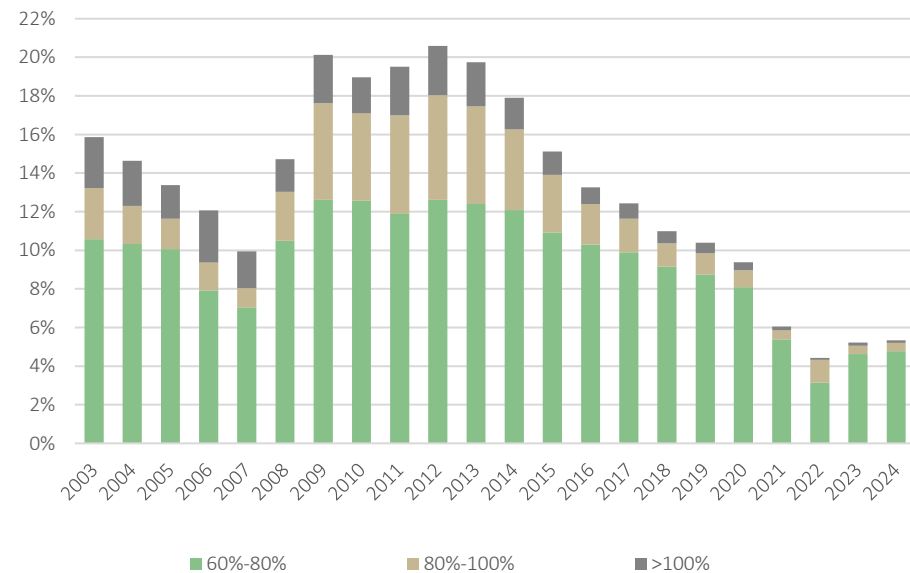
## Development in credit risk

- Strong credit risk of the portfolio
  - Increasing/stable house prices in all segments
  - Strong growth in GDP and low level of unemployment in Denmark
  - Arrears at a very low level for both commercial and private clients and have been since Covid-19
- Still a high level of impairment charges in Jyske Realkredit
  - Impairments increased by management adjustment

15-day arrears for Jyske Realkredit

Segment	Q4'20	Q4'21	Q4'22	Q4'23	Q4'24
Private	0.7%	0.8%	0.8%	0.8%	0.6%
Commercial	0.5%	0.3%	0.2%	0.3%	0.2%
<b>Total</b>	<b>0.49%</b>	<b>0.44%</b>	<b>0.43%</b>	<b>0.47%</b>	<b>0.32</b>

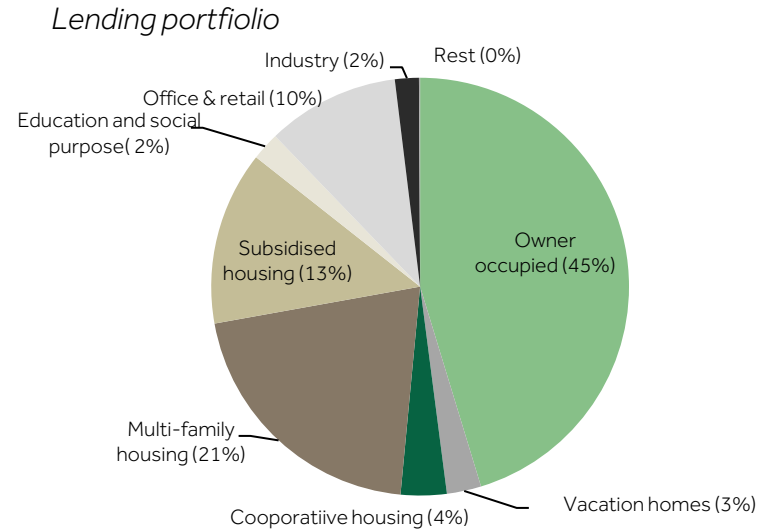
Loan-to-value above 60% as percentage of total lending



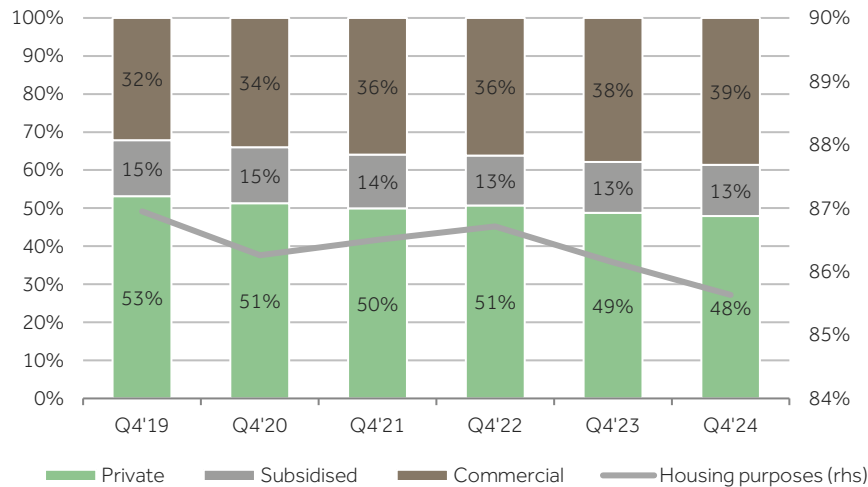


# Portfolio

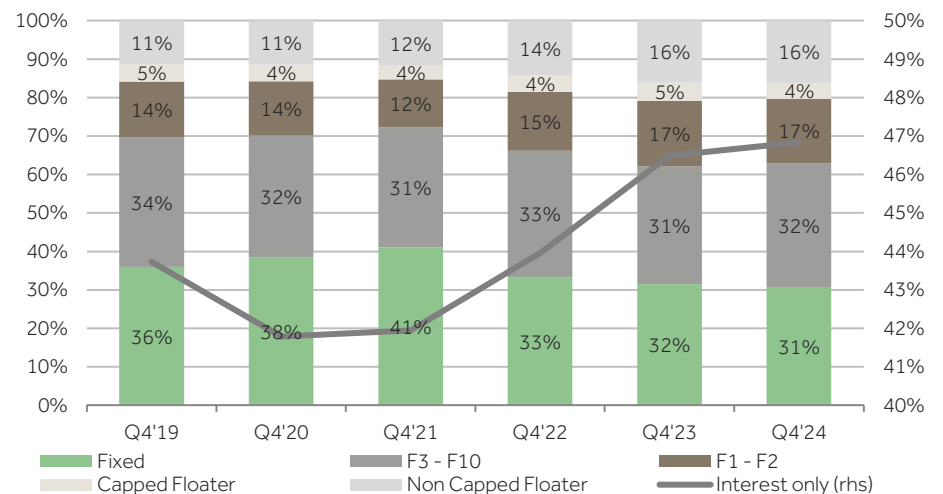
- 86 % of lending to properties with housing purposes
  - Majority of these to private owner-occupied properties
- No lending to agriculture and other primary production
- Stable share of lending with a housing purpose
- Stable share of variable rate mortgages compared to Q4'23



*Development in lending portfolio*



*Development in loan types*



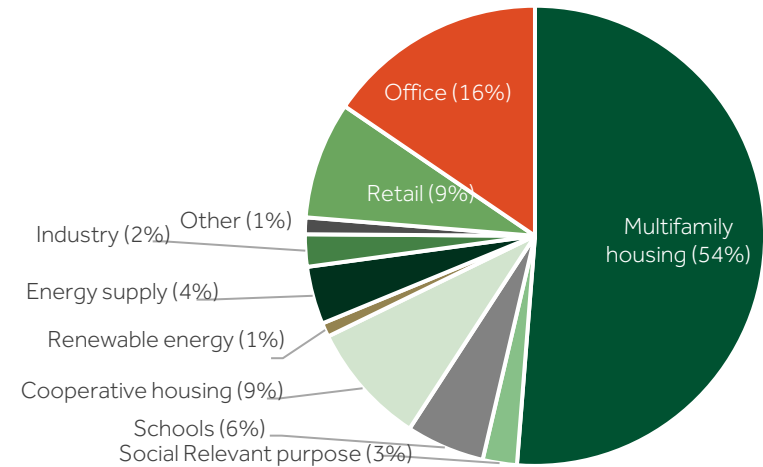
## Commercial lending

- Regardless of financing clients must be able to service a 30-year fixed interest rate loan
- Clients should also be able to withstand a 10%-20% loss of rent income or increase of vacancy rates or increase in vacancy rates in addition to a 3pp higher interest rate if debt
- Ongoing monitoring and stress-testing of commercial properties exposures' rent and vacancy rates, cost of equity as well as interest rate for debt

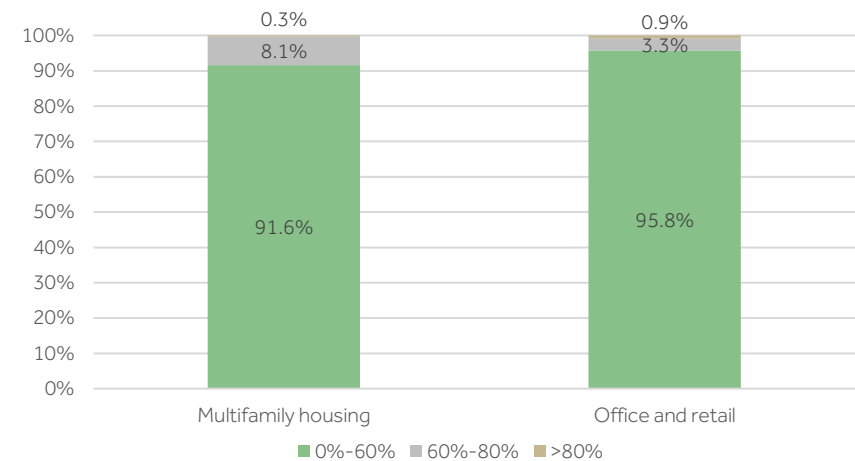
### Risk indicators for commercial lending

Indicator	Multi-family housing	Office and retail
90-day arrears as percent of lending	0.02%	0.01%
Average loan-to-value	53.2%	48.8%
Impairments as percent of lending Model based	0.0%	0.5%
Additional impairments as percent of lending Management adjustment	0.3%	0.4%
IFRS Stage 1 as percent of lending	96.7%	93.7%

Distribution of commercial lending

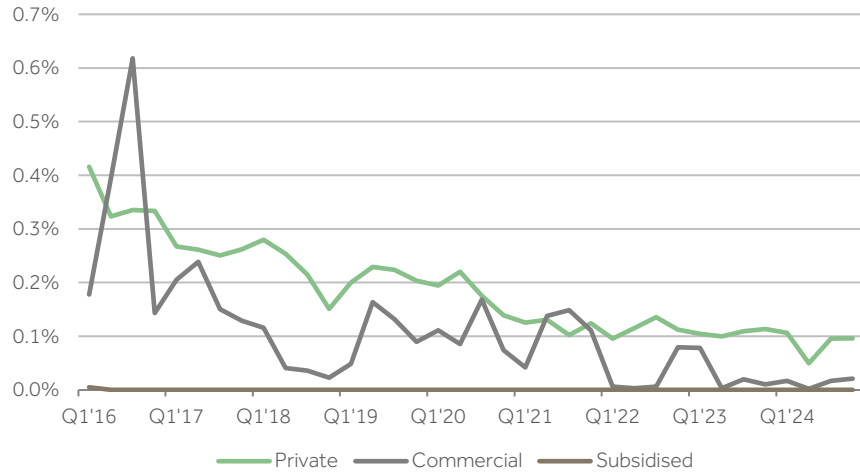


Loan-to-value commercial lending



# Credit quality

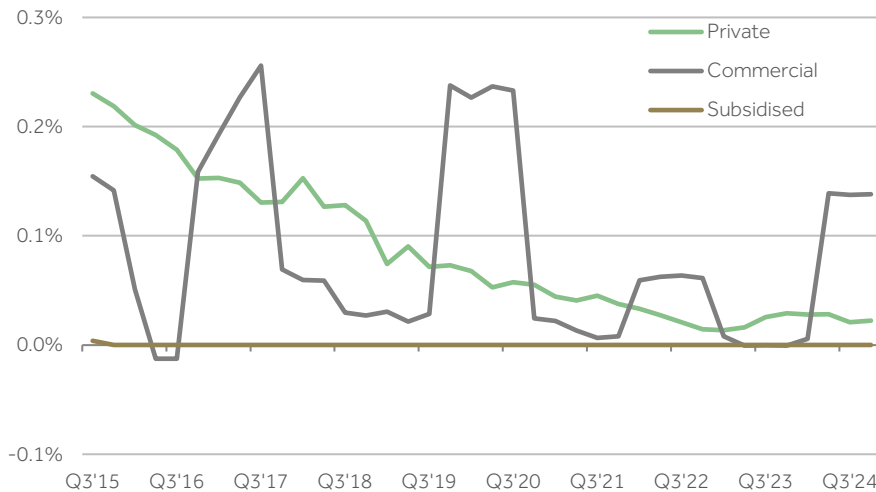
*Lending in 90-days arrears (per cent of lending)*



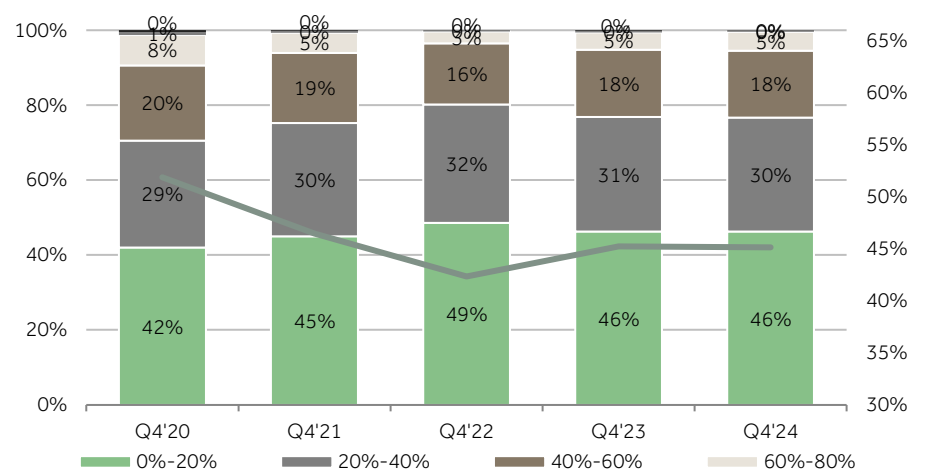
*Repossessed properties (DKKm/number)*



*Yearly realised losses (running year)*



*Loan-to-Value brackets (per cent of lending)*



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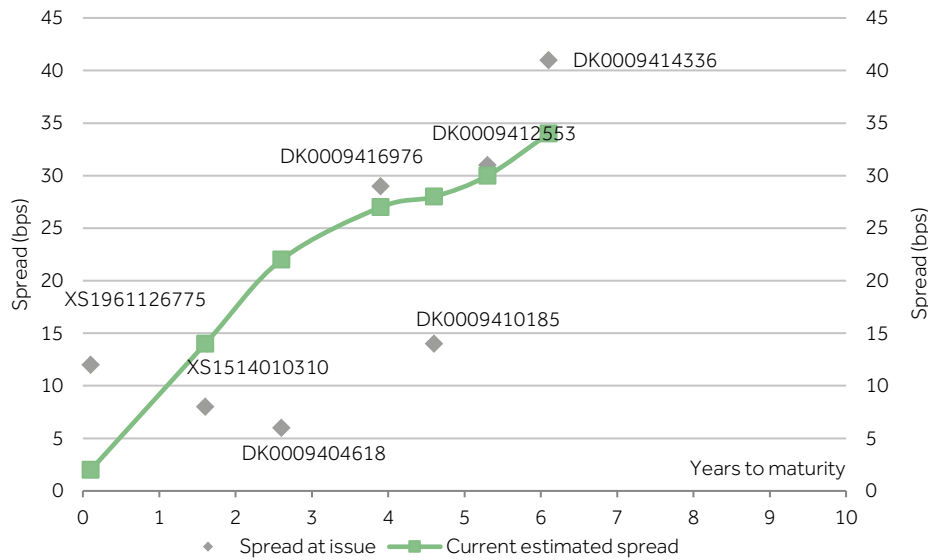
<http://www.jyskerealkredit.com>

# Appendices



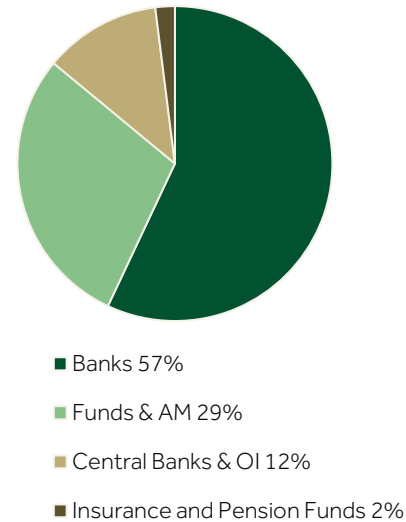
# Jyske Realkredit EUR covered bonds

Jyske Realkredit EUR covered bond issuances\*



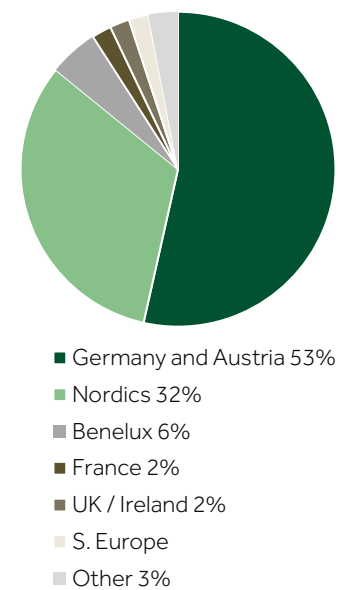
\*Pricing indications end-Februar 2025

Investor distribution\*








\*Figures are based on allocated amounts

Geographical distribution\*



- Issuing benchmark size EUR covered since 2016 - latest covered bond in February 2025 – EUR 500m
- Large interest from a wide variety of investor from different countries
- Strategy to be consistent issuer in EUR market

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