Nordea

Interim Report January-June 2025
Nordea Kredit Realkreditaktieselskab

Grønjordsvej 10, 2300 Copenhagen S, Denmark
Business registration number 15134275

Contents

We are part of a universal bank with a 200-year history of supporting and growing the Nordic economies – enabling dreams and aspirations for a greater good.

Every day, we work to support our customers' financial development, delivering best-in-class omnichannel customer experiences and driving sustainable change.

The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges.

Read more about us at nordea.com.

Financial summary

Key financial figures (DKKm)

	Jan-Jun 2025	Jan-Jun 2024	Change %
Income statement			
Total operating income	1,404	1,572	-11
Total operating expenses	-383	-920	-58
Profit before impairment losses on loans and receivables	1,021	652	57
Impairment losses on loans and receivables	-48	-74	-35
Profit before tax	973	578	68
Net profit for the period	**720**	**428**	**68**

	30 Jun 2025	31 Dec 2024	Change %	30 Jun 2024	Change %
Balance sheet					
Receivables from credit institutions and central banks	35,768	37,894	-6	30,082	19
Loans and receivables at fair value	389,458	391,360	0	384,715	1
Loans and receivables at nominal value[1]	411,724	412,940	0	415,044	-1
Debt to credit institutions and central banks	13,670	8,955	53	10,503	30
Bonds in issue at fair value	393,079	400,934	-2	385,431	2
Equity	21,928	22,267	-2	21,616	1
Total assets	433,066	436,886	-1	422,221	3

Ratios and key figures

	Jan-Jun 2025	Jan-Jun 2024
Return on equity, %[2]	6.5	3.9
Cost/income ratio	27.3	58.5
Write-down ratio, basis points[2]	2.5	3.8
Common Equity Tier 1 capital ratio, %[3]	20.0	28.8
Tier 1 capital ratio, %[3]	20.0	28.8
Total capital ratio, %[3]	21.5	31.0
Own funds, DKKm[3]	21,768	22,226
Tier 1 capital, DKKm[3]	20,216	20,676
Risk exposure amount, DKKm[4]	101,094	71,769
Average number of employees (full-time equivalents)	88	98

[1] After adjustment for provisions for loan losses.
[2] Calculated on a yearly basis.
[3] Excluding profit for the period.
[4] The increase in REA was mainly driven by the implementation of new IRB retail models during the second half of 2024.

Management's report

Nordea Kredit Realkreditaktieselskab is a wholly owned subsidiary of Nordea Bank Abp.

Throughout this report the term "Nordea Kredit" refers to Nordea Kredit Realkreditaktieselskab, "Nordea" refers to the Nordea Bank Abp Group and "Nordea Bank" refers to the parent company Nordea Bank Abp.

Increased market activity in the first half of 2025

Lending activity in the first half of 2025 increased markedly compared with relatively slow activity in the period January to September 2024. New lending for owner-occupied dwellings and holiday homes was in the first half of 2025 50% above new lending in the first half of 2024, while new lending for corporate customers increased by 41% in the same period. Due to redemptions and principal payments total lending at nominal value was at the same level as end-2024.

On 2 May Nordea Kredit announced a general reduction of administration fees by 0.1% point on all new loans for owner-occupied dwellings and holiday homes regardless of loan type and loan to value (LTV) to further strengthen the position in an increasingly competitive market.

LTVs, arrears and loan losses remained at a low level in the first half of 2025. The credit quality remained solid for both household and corporate customers in the first half of 2025.

Results summary January-June 2025

Profit before tax increased to DKK 973m (DKK 578m) (the comparative figures in brackets refer to the first half of 2024 unless otherwise specifically stated) due to lower sales and distribution service fees.

Operating income
Net interest income decreased by 9% to DKK 1,846m (DKK 2,025m), driven by the lower return on own funds resulting from the decrease in interest rate levels. Furthermore, administration margins decreased by DKK 18m due to lower lending volumes.

Fee and commission income was up by 22% to DKK 185m (DKK 152m), mainly driven by higher lending activity.

Fee and commission expenses increased by 5% to DKK 626m (DKK 598m), mainly related to higher lending activity among household customers and higher liquidity support fees following the use of the liquidity facility.

Staff and administrative expenses
Total staff and administrative expenses decreased by DKK 537m to DKK 383m (DKK 920m), driven by decreased fees for sales and distribution services provided by Nordea Bank, mainly due to the yearly update of the transfer pricing agreement.

Staff costs decreased by DKK 3m to DKK 48m (DKK 51m), driven by increased outsourcing to Nordea Bank in combination with efficiency gains, which led to a reduction in the average number of full-time equivalent employees to 88 (98).

Impairment losses on loans and receivables
Impairment losses on loans and receivables amounted to a net loan loss of DKK 48m (net loan loss of DKK 74m), mainly due to lower model-calculated provisions in stage 3.

Overall, the loan portfolio of Nordea Kredit is well diversified with robust collateral.

The 25% first loss guarantee coverage from Nordea Bank significantly reduces the risk of impairment losses on loans at Nordea Kredit. The first loss guarantees covered an unchanged share of 99% (99% at end-2024) of all loans at Nordea Kredit.

The write-down ratio of the loan portfolio decreased to 2.5bp (3.8bp), reflecting lower model-calculated provisions in stage 3 following less negative migration between stages in the first half of 2025.

Tax
Income tax expense was DKK 253m (DKK 150m), and the effective tax rate was 26% (26%).

Net profit for the period
Net profit for the period increased to DKK 720m (DKK 428m), corresponding to a return on equity in the first half of 2025 of 6.5% annually (3.9% annually).

Comments on the balance sheet

Assets
Total assets decreased to DKK 433.1bn (DKK 436.9bn at end-2024).

Receivables from credit institutions and central banks decreased to DKK 35.8bn (DKK 37.9bn at end-2024) due to a decrease in excess liquidity from lending activities.

Loans and receivables at fair value decreased to DKK 389.5bn (DKK 391.4bn at end-2024), mainly due to a decrease in nominal lending. Lending at nominal value after loan losses decreased by DKK 1.2bn to DKK 411.7bn (DKK 412.9bn at end-2024) and by DKK 3.3bn compared with 30 June 2024. The decrease was related to owner-occupied dwellings and agriculture properties, which were down by DKK 2bn and DKK 0.3bn nominal, respectively. Commercial properties increased by DKK 1.1bn nominal.

The arrears rate for owner-occupied dwellings and holiday homes (the 3.5-month arrears rate) for the March 2025 payment date decreased slightly to 0.14% (0.15% at the December 2024 payment date). The arrears rate for the sector was 0.13%.

Accumulated loan loss provisions increased by DKK 31m to DKK 614m (DKK 583m at end-2024), mainly driven by increased model-calculated provisions. Accumulated loan loss provisions regarding stages 1, 2 and 3 amounted to DKK 105m (DKK 88m at end-2024), DKK 232m (DKK 221m at end-2024) and DKK 277m (DKK 275m at end-2024), respectively.

Assets held temporarily remained at a low level and consisted of a total of six repossessed properties at the end of June 2025 (four at end-2024) with a carrying amount of DKK 4m (DKK 1m at end-2024).

Debt
Debt to credit institutions and central banks increased by DKK 4.7bn to DKK 13.7bn (DKK 9.0bn at end-2024), mainly due to increased repurchase agreements with Nordea Bank following the refinancing auctions in the second quarter of 2025.

Bonds in issue at fair value were down by DKK 7.8bn to DKK 393.1bn (DKK 400.9bn at end-2024) after offsetting the portfolio of own bonds. The decrease was mainly due to an increase in the portfolio of own bonds.

Equity
Including net profit for the period, total equity amounted to DKK 21.9bn at the end of June 2025 compared with DKK 22.3bn at end-2024 and DKK 21.6bn at the end of June 2024.

The property market

The economy
The OECD has lowered its global growth forecast to 2.9% for both 2025 and 2026, while the World Bank projects growth of 2.3% and 2.4%, respectively. These figures are nearly half a percentage point lower than anticipated at the start of the year, reflecting rising trade barriers and heightened geopolitical uncertainty.

In the Euro area, the OECD forecasts growth of 1.0% in 2025 and 1.2% in 2026, while the World Bank offers more subdued estimates of 0.7% and 0.8%. These substantial downgrades reflect a combination of higher US tariffs on imports from the EU, weaker external demand and heightened uncertainty. According to the World Bank, these factors are expected to more than offset the impact of newly legislated fiscal spending on defence and infrastructure.

Despite the challenging global environment, the Danish economy remains exceptionally strong. Growth has been robust since the pandemic, employment has reached record highs, inflation is under control and both the current account balance and public finances are among the strongest globally. Overall, the Danish economy is assessed to be in balance, with prospects of moderate growth in the coming years.

Interest rates
Interest rate developments in recent years have been characterised by significant volatility. From spring 2022 to autumn 2023, central banks across the Western world raised rates sharply to bring high inflation under control. In the US, the Federal Reserve lifted its policy rate to 5.5%, while the European Central Bank (ECB) reached 4.0%.

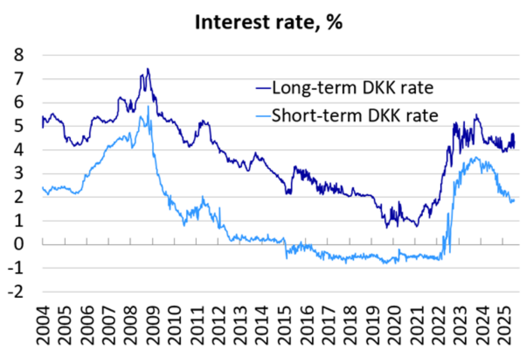
In the US, the Federal Reserve has now lowered its leading interest rate to 4.5%. Given the continued high uncertainty regarding US economic and trade policy, a weakened labour market and the prospect of higher inflation, we now expect the Federal Reserve to lower the rate to 4.25%, but then remain cautious about further easing. However, the uncertainty is significant.

As inflation has receded markedly, the ECB has now lowered its rate to 2.0%, a move mirrored by the Danish Central Bank, which has reduced its rate to 1.6%. At this stage, we do not expect further rate cuts from the ECB.

Long-term mortgage rates have been remarkably stable over the past year, while short-term mortgage rates have declined. At the end of June 2025 the effective rate on 30-year fixed-rate loans stood at 4.1% compared with 4.3% at the same time last year. End-June 2025 the F3 and F5 rates were 2.2% and 2.5%, respectively, down from 3.2% and 3.1% a year earlier.

We expect both long- and short-term mortgage rates to rise modestly from current levels over the coming years, though uncertainty remains considerable. The ECB's balance sheet reduction, ongoing since March 2023, combined with increased public spending in the EU – particularly on defence and the green transition – may exert upward pressure on long-term rates. In addition, political uncertainty in both the US and Europe could drive interest rate markets in either direction.

Figure 1. Interest rates



Property prices and market activity for owner-occupied dwellings and holiday homes
The housing market has remained robust over the past year. In June 2025 prices of single-family homes and owner-occupied flats were 5.2% and 11.0% higher, respectively, compared with a year earlier, while prices of holiday homes increased by 2.1%. The average price per square metre for transacted properties – including single-family homes, flats and holiday homes – is at a record high.

Transaction activity has remained strong, and average price discounts on property sales have stayed relatively low. The increase in prices is supported by several factors, including a strong Danish economy, record-high employment, rising real wages, falling short-term interest rates – particularly refinancing rates – and reduced property taxes.

We expect housing prices to continue rising moderately through the remainder of 2025 and into 2026, although fluctuations in interest rates and global economic uncertainty are potential risk factors.

Residential rental properties
The market for residential rental properties has low vacancy rates and a stable yield level. A notable increase in investor interest was seen in the first half of 2025 compared with the first half of 2024. The trend in the market is that investors focus on existing properties in well-established areas compared to building new properties.

Office properties
The ongoing split in the office market between modern and well-located properties and older properties or properties with less good locations continues. High construction costs are pushing developers to reconsider timeframes, and a decrease in land area under construction is still seen. Increased focus on ESG is seen, but both investors and tenants are still unwilling to pay more. Sustainable features and a strong preference for flexibility are regarded as the most desirable attributes, along with public transportation.

Warehouses and logistics properties
The vacancy for warehouse and logistics assets is stable at a low level. Prime assets are still expected to deliver rental growth, while the rental level for other assets is expected to be stable. Construction activity is limited due to macroeconomic headwinds. Demand is expected to increase with stable or increasing rent levels.

Agricultural properties
The agricultural sector as a whole has had relatively strong earnings in recent years. Earnings have particularly been supported by livestock farming with high milk prices and within pig production especially by high piglet prices. The positive development for milk producers has continued into 2025, while piglet prices fluctuated somewhat in the first half of the year. The lower piglet prices, higher quotations on meat and lower feed prices have, in turn, improved the earnings for slaughter pig producers during the same period.

The green tripartite agreement was politically adopted in 2024. The implementation is still underway, and there is uncertainty about how the requirement for especially reductions in nitrogen emissions will affect the agricultural sector. Major changes will be implemented, but significant amounts have been set aside to compensate the owners, and the agricultural sector is generally in a financially robust state.

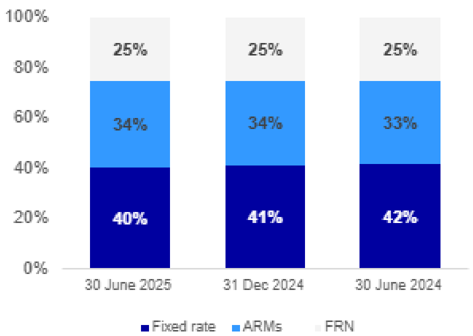
Land prices have been rising in recent years, and this trend has continued into 2025. The increase is mainly driven by good earnings in the industry and demand for agricultural land for infrastructure projects, nature projects, afforestation etc.

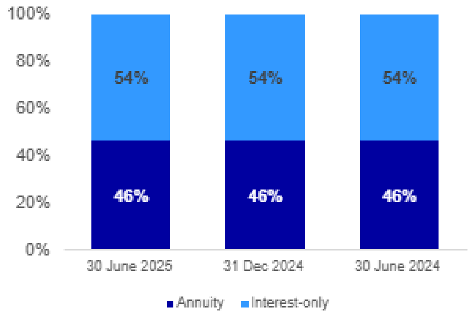
Nordea Kredit's lending

The loan portfolio
At the end of June 2025 total lending at nominal value after loan losses amounted to DKK 412bn (DKK 413bn at end-2024).

Lending activity in the first half of 2025 was high compared with the relatively slow activity in January to September 2024. The activity was driven by both increased lending for change of ownership and a higher demand for supplementary lending.

Figure 2. Total loan portfolio by loan type





Fixed-rate loans accounted for 40% of the lending portfolio at end-June 2025 (end-June 2024: 42%). The share of fixed-rate loans has been slightly downwards in recent quarters as the spread between long- and short-term interest rates has increased.

42% of new lending for household customers was fixed-rate loans in the first half of 2025. Most customers chose loans with variable interest rate. The most popular variable-rate loan type by far was F5 loans chosen by almost every second borrower followed by F3 loans and Kort Rente.

Floating-rate products are the most popular loan types among corporate customers, accounting for 47% of new lending in the first half of 2025.

Interest-only loans in general accounted for an unchanged share of 54% (54% at end-2024) of the loan portfolio at end-June 2025.

LTV ratios
The average LTV ratio for total lending at Nordea Kredit was 48% at the end of June 2025 (49% at end-2024). The LTV ratio is stable and close to the lowest level observed since the introduction of SDO/SDRO in 2007.

The average LTV ratio for owner-occupied dwellings and holiday homes decreased by 1% point to 51% in the first half of 2025 (52% at end-2024). In the same period the average LTV ratio for rental properties, other commercial properties and agricultural properties was unchanged at 43% (43% at end-2024), 42% (42% at end-2024) and 42% (42% at end-2024), respectively.

Supplementary collateral for loans financed through covered mortgage bonds
Mortgage institutions issuing loans based on covered mortgage bonds (SDROs) must provide supplementary collateral out of their own funds if the statutory LTV limit for the individual property has been exceeded. The supplementary collateral required based on the LTV ratios for the individual loans in capital centre 2 (SDRO bonds) was DKK 2bn at end-June (DKK 2bn at end-2024).

Funding

Bond issuance
Nordea Kredit adheres to the specific balance principle and exclusively match-funds its lending by the issuance of bonds.

At the end of June 2025 the total nominal value of bonds issued to finance mortgage loans, before offsetting the portfolio of own bonds, was DKK 447bn (DKK 428bn at end-2024). At end-June 2025 the fair value of the total outstanding volume of bonds was DKK 393bn (DKK 401bn at end-2024) after offsetting the portfolio of own bonds.

Overall, the market for Danish covered bonds has been resilient to the geo-political situation.

Issuance in callable bonds has been modest – however, concentrated in 4% 30-year bonds, which have traded in a close price range all year. Further, foreign investors have ceased their continued daily selling of low-coupon callable bonds. Both factors have been supportive of the sentiment in this bond segment. Foreign accounts reduced their total holdings of callable bonds from 27.3% end-June 2024 to 26.5% end-June 2025.

Refinancing auctions in 2025 have had mixed results. The ARM auctions completed in February ended with fine results, tightening spread and high bid to cover ratios, whereas the floater auctions in May generally had lower participation rates and weaker terms.

Rating

The mortgage bonds issued by Nordea Kredit are rated by the rating agency Standard & Poor's. All bonds have been assigned the highest rating of AAA.

Capital adequacy and solvency

The Tier 1 capital ratio excluding net profit for the period was 20.0% (20.1% at end-2024). The Tier 1 capital ratio decreased due to an increase in the risk exposure amount (REA) of DKK 0.1bn to DKK 101.1bn (DKK 101.0bn at end-2024). The increase in the REA was related to an increase in operational risk, which was partly offset by a decrease in credit risk.

The total capital ratio excluding net profit for the period decreased by 0.1% point to 21.5% (21.6% at end-2024). The total capital ratio decreased due to the above-mentioned increase in the REA.

Under Danish legislation Nordea Kredit must publish its adequate capital base as well as its individual solvency need on a quarterly basis. Information about individual solvency needs is available on www.nordea.com/en/investors/individual-solvency-need.

Debt buffer

The debt buffer requirement was DKK 7.8bn at the end of June 2025 (DKK 7.8bn at end-2024). The debt buffer requirement is fulfilled using Tier 1 and Tier 2 capital instruments not used for capital requirements and by unsecured senior debt.

Liquidity and funding ratios

The common European Liquidity Coverage Ratio (LCR) requirement for Nordea Kredit is 100% of net liquidity outflows over a 30-calendar day stress period, as specified by the Delegated Act (LCR DA). In addition, Nordea Kredit has an LCR Pillar 2 add-on, which is a Danish liquidity requirement applicable to all mortgage institutions and implemented to capture entity-specific liquidity risk. Nordea Kredit reports both an LCR DA and an LCR including Pillar 2 add-on. The latter will always be the most restrictive and thus binding requirement. At the end of June 2025 the LCR DA was 394% and the LCR including Pillar 2 add-on was 276%.

The net stable funding ratio (NSFR) measures long-term liquidity risk. The NSFR requirement for Nordea Kredit is 100% according to the CRR. At 30 June 2025 Nordea Kredit's NSFR was 1,188%.

Supervisory diamond

At the end of June 2025 Nordea Kredit complied with the five benchmarks of the supervisory diamond for mortgage institutions.

Table 1. The supervisory diamond

	30 June 2025	Limit
1. Lending growth[1]		
Owner-occupied dwellings and holiday homes	-2%	15%
Residential rental properties	4%	15%
Agriculture	-3%	15%
Other	0%	15%
2. Borrower's interest rate risk[2]	11%	25%
3. Interest-only lending[3]	5%	10%
4. Short-term funding[4]		
Annually	12%	25%
Quarterly	6%	12.5%
5. Large exposures[5]	58%	100%

[1] Annual lending growth.
[2] Loans for owner-occupied dwellings and holiday homes and residential rental properties where the LTV ratio exceeds 75% of the lending limit and the interest rate is fixed for less than two years are limited to 25%.
[3] Interest-only lending for owner-occupied dwellings and holiday homes where the LTV ratio exceeds 75% of the lending limit is limited to 10%.
[4] Yearly/quarterly refinancing is limited to 25%/12.5% of the total portfolio.
[5] The 20 largest exposures less CRR deductions are limited to 100% of CET1.

New regulation on capital requirements

On 10 June 2025 the Danish parliament approved the Danish implementation of Capital Requirement Directive (CRD VI) and national options in Capital Requirement Regulation (CRR III) in relation to the transitional arrangements for the output floor. It includes a lower risk weight for residential real estate exposure. The majority of the regulation will come into force on 1 July 2025 or 1 January 2026. The part related to the transitional arrangements for the output floor will come into force on 1 July 2025.

On 20 June 2025 the Danish FSA announced that Nordea Kredit had again been designated as a systemically important financial institution (SIFI). The score for the assessment has decreased and Nordea Kredit is included in bucket 1, previously bucket 2. The SIFI buffer – other systemically important institutions requirement (O-SII) buffer – will from 31 December 2025 decrease from 1.5% to 1%.

Risks and uncertainties

See Note 7 for information about risks and uncertainties.

Income statement

DKKm	Note	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Interest income		6,204	7,050	13,963
Interest expenses		-4,358	-5,025	-10,010
Net interest income	**2**	**1,846**	**2,025**	**3,953**
Fee and commission income		185	152	375
Fee and commission expenses		-626	-598	-1,185
Net interest and fee income		**1,405**	**1,579**	**3,143**
Value adjustments	3	-2	-6	-9
Other operating income		0	0	1
Staff and administrative expenses		-383	-920	-1,620
Impairment losses on loans and receivables	4	-48	-74	-86
Profit from equity investment in associated undertaking		1	-1	-1
Profit before tax		**973**	**578**	**1,428**
Tax		-253	-150	-369
Net profit for the period		**720**	**428**	**1,059**

Statement of comprehensive income

DKKm	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Net profit for the period	720	428	1,059
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	**720**	**428**	**1,059**

Balance sheet

	Note	30 Jun 2025	30 Dec 2024	30 Jun 2024
DKKm				
Assets				
Cash in hand and demand deposits with central banks		7,324	7,257	7,144
Receivables from credit institutions and central banks		35,768	37,894	30,082
Loans and receivables at fair value	5	389,458	391,360	384,715
Loans and receivables at amortised cost		0	0	0
Investment in associated undertaking		22	21	21
Tangible assets		-	-	-
Deferred tax assets		5	5	3
Current tax assets		-	-	7
Assets held temporarily		4	1	5
Other assets		465	343	218
Prepaid expenses		18	5	26
Total assets		**433,066**	**436,886**	**422,221**
Debt				
Debt to credit institutions and central banks		13,670	8,955	10,503
Bonds in issue at fair value		393,079	400,934	385,431
Current tax liabilities		179	9	-
Other liabilities		2,655	3,171	3,101
Deferred income		5	1	1
Total debt		**409,588**	**413,069**	**399,036**
Subordinated debt				
Subordinated debt		**1,550**	**1,550**	**1,550**
Equity				
Share capital		1,717	1,717	1,717
Other reserves		22	20	21
Retained earnings		20,189	19,471	19,897
Proposed dividends		-	1,059	-
Total equity		**21,928**	**22,267**	**21,635**
Total equity and debt		**433,066**	**436,886**	**422,221**
Contingent liabilities				
Guarantees etc.		0	0	0
Credit commitments		2,584	1,857	1,497
Total contingent liabilities		**2,584**	**1,857**	**1,497**

Statement of changes in equity

DKKm	Share capital[1]	Other reserves[2]	Retained earnings	Proposed dividends	Total equity
Balance at 1 Jan 2025	**1,717**	**20**	**19,471**	**1,059**	**22,267**
Net profit for the period	-	2	718	-	720
Other comprehensive income, net of tax	-	-	-	-	-
Share-based payments	-	-	0	-	0
Dividends paid	-	-	-	-1,059	-1,059
Balance at 30 Jun 2025	**1,717**	**22**	**20,189**	**-**	**21,928**

DKKm					
Balance at 1 Jan 2024	**1,717**	**23**	**19,467**	**1,149**	**22,356**
Net profit for the year	-	-3	1,062	-	1,059
Other comprehensive income, net of tax	-	-	-	-	-
Share-based payments	-	-	1	-	1
Dividends paid	-	-	-	-1,149	-1,149
Proposed dividends	-	-	-1,059	1,059	-
Balance at 31 Dec 2024	**1,717**	**20**	**19,471**	**1,059**	**22,267**

DKKm					
Balance at 1 Jan 2024	**1,717**	**23**	**19,467**	**1,149**	**22,356**
Net profit for the period	-	-2	430	-	428
Other comprehensive income, net of tax	-	-	-	-	-
Share-based payments	-	-	0	-	0
Dividends paid	-	-	-	-1,149	-1,149
Balance at 30 Jun 2024	**1,717**	**21**	**19,897**	**-**	**21,635**

[1] Total shares registered were 17,172,500 of DKK 100 each all fully owned by Nordea Bank Abp, Helsinki, Finland. All issued shares are fully paid. All shares are of the same class and hold equal rights.

[2] Reserve for net revaluation according to the equity method.

Glossary

The following definitions apply for ratios and key figures.

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital ratio is calculated as Common Equity Tier 1 capital as a percentage of risk exposure amount.

Cost/income ratio
Total operating expenses divided by total operating income.

Lending growth
The change in loans and receivables at nominal value during the period divided by loans and receivables at nominal value beginning of the period.

Leverage ratio
The leverage ratio is the institution's capital as Tier 1 capital net after deductions divided by that institution's total leverage ratio exposure and expressed as a percentage.

Loans/equity ratio
Loans and receivables at fair value divided by equity end of the period.

Operating income
Total of net interest and fee income, value adjustments, other operating income and profit from equity investment in associated undertaking.

Operating expenses
Total of staff and administrative expenses and depreciation.

Own funds
Own funds include the sum of the Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of the potential deduction for expected shortfall and other items.

Return on equity
Net profit for the period as a percentage of average equity for the period. Average equity includes net profit for the period and dividend until paid.

Risk exposure amount (REA)
Total assets and off-balance sheet items valued on the basis of the credit and market risks as well as operational risks in accordance with regulations governing capital adequacy, excluding carrying amount of shares which have been deducted from the capital base and intangible assets.

Tier 1 capital
The Tier 1 capital of an institution consists of the sum of its Common Equity Tier 1 capital and additional Tier 1 capital. Common Equity Tier 1 capital includes shareholders' equity excluding proposed dividend, deferred tax assets and the full expected shortfall deduction (the negative difference between expected losses and provisions).

Tier 1 capital ratio
Tier 1 capital as a percentage of the risk exposure amount.

Total capital ratio
Own funds as a percentage of the risk exposure amount.

Write-down ratio
Impairment losses on loans and receivables during the period as a percentage of the closing balance of loans and receivables before impairment losses on loans and receivables.

Note 1 Accounting policies

Basis for presentation

The interim report of Nordea Kredit is prepared in accordance with the requirements of the law, including the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

The accounting policies and methods of computation are the same as for the annual report for 2024. For more information see Note 1 in the annual report for 2024.

All figures are rounded to the nearest million Danish kroner (DKK) unless otherwise specified. The totals stated are calculated on the basis of actual figures prior to rounding. Therefore the sum of individual figures and the stated totals may differ slightly. Figures rounded to zero are reported as 0. If a figure is zero, it is reported as "-".

The financial statements have not been reviewed or audited.

Note 2 Net interest income

DKKm	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Interest income			
Receivables from credit institutions and central banks	391	586	1,129
Loans and receivables at fair value	4,182	4,815	9,565
Administration margins	1,627	1,645	3,261
Other interest income	4	4	8
Total interest income	**6,204**	**7,050**	**13,963**
Interest expenses			
Debt to credit institutions and central banks	-150	-160	-331
Bonds in issue at fair value	-4,172	-4,816	-9,584
Subordinated debt	-35	-49	-95
Total interest expenses	**-4,358**	**-5,025**	**-10,010**
Net interest income	**1,846**	**2,025**	**3,953**

Note 3 Value adjustments

DKKm	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Mortgage loans	670	1,362	11,489
Bonds	0	-	0
Foreign exchange gains/losses	0	0	0
Interest rate derivatives	-6	-4	-4
Bonds in issue[1]	-666	-1,364	-11,494
Total	**-2**	**-6**	**-9**

[1] Including value adjustments on own positions.

Note 4 Impairment losses on loans and receivables

DKKm	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Stage 1			
New and increased impairment charges	-17	-17	-22
Reversals of impairment charges	0	2	6
Impairment losses on loans and receivables, non-credit impaired	**-17**	**-15**	**-16**
Stage 2			
New and increased impairment charges	-27	-85	-87
Reversals of impairment charges	16	86	93
Impairment losses on loans and receivables, non-credit impaired	**-11**	**1**	**6**
Stage 3, credit impaired			
Realised loan losses	-23	-14	-23
Decrease in impairment charges to cover realised loan losses	17	12	19
Recoveries on previous realised loan losses	1	1	2
New and increased impairment charges	-70	-73	-173
Reversals of impairment charges	54	15	97
Impairment losses on loans and receivables, credit impaired	**-20**	**-60**	**-77**
Impairment losses on loans and receivables	**-48**	**-74**	**-86**

Note 5 Loans and receivables at fair value

DKKm	30 Jun 2025	30 Dec 2024	30 Jun 2024
Mortgage loans, nominal value			
Value at beginning of period	413,523	421,553	421,553
New loans (gross new lending)	27,929	46,468	19,071
Foreign exchange revaluations	0	2	2
Redemptions and prepayments	-24,398	-45,431	-20,695
Net new lending for the period	3,531	1,038	-1,623
Scheduled principal payments	-4,716	-9,068	-4,304
Mortgage loan portfolio at end of period	**412,338**	**413,523**	**415,626**
Mortgage loans, fair value			
Nominal value	412,338	413,523	415,626
Adjustment for interest rate risk etc.	-22,383	-21,708	-30,430
Adjustment for credit risk (see below)	-614	-583	-581
Mortgage loan portfolio	389,342	391,232	384,614
Mortgage arrears	117	128	101
Loans and receivables at fair value	**389,458**	**391,360**	**384,715**

Movements of allowance account for credit risk value changes

DKKm	Stage 1[1, 2]	Stage 2[2]	Stage 3[2]	Total
Balance at 1 January 2025	88	221	275	583
Transfer between stages	0	8	1	10
Changes due to changes in credit risk (net)	17	6	31	54
Changes due to repayments	-	-4	-16	-20
Write-off through decrease in allowance account	-	-	-14	-14
Balance at 30 June 2024	**105**	**232**	**277**	**614**

DKKm	Stage 1[1, 2]	Stage 2[2]	Stage 3[2]	Total
Balance at 1 January 2024	72	227	223	522
Transfer between stages	0	-15	31	16
Changes due to changes in credit risk (net)	42	123	118	284
Changes due to repayments	-27	-114	-79	-220
Write-off through decrease in allowance account	-	-	-19	-19
Balance at 31 December 2024	**88**	**221**	**275**	**583**

DKKm	Stage 1[1]	Stage 2	Stage 3	Total
Balance at 1 January 2024	72	227	223	522
Transfer between stages	0	8	17	25
Changes due to changes in credit risk (net)	35	99	45	179
Changes due to repayments	-20	-108	-5	-133
Write-off through decrease in allowance account	-	-	-12	-12
Balance at 30 June 2024	**87**	**226**	**268**	**581**

[1] Stage 1 includes loans and receivables where management has assessed that there has not been a significant increase in credit risk since initial recognition.

[2] The management judgement was split as follows: DKK 88m (DKK 76m) in stage 1, DKK 171m (DKK 122m) in stage 2 and DKK 47m (DKK 113m) in stage 3.

Note 5 Loans and receivables at fair value, continued

Forward-looking information

Forward-looking information is used for both assessing significant increases in credit risk and calculating expected credit losses. Nordea Kredit uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. In the first half of 2025 Nordea responded to the potentially worsening macroeconomic outlook resulting from escalated trade tensions by applying a 100% weighting to the adverse scenario (baseline 60%, adverse 20% and favourable 20% at the end 2024).

The macroeconomic scenarios are based on the Oxford Economics Model. The forecast is a combination of modelling and expert judgement, subject to thorough checks and quality control processes. The model has been built to give a good description of the historical relationships between economic variables and to capture the key linkages between those variables. The forecast period in the model is ten years. For periods beyond, a long-term average is used in the ECL calculations.

The macroeconomic scenarios reflect Nordea's view of how the Nordic economies might develop in light of continued geopolitical uncertainty, trade conflicts and weak growth in major European economies. When developing the scenarios and determining the relative weighting between them, Nordea took into account projections made by the central bank and Nordea Research.

The baseline scenario is influenced by continued uncertainty over US trade policy, which has dampened the growth outlook for the Danish economy. Denmark will see relatively high growth in 2025, driven by the pharmaceutical sector and the reopening of North Sea oil and gas fields. Unemployment will be largely stable in the coming years. A modest recovery in home prices is expected to continue in the coming years, supported by rising household purchasing power. The risks around the baseline forecast are tilted to the downside, with the upside scenario deviating less from the baseline than the adverse.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. An escalation of the trade conflict between the US and several countries could trigger a European and Danish recession as firms postpone investments, exports slow down and households cut spending due to weakening labour markets. Central banks may in addition regard the inflationary impulse from higher tariffs as temporary and continue cutting interest rates, with rates moving lower than in the baseline scenario. Lower tariffs and an unwinding of trade policy uncertainty, on the other hand, may lead to a stronger recovery than assumed in the baseline scenario.

The model adjustments to model-based provisions amounted to DKK 306m (DKK 311m) at the end of the first half of 2025. The management judgement covers expected credit losses not yet adequately captured by the impairment model in stages 1, 2 and 3 as well as expected losses on loans in stage 1 covering rating migration not yet identified in the rating and expected losses on loans to agricultural customers.

Scenarios

		2025	2026	2027	Probability weight
Favourable scenario	GDP growth, %	3.6%	2.3%	2.0%	0%
	Unemployment, %	2.9%	3.0%	3.0%	
	Change in household consumption, %	1.4%	1.8%	2.2%	
	Change in house prices, %	4.6%	4.2%	3.2%	
Baseline scenario	GDP growth, %	2.9%	1.2%	1.9%	0%
	Unemployment, %	3.1%	3.4%	3.5%	
	Change in household consumption, %	1.3%	1.4%	2.0%	
	Change in house prices, %	3.5%	3.2%	3.2%	
Adverse scenario	GDP growth, %	1.6%	-0.4%	1.4%	100%
	Unemployment, %	3.7%	4.6%	4.7%	
	Change in household consumption, %	0.9%	0.4%	1.5%	
	Change in house prices, %	-0.4%	-3.4%	2.8%	

Note 6 Capital adequacy

Summary of items included in own funds

DKKm	30 June 2025[1]	31 Dec 2024	30 Jun 2024[1]
Calculation of own funds			
Equity	21,208	22,267	21,207
Proposed/actual dividend	-	-1,059	-
Common Equity Tier 1 capital before regulatory adjustments	**21,208**	**21,208**	**21,207**
IRB provisions shortfall (-)	-957	-924	-278
Other items, net	-34	-32	-254
Total regulatory adjustments to Common Equity Tier 1 capital	**-991**	**-956**	**-531**
Common Equity Tier 1 capital (net after deduction)	**20,216**	**20,252**	**20,676**
Tier 1 capital (net after deduction)	**20,216**	**20,252**	**20,676**
Tier 2 capital before regulatory adjustments	1,551	1,550	1,550
Tier 2 capital	**1,551**	**1,550**	**1,550**
Own funds (net after deduction)	**21,768**	**21,802**	**22,226**

[1] Excluding profit for the period.

Minimum capital requirement and risk exposure amount (REA)

DKKm	30 Jun 2025 Minimum capital requirement	30 Jun 2025 REA	31 Dec 2024 Minimum capital requirement	31 Dec 2024 REA	30 Jun 2024 Minimum capital requirement	30 Jun 2024 REA
Credit risk	**7,422**	**92,778**	**7,704**	**96,306**	**5,367**	**67,084**
- of which counterparty credit risk	26	328	50	628	56	701
IRB	6,490	81,119	6,591	82,382	4,844	60,556
- corporate	1,808	22,604	1,818	22,720	1,810	22,622
- advanced	*1,621*	*20,265*	*1,818*	*22,720*	*1,810*	*22,622*
- foundation	*187*	*2,339*	-	-	-	-
- retail	4,652	58,150	4,741	59,259	3,006	37,576
- secured by immovable property collateral	*4,586*	*57,319*	*4,686*	*58,571*	*2,977*	*37,209*
- other retail	*66*	*831*	*55*	*688*	*29*	*367*
- other	*29*	*365*	*32*	*402*	*29*	*358*
Standardised	933	11,659	1,114	13,924	522	6,528
- central governments or central banks	1	13	1	13	1	6
- institutions	924	11,553	1,106	13,825	515	6,434
- corporate	1	10	0	0	-	-
- secured by mortgages on immovable properties	5	60	5	65	5	67
- equity	2	22	2	21	2	21
Operational risk	**613**	**7,668**	**373**	**4,658**	**373**	**4,658**
Standardised	613	7,668	373	4,658	373	4,658
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	-	-	-	-	2	27
Additional risk exposure amount due to Article 3 of the CRR	52	647	-	-	-	-
Total[1]	**8,087**	**101,094**	**8,077**	**100,964**	**5,741**	**71,769**

[1] The increase in REA was mainly driven by the implementation of new IRB retail models during the second half of 2024.

Note 6 Capital adequacy, continued

Capital ratios (%)	30 Jun 2025	31 Dec 2024	30 Jun 2024
Common Equity Tier 1 capital ratio	20.0	20.1	28.8
Tier 1 capital ratio	20.0	20.1	28.8
Total capital ratio	21.5	21.6	31.0

Leverage ratio[1]	30 Jun 2025	31 Dec 2024	30 Jun 2024
Tier 1 capital, DKKm	20,216	20,252	20,676
Leverage ratio exposure, DKKm	436,869	436,789	422,335
Leverage ratio, %	4.6	4.6	4.9

[1] Including profit for the period.

Note 7 Risks and uncertainties

Nordea Kredit's main risk exposure is credit risk. Nordea Kredit only assumes limited market risks, liquidity risks and operational risks.

See the risk and liquidity management note in the annual report for 2024 for further information on Nordea Kredit's management of risks.

There are significant risks related to the macroeconomic environment due to the ongoing geopolitical developments and trade tensions. Reduced consumer spending and lower activity may particularly impact small and medium-sized enterprises in certain industries. Depending on future developments, there may be increased credit risk in Nordea Kredit's portfolio. Furthermore, potential adverse impacts on income could arise due to financial market volatility and reduced activity impacting transaction volumes and customer activity. Potential future credit risks are addressed in Note 5. In addition, Nordea Kredit recognises an increase in the risk of hybrid warfare impacting its operations as a consequence of the geopolitical situation.

Nordea Kredit is not involved in legal proceedings or disputes which are considered likely to have any significant adverse effect on Nordea Kredit or its financial position.

Note 8 The Danish Financial Supervisory Authority's ratio system

	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Total capital ratio	21.5	31.0	21.6
Tier 1 capital ratio	20.0	28.8	20.1
Pre-tax return on equity, %	4.4	2.6	6.4
Post-tax return on equity, %	3.3	1.9	4.7
Income/cost ratio	3.3	1.6	1.8
Foreign exchange exposure as % of Tier 1 capital	1.2	1.0	1.1
Loans/equity ratio	17.8	17.8	17.6
Lending growth for the period, %	-0.3	-1.4	-1.9
Impairment ratio for the period	0.0	0.0	0.0
Return on assets, %	0.2	0.1	0.2

The key figures have been computed in accordance with the Danish Financial Supervisory Authority's definitions, see the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have considered and adopted the interim report of Nordea Kredit Realkreditaktieselskab for the half-year ending 30 June 2025.

The interim report has been prepared in accordance with the requirements of the law, including the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

It is our opinion that the financial statements give a true and fair view of the company's financial position at 30 June 2025 and of the results of the company's operations for the half-year ending 30 June 2025.

Further, in our opinion, the Management's report provides a fair review of the development in the company's operations and financial matters, the results of the company's operations and financial position and describes the material risks and uncertainties affecting the company.

Copenhagen, 29 August 2025

Board of Directors

Anders Holkmann Olsen (Chair)	Anne Rømer (Vice Chair)	Anita Ina Nielsen
Anders Frank-Læssøe	Helene Bløcher	Tina Helen Sandvik
Christian Ulrik Johannesen		

Executive Management

Morten Boni (Chief Executive Officer)	Kasper Lykke Møller Ingemann (Deputy Chief Executive Officer)