

To the editor

Communications  
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## **Realkredit Danmark reports net profit of DKK 1,874 million for 2011**

Realkredit Danmark today published its annual report for 2011. The report is available on [www.rd.dk](http://www.rd.dk).

Highlights are shown below:

- In 2011, the Realkredit Danmark Group recorded a net profit of DKK 1,874 million, against DKK 1,721 million the year before.
- Total income rose 8% relative to 2010 and amounted to DKK 4,491 million.
- Loan impairment charges rose to DKK 1,057 million, against DKK 976 million in 2010. The charges equalled 0.15% of total mortgage lending, against 0.14% at the end of 2010. The charges were split evenly between charges against personal customer loans and charges against business loans. Loan impairment charges rose in the fourth quarter. The increase was attributable mainly to higher charges against business loans.
- Expenses climbed DKK 37 million to DKK 934 million, partly because of higher IT expenses aimed at improving customer service.
- Delinquencies as a percentage of mortgage payments declined during the second half of the year. The three-month delinquency rate thus stood at 0.46% at the end of 2011, against 0.63% a year earlier.
- At 31 December 2011, the total capital ratio was 35.8%.
- Realkredit Danmark expects to repay the hybrid tier 1 capital of DKK 2 billion raised from the Danish state on 11 May 2012, which is the earliest possible redemption date.
- Realkredit Danmark expects a higher profit in 2012 than in 2011 because of higher administration margins and the focus on cost control.

Carsten Nøddebo, CEO, says: "Although the European economies are seeing financial turbulence, investors show confidence in the Danish economy and Danish mortgage bonds. The upside is cheaper loans to customers. And Realkredit Danmark has managed to get through 2011 with a 9% increase in net profit."

Contact: Carsten Nøddebo, CEO, tel. +45 45 13 20 82.

## 5-year financial highlights – Realkredit Danmark Group

<b>NET PROFIT FOR THE YEAR</b> (DKK millions)	2011	2010	2009	2008	2007
Administration margin	3,564	3,423	3,200	2,954	2,833
Net interest income	660	614	1,718	1,963	1,740
Net fee income	-488	-501	-415	-431	-340
Income from investment portfolios	650	463	1,113	547	237
Other income	105	168	102	149	160
<b>Total income</b>	<b>4,491</b>	<b>4,167</b>	<b>5,718</b>	<b>5,182</b>	<b>4,630</b>
Expenses	934	897	984	1,010	1,194
Profit before loan impairment charges	3,557	3,270	4,734	4,172	3,436
Loan impairment charges	1,057	976	1,267	422	-10
Profit before tax	2,500	2,294	3,467	3,750	3,446
Tax	626	573	873	940	854
<b>Net profit for the year</b>	<b>1,874</b>	<b>1,721</b>	<b>2,594</b>	<b>2,810</b>	<b>2,592</b>

### BALANCE SHEET (AT 31 DECEMBER)

(DKK millions)	2011	2010	2009	2008	2007
Due from credit institutions etc.	32,556	28,889	48,966	25,069	23,178
Mortgage loans	723,754	704,449	691,301	669,891	627,809
Bonds and shares	17,300	21,688	3,332	13,062	40,059
Other assets	2,950	2,595	2,744	2,900	3,157
<b>Total assets</b>	<b>776,560</b>	<b>757,621</b>	<b>746,343</b>	<b>710,922</b>	<b>694,203</b>
Due to credit institutions etc.	20,668	27,408	26,855	8,111	11,918
Issued mortgage bonds	695,080	671,644	660,685	647,731	630,844
Other liabilities	14,010	13,625	15,604	16,512	15,683
Subordinated debt	2,045	2,061	2,037	-	-
Shareholders' equity	44,757	42,883	41,162	38,568	35,758
<b>Total liabilities and equity</b>	<b>776,560</b>	<b>757,621</b>	<b>746,343</b>	<b>710,922</b>	<b>694,203</b>

### RATIOS AND KEY FIGURES

Net profit for the year as % of avg. shareholders' equity	4.3	4.1	6.5	7.6	7.5
Cost/income ratio (%)	20.8	21.5	17.2	19.5	25.8
Total capital ratio (%)	35.8	39.4	44.6	56.6	10.5
Tier 1 capital ratio (%)	35.4	38.8	44.2	56.5	10.5
Full-time-equivalent staff, end of year	303	320	300	520	519