

To the editor

Communications
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Realkredit Danmark reports net profit of DKK 2,259 million for the first nine months of 2014

Realkredit Danmark today published its report for the first nine months of 2014. The report is available at rd.dk. Highlights are shown below:

- Realkredit Danmark recorded a net profit of DKK 2,259 million in the first nine months of 2014, against DKK 1,824 million in the same period of 2013. The 24% improvement was driven especially by lower impairments and a slight increase in administration margins. Administration margins rose on the back of a larger loan portfolio and marginally higher average margins.
- Total income rose 5% over income in the first nine months of 2013.
- Expenses fell 3% relative to the first nine months of 2013.
- Impairments fell to DKK 833 million from DKK 1,151 million in the first nine months of 2013. Total impairments improved, partly as a result of a slowly improving housing market in Denmark. The delinquency rate fell slightly from the level at 30 September 2013.
- The total capital ratio calculated in accordance with CRR was 35.4%, against 34.0% at 31 December 2013.
- Customer interest in FlexKort® loans remained strong. The proportion of customers with 1-year FlexLån® loans fell from 22.3% at 30 September 2013 to 13.8% at the end of September 2014.
- In the third quarter, Realkredit Danmark was able to offer its customers fixed-rate loans with historically low interest rates, including a 30-year mortgage with a coupon of 2.5%.
- Realkredit Danmark maintains its expectations for a higher profit in 2014 than in 2013.

Carsten Nøddebo, CEO, says:

“We continue to make progress, supported by lower impairments and increased lending as a result of the positive trends in the housing market. We are also very pleased to see that customers who want short interest reset intervals increasingly choose our FlexKort® product, which is set to be the product of the future within loans with short interest reset intervals.”

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