

To the editor

Communications
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Realkredit Danmark reports net profit of DKK 2,057 million for the first half of 2015

Realkredit Danmark today published its report for the first half of 2015.

The report is available at rd.dk. Highlights are shown below:

- The Realkredit Danmark Group recorded a net profit of DKK 2,057 million in the first half of 2015, against DKK 1,490 million in the first half of 2014. The improvement was driven by lower impairments and strong remortgaging activity.
- Total income rose to DKK 3,398 million in the first half of 2015 from DKK 2,943 million in the first half of 2014.
- Expenses fell marginally from the level in the first half of 2014 and stood at DKK 390 million.
- Impairments fell to DKK 319 million from DKK 569 million in the same period of 2014. Total impairments declined as a result of a general improvement of macroeconomic conditions in Denmark. Impairments equalled 0.09% p.a. of total mortgage lending, against 0.16% for full-year 2014.
- In the first half of 2015, customers showed increasing interest in Realkredit Danmark's fixed-rate products and mortgage loans with principal repayments. Disbursements of fixed-rate loans amounted to DKK 78 billion in the first half of 2015, corresponding to 76% of total gross lending.
- The proportion of customers with 1-year FlexLån® loans fell from 14.2% at 30 June 2014 to 10.0% at 30 June 2015. Customers continue to show interest in setting their mortgage rates for longer periods.
- Realkredit Danmark maintains its expectations for a higher profit in 2015 than in 2014.

Carsten Nøddebo, CEO, says: *“Realkredit Danmark’s result for the first half of 2015 is satisfactory. The increase in net profit was due to lower impairments and strong remortgaging activity in the first half of the year as a result of the very low level of interest rates. In aggregate, customers who have remortgaged fixed-rate loans and refinanced FlexLån® will save more than DKK 1.5 billion annually in interest expenses.”*

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