

To the editor

Communications
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Realkredit Danmark reports net profit of DKK 3,890 million for 2015

Realkredit Danmark today published its annual report for 2015. The report is available at rd.dk.

Highlights are shown below:

- In 2015, the Realkredit Danmark Group recorded a net profit of DKK 3,890 million. Net profit was 27% higher than in 2014 and in line with expectations. The profit improvement was driven especially by lower impairments and income from strong remortgaging activity in the first half of the year.
- Total income was up 5% to DKK 6,311 million.
- At DKK 787 million, expenses were 3% lower than in 2014.
- Impairments fell to DKK 432 million from DKK 1,171 million in 2014. Total impairments declined as a result of a general improvement of macroeconomic conditions in Denmark. Total impairments equalled 0.06% of total mortgage lending, against 0.16% at the end of 2014.
- In 2015, customers showed particularly strong interest in Realkredit Danmark's fixed-rate products and mortgage loans with principal repayments. Disbursements of fixed-rate loans amounted to DKK 97 billion in 2015, corresponding to 63% of disbursed loans.
- In aggregate, Realkredit Danmark customers who remortgaged fixed-rate loans and refinanced FlexLån® loans in 2015 will save more than DKK 1.6 billion annually in interest expenses.
- The proportion of customers with 1-year FlexLån® loans fell from 13% at 31 December 2014 to 9% at the end of 2015, with the fall being driven especially by remortgaging in connection with the first-quarter refinancing auctions.
- In 2015, more than 5,000 customers reduced their administration margin on remortgaging their FlexLån® loans to a fixed-rate loan, and about 6,000 customers with interest-only loans reduced their administration margin as a result of rising property prices.

- In 2015, Realkredit Danmark disbursed FlexLån® loans with negative interest rates for the first time. During the year, Realkredit Danmark thus disbursed FlexLån® loans with negative interest rates to more than 750 customers.
- Realkredit Danmark expects the profit for 2016 to be at the same level as in 2015.

Carsten Nøddebo, CEO, says: *“In 2015, Realkredit Danmark achieved a satisfactory improvement that was driven in particular by a decline in impairments and high remortgaging activity in the early part of the year, which saw the largest remortgaging wave in ten years. More than 55,000 Realkredit Danmark customers took advantage of the low level of interest rates to remortgage. Those who remortgaged or refinanced existing loans in 2015 will save a total of DKK 1.6 billion in annual interest expenses.”*

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