

Press release

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**Realkredit Danmark reports net profit of DKK 2,985 million
for the first nine months of 2016**

Realkredit Danmark today published its report for the first nine months of 2016.

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

- The Realkredit Danmark Group recorded a net profit of DKK 2,985 million in the first nine months of 2016, against DKK 2,820 million in the same period of 2015. The profit for the first nine months of 2016 was supported by a low level of impairments, while remortgaging activity was lower than in the first nine months of 2015. Remortgaging activity rose in the third quarter, however.
- Impairments fell to DKK 181 million in the first nine months of 2016 from DKK 442 million in the same period of 2015. Total impairments declined as a result of a general improvement of macroeconomic conditions in Denmark and reversal of previously made impairments against loans to corporate customers. Impairments equalled 0.03% p.a. of total mortgage lending, against 0.06% in 2015.
- Expenses amounted to DKK 583 million, which was marginally lower than for the same period of 2015.
- Lending to personal customers saw a satisfactory development, rising DKK 5 billion in the third quarter of 2016. Customer demand was particularly strong for fixed-rate loans with a coupon of 2% and FlexLån® loans with refinancing intervals of five years or more.
- Realkredit Danmark still expects the profit for 2016 to be at the same level as in 2015.

Carsten Nøddebo, CEO, says: *“Our results are satisfactory. The improvement is due mainly to a fall in impairments, however, based on a general improvement of macroeconomic conditions in Denmark. Lending to personal customers saw a very satisfactory development in the third quarter, recording a total increase of DKK 5 billion. Remortgaging activity also rose in the third quarter, but for the period as a whole, it was lower than in the same period last year. More customers have taken advantage of the low interest rates to achieve a higher degree of certainty about their financial position by choosing either a fixed-rate loan or a floating-rate loan with longer refinancing intervals.”*

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