

Press release

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Net profit of DKK 1,008 million in the first quarter of 2021

Realkredit Danmark today published its interim report for the first quarter of 2021.

Carsten Nøddebo, CEO, comments on the financial results:

“Net profit rose from DKK 541 million in the first quarter of 2020 to DKK 1,008 million in the first quarter of 2021. The increase was due mainly to a lower level of impairments, despite the second-wave lockdowns this year. This is evidence that, in financial terms, the housing market and people in Denmark have generally managed the corona crisis well. Although society is now reopening more and we expect the rollout of the vaccination programme to support the process towards normalisation of the economy, we will continue to go to great lengths to help those of our customers who suffer difficulties as a result of the corona crisis.

Demand for the FlexLife® loan type continues to be strong, and we are pleased to note that our initiatives within sustainable financing have been very well received by our customers. In the first quarter of 2021, we expanded the target group for green bonds to include medium-sized business, and total green bond lending now exceeds DKK 10 billion.”

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

- The Realkredit Danmark Group recorded a net profit of DKK 1,008 million in the first quarter of 2021, against DKK 541 million in the first quarter of 2020. The profit benefited from lower loan impairment charges.
- Loan impairment charges amounted to an expense of DKK 115 million in the first quarter of 2021, against DKK 705 million in the first quarter of 2020. Loan impairment charges thus reached a more normal level in the first quarter of 2021.

- Customer interest in the fixed-rate version of the FlexLife® loan launched in September 2020 is still very strong, and at 31 March 2021, Realkredit Danmark had disbursed loans for DKK 14 billion.
- In the first quarter of 2021, Realkredit Danmark retained its focus on green bond initiatives. The customer response has been very positive, and total lending now amounts to DKK 10 billion.
- Fixed-rate mortgages are low-risk and low-margin loans. They have regained the role as the preferred mortgage loan among homeowners in Denmark. This, combined with the fact that customers are increasingly making repayments on their loans, resulted in a small decrease in administration margin income.
- Realkredit Danmark expects net profit for 2021 to be marginally lower than net profit in 2020.

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