

Press release

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Realkredit Danmark reports net profit of DKK 2,129 million for the first half of 2024

Realkredit Danmark today published its interim report for the first half of 2024.

Kamilla Hammerich Skytte, CEO, comments on the financial results:

“Realkredit Danmark delivered a solid result for the first half-year of 2024 that was on par with the result for the year-earlier period. The positive trend in the top line was attributable to the higher level of interest rates, although this increase was offset by model-based loan impairment charges.

Activity in the housing market has recovered in 2024 following a plunge early in the year. Overall, the housing market has not been affected to any major extent by the transition to the new property tax rules. Although uncertainty about both developments in the economy and the housing market in the coming years continues to be considerable, the housing market is supported by factors such as a low unemployment rate, good salary increases and lower inflation, and all in all, we expect to see price increases of around 3-4% in 2024.

As always, the Danske Bank Group maintains a focus on providing the best possible advisory services and attractive loan terms across mortgage credit and bank home finance propositions. As part of the Group’s Forward ’28 strategy, most recently, Realkredit Danmark has together with Danske Bank lowered the interest rate on supplementary home financing, which benefits first-time buyers in particular.

For both residential and commercial property owners, the green transition is an important focus area, and our aim is to make it as simple as possible for our customers to future proof their homes and properties. The attractive terms offered by the Danske Bank Group for loans for energy efficiency improvements thus also now apply to loans for climate adaptation of homes. In addition, we have expanded our partnership with consulting engineers OBH to offer customers advice not only about energy efficiency improvements but also about climate adaptation.”

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

- For the first half of 2024, Realkredit Danmark’s net profit was DKK 2,129 million (H1 2023: DKK 2,141 million). The topline increased, driven by the higher interest rate levels, although the increase was offset by model-based loan impairment charges.

- We made progress with our Climate Action Plan, and we see momentum from commercial property customers picking up. Our ambition is to reach a 75% reduction of carbon emissions from properties in Denmark.
- For business customers, we continue to issue green bonds to finance properties that meet the requirements set out in our Green Financing Framework. At the end of June 2024, we had issued DKK 28.3 billion in green bonds.
- Mortgage lending at fair value decreased DKK 9 billion to DKK 744 billion in the first half of 2024. The development is composed of a decrease in the nominal outstanding bond debt of DKK 4 billion and a decrease of DKK 5 billion in the market value adjustment.
- Credit quality remained solid and loan impairment charges were affected by a planned model change.
- Realkredit Danmark's capital base continues to be robust with significant buffers well above the regulatory requirements. Total capital amounted to DKK 49.7 billion and the total capital ratio was 31.6%.
- The Systemic Risk Council has recommended that a systemic buffer of 7% be introduced for exposures to property companies. As a result, the financial sector will face increasing capital buffer requirements from 1 July 2024 of DKK 10 billion. Consequently, in order to support a balanced capital structure, Realkredit Danmark has decided not to pay extraordinary dividend during 2024.
- Realkredit Danmark expects net profit in 2024 to be marginally higher than net profit in 2023.

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