

Press release

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Net profit of DKK 2,786 million for the first nine months of 2021

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

Carsten Nøddebo, CEO, comments on the financial results:

“After a period of relatively subdued lending growth, we were pleased to see significantly higher growth in lending of DKK 6 billion in the third quarter. We continue to focus on lending being based on a robust foundation and therefore consider the more subdued price trend in the housing market to be beneficial, increasing the likelihood of a soft landing after a period of heavy price increases.

The improvement in the result for the first three quarters of the year from the same period in 2020 is due mainly to impairment charges returning to a more normal level. A decline in administration margin income caused by customers increasingly opting for fixed-rate loans and longer interest reset intervals had a negative effect. In addition, costs rose due to increased investments in compliance activities and digitisation and to contributions to the Danish Resolution Fund.”

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

- The Realkredit Danmark Group recorded a net profit of DKK 2,786 million in the first nine months of 2021, against DKK 2,693 million in the first nine months of 2020. The profit was affected by lower loan impairment charges and costs for ongoing compliance and digitisation.
- Loan impairment charges amounted to an expense of DKK 258 million in the first nine months of 2021, against DKK 552 million in the first nine months of 2020. Loan impairment charges reached a more normal level in the first nine months of 2021.
- During the first nine months, the nominal outstanding bond debt rose DKK 9 billion, with the third quarter accounting for DKK 6 billion of the increase.
- Realkredit Danmark maintained its focus on green bond initiatives. Customer responses have been very positive, and at 30 September 2021, total lending amounted to DKK 16.1 billion.

- Customer interest in Realkredit Danmark's most recently launched products, the variable-rate FlexLife® and fixed-rate FlexLife® loans, remained very strong, and at 30 September 2021, Realkredit Danmark had disbursed loans of these types for DKK 72 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 drop in administration margin income.
- Realkredit Danmark expects net profit for 2021 to be somewhat lower than net profit for 2020.

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