

# DANMARKS NATIONALBANK

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SECURITIES, MAY 2018

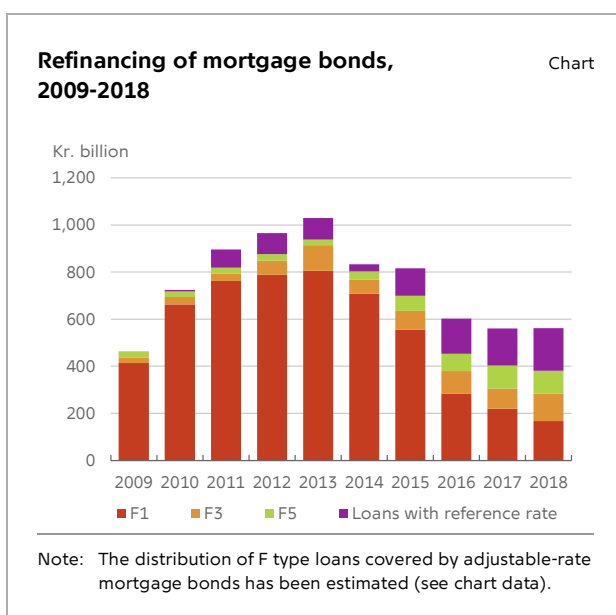
## Refinancing needs significantly reduced

Mortgage bonds totaling kr. 562 billion will be refinanced in 2018. This is a significant decline since 2013, where bonds worth kr. 1,029 billion were refinanced. The recurring refinancing needs arise from the popular adjustable-rate mortgages and mortgages covering loans with reference rates.

The declining refinancing need is driven primarily by the significant drop in mortgage bonds covering F1 type loans. Today, they represent only 6 per cent of all Danish mortgage bonds. At their peak in 2012 their share was above 30 per cent.

For the past six years, loans with reference rates as well as F3 and F5 type loans have been popular. Today, bonds covering these loans represent 25, 8 and 20 per cent of all Danish mortgage bonds respectively. Accordingly, these bonds represent an increasingly large share of total refinancing.

The decline in refinancing needs has been driven by regulatory changes and the increase in administration fees, especially on F1 type loans. Today, refinancing of mortgage bonds is far more equally divided between the four annual auctions than previously. Prior to 2014, almost all refinancing was concentrated on the January auctions.



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