

Nordea Hypotek AB (publ) – Half-year financial report

## Nordea Hypotek AB half-year financial report January–June 2021

### Summary of first half of 2021:

- Operating income at the end of the period amounted to SEK 3,645m (3,145), +15.9 percent compared with the same period in 2020. The increase compared with 2020 is mainly explained by net interest income which at the end of the period amounted to SEK 3,754m (3,256), +15.3 percent compared to the same period in 2020. The increase is chiefly due to lower funding costs caused by lower market interest rates and higher lending volumes.
- Operating expenses SEK -2,236m (-864), +158.8% compared with the same period 2020. As of 1 January 2021, the Funds Transfer Pricing (FTP) approach applying to internal sales and distribution services procured by Nordea Hypotek has been updated to make it consistent with developments in the OECD Transfer Pricing Guidelines and local tax practice. The updated approach has prompted price adjustments to sale and distribution fees. Accrued fees for 2021, amounting to SEK -1,305m, have been charged to the second quarter, which increases operating expenses and negatively affects operating profit.
- Operating profit SEK 1,410m (2,222), -36.5% compared with the same period of 2020, which is chiefly due to increased operating expenses, see the point on operating expenses above.
- At the end of the period, lending to the public was at SEK 640,710m (619,166), an increase compared to the year-end volume of 3.5% (3.4%).
- At the end of the period, the CET1 capital ratio was 15.6% (15.2% at year-end).
- Net loan losses amounted to SEK 10m for the period (58). The change compared to the same period of 2020 is chiefly attributable to a reduction in the model-based loan provisions. Incurred loan losses, less recoveries on written-off loans and reversed provisions, increased by SEK 7m in the first half of 2021, amounting to SEK 10m (3) at the end of the period.

Nordea Hypotek AB's half-year financial report 2021 has been published on:

<https://www.nordea.com/en/investor-relations/reports-and-presentations/subsidiary-reports/swedish-subsiary-reports/>

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*This information is such that Nordea Hypotek AB (publ), 556091-5448, is obliged to publish under the Securities Markets Act (2007:528). The information was released for publishing on 27 August 2021 at 10.00 CET.*