

Nordea Hypotek AB half-year financial report January–June 2022

Summary of first half of 2022

- Continued high business activity and increased market shares led to loan volumes rising by 3.5% (3.5) and at the end of the period, Nordea Hypotek's loan portfolio amounted to SEK 687,599m (664,615). The credit quality in Nordea Hypotek's loan portfolio remains strong with currently no signs of negative development in the loan portfolio or increased defaults. The levels of unpaid and overdue loans are broadly unchanged compared to the same period in 2021.
- Net loan losses amounted to SEK -29m for the period (-10). The change compared with the same period of 2021 is chiefly attributable to increased model-based loan provisions due to the poorer macroeconomic climate. Incurred loan losses, less recoveries on written-off loans and reversed provisions, decreased by SEK 9m in the first half of 2022, amounting to SEK -1m (-10) at the end of the period.
- Operating income at the end of the period was SEK 3,589m (3,645); -1.5% from the same period of 2021. The main reason for the decrease from 2021 is somewhat lower net interest income which, at the end of the period, amounted to SEK 3,743m (3,754); -0.3%, and a poorer net result from items of fair value which, at the end of the period, amounted to SEK -130m (-93); -39.5%. The drop in net result from items at fair value is chiefly attributable to realised and unrealised value changes for financial instruments under hedge accounting and lower interest rate differential compensation related to early redemption of loans, partially offset by reduced repurchasing of own bonds issued.
- Operating expenses at the end of the period were SEK -2,472m (-2,236); +10.6% compared with the same period of 2021. The main reasons for the increase were higher distribution costs and the new bank tax introduced in January 2022.
- Operating profit was SEK 1,088m (1,410); -22.3% compared with the same period of 2021, which is chiefly due to increased operating expenses, see the point on operating expenses above.
- At the end of the period, the CET1 capital ratio was 15.2% (15.7% at year-end).

Nordea Hypotek AB's half-year financial report 2022 has been published on:
<https://www.nordea.com/en/investor-relations/rapporter-och-presentationer/rapporter-fran-dotterbolag/swedish-subsidiary-reports/>

Publication of the annual report 2022

Nordea Hypotek annual report for the financial year 2022 will be published sometime during 13-17 March 2023 in connection with a stock exchange release and will then also be available on [nordea.com](https://www.nordea.com).

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