

Nordea Hypotek AB (publ) – Year-end report

Nordea Hypotek AB Year-end report 2021

Nordea Hypotek AB's year-end report has been published at:

<https://www.nordea.com/en/investor-relations/rapporter-och-presentationer/rapporter-fran-dotterbolag/swedish-subsiary-reports/>

Summary of the second half of 2021 compared with the first half of 2021:

- Operating profit for the second half of 2021 amounted to SEK 1,626m (1,400), which is an increase of 16.1%.
- Net interest income amounted to SEK 3,760m (3,754); a slight increase of 0.1%.
- Operating expenses decreased by SEK 101m, amounting at the end of the period to SEK -2,135m (-2,236), which is mainly attributable to the fact that the cost of the resolution fee was taken in the first half of 2021, when Nordea Hypotek received the invoice from the National Debt Office.
- In the second half of 2021, lending to the public increased by 3.7%, amounting on 31 December 2021 to SEK 664,615m (640,710).

Summary of full-year 2021 compared to full-year 2020:

Operating profit amounted to SEK 3,026m (5,242), which is a decrease of 43%. When comparing earnings with the previous year, account should mainly be taken of the following major items affecting comparability:

- Net interest income amounted to SEK 7,514m (7,092); an increase of 6.0%. The main reason for the increase in net interest income is higher lending volumes and lower funding costs.
- Operating expenses at the end of the year were SEK -4,371m (-1,580), an increase of 176.6% compared to 2020. As of 1 January 2021 the Funds Transfer Pricing (FTP) approach applying to internal sales and distribution services procured by Nordea Hypotek from Nordea 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 sales and distribution costs. Compared with 2020, sales and distribution costs increased by SEK -2,755 or 215% to SEK -4,035m (-1,280), which largely explains the sharp increase in operating expenses compared to 2020.
- Net loan losses amounted to SEK -10m (-77) during the period, and the decrease is mainly attributable to lower model-based loan provisions. Realised loan losses, less recoveries on written-off loans and reversed provisions, increased by SEK 5m in 2021, amounting to SEK -11m (-6) at the end of the year.
- Lending to the public increased during the year by 7.9% (6.8), amounting at the end of the year to SEK 664,615m (619,166).

Publications for 2021

Nordea Hypotek's annual report for the 2021 financial year, which contains the audited financial statements, the administration report and the corporate governance report, will be published on 14

Nordea Hypotek AB (publ) is a wholly owned subsidiary of Nordea Bank Abp. The Company operates on the Swedish market and grants loans, primarily of a long-term nature, to households, sole business proprietors, municipalities and other legal entities through the distribution network of the parent bank's Swedish branch.

March 2022 in connection with a stock exchange announcement and will also be available at that time on nordea.com.

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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 28 February 2022 at 10.00 CET.