

Nordea Hypotek AB (publ) – Year-end report

Nordea Hypotek AB Year-end report 2022

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-subsiidiary-reports/>

2022 has been marked by a downturn in the economy, high uncertainty and rise in interest rates and a stagnant housing market. In this market situation, Nordea Hypotek has continued to increase its share of the Swedish mortgage market and has grown the most of all competitors in the market. The credit losses in Nordea Hypotek's loan portfolio are still low and the company's capital position is still very strong. Return on equity was 6.3% for the full year 2022.

Nordea Hypotek continues its focus on sustainability. During 2022, green lending has increased by 146 percent, from SEK 15.1 billion to SEK 37.2 bn, and in November the company issued its first green covered bond of SEK 6 bn.

Summary of the second half of 2022 compared with the first half of 2022:

- In the second half of 2022, lending to the public increased by 1.8%, amounting on 31 December 2022 to SEK 700,282m (687,599).
- Operating profit for the second half of 2022 amounted to SEK 1,261m (1,088), which is an increase of 15.9%.
- Net interest income amounted to SEK 3,305m (3,743), a decrease of 11.7%.
- Operating expenses decreased by SEK 182m, amounting at the end of the period to SEK -2,290m (-2,472)

Summary of full-year 2022 compared to full-year 2021:

Operating profit amounted to SEK 2,349m (3,026), which is a decrease of 22,4%. When comparing earnings with the previous year, account should mainly be taken of the following major items affecting comparability:

- Lending to the public increased during the year by 5.4% (7.3), amounting at the end of the year to SEK 700,282m (664 615).
- Net interest income amounted to SEK 7,048m (7,514); a decrease of 6.2%. The decrease in net interest income is mainly due to higher funding costs, which have not been fully offset by higher interest income and which have driven lower average margins. Higher lending volumes partially compensate for the lower margins.
- Operating expenses at the end of the year were SEK -4,761m (-4,371), an increase of SEK -391m or 8.9% compared to 2021. The cost increase is partly due to the introduction of risk tax, which impacted the result by SEK -186m
- Net loan losses amounted to SEK -120m (-10) 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, decreased by SEK 5m in 2022, amounting to SEK -6m (-11) at the end of the year.

Publications for 2022

Nordea Hypotek's annual report for the 2022 financial year, which contains the audited financial statements, the administration report and the corporate governance report, will be published on 13 March 2022 in connection with a stock exchange announcement and will also be available at that time on [nordea.com](https://www.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 27 February 2023 at 10.00 CET.