

Nordea Hypotek AB Year-end Report 2023

Nordea Hypotek AB (publ)
Year end Report
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Nordea Hypotek AB's Year-end Report has been published on [nordea.com](https://www.nordea.com).

2023 featured increasing interest rates and a housing market with lower activity than in recent years. Nordea continued to grow and increased its share of the Swedish mortgage market, which at the end of 2023 was 13.8%. Total lending in Nordea Hypotek increased by SEK 16 billion to SEK 717 billion, which is a growth of 2.3%. This should be compared with the total market for mortgages, which grew limited by 0.4%. Loan losses remained at low levels and the company's capital position remains strong with a total capital ratio of 18.3%. Return on equity was 3,6%.

Profit performance in the second half of 2023 compared with the first half of 2023

- Operating profit for the second half of 2023 amounted to SEK 831m (614), which is an increase of 35% compared with the first six months of 2023.
- Net interest income amounted to SEK 1,952m (2,546); a decline of 23%. This is mainly driven by higher funding costs and lower margins, which are only partially offset by higher lending volumes.
- Operating expenses decreased by SEK 1,015m in the second half of 2023 and amounted to SEK -945m at the end of the period (-1,960). The decline is chiefly attributable to reduced distribution expenses (SEK 739m) and the cost of the resolution fee (SEK 245m) having been taken in the first half of 2023.
- Average return on equity, after tax, was 4.2% (3.1) at the end of the period.

Profit performance for FY 2023 compared with FY 2022

- Operating profit was SEK 1,445m (2,349), which is a decrease of 38% from the previous year.
- Net interest income amounted to SEK 4,498m (7,048); a decline of 36%. The decrease in net interest income is mainly due to higher funding costs, which were not fully offset by higher interest income from the loans and which drove lower average margins. Higher lending volumes (2.3%) partially compensate for the lower margins.
- Operating expenses at the end of the year were SEK -2,905m (-4,761), a decline of SEK 1,856m or 39% compared to 2022. The decrease is mainly due to the fact that distribution and selling expenses decreased by SEK 1,890m as a consequence of altered intra-group agreements. Otherwise, the regulatory fees, risk tax and resolution fee increased by SEK 36m, from SEK 425m to SEK 461m.

Nordea Hypotek AB's Year-end Report 2023 has been published on: <https://www.nordea.com/sv/investor-relations/rapporter-och-presentationer/rapporter-fran-dotterbolag/swedish-subsidary-reports/>

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