

# Interim report 1st quarter 2023

Storebrand Boligkreditt AS (unaudited)



1<sup>st</sup>  
quarter  
2023



# Contents

|                                       |    |
|---------------------------------------|----|
| Interim report.....                   | 3  |
| Key figures .....                     | 5  |
| Income statement .....                | 6  |
| Statement of financial position ..... | 7  |
| Statement of changes in equity .....  | 8  |
| Statement of cash flow.....           | 9  |
| Notes .....                           | 10 |

## **Important notice:**

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally. The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make. This document contains alternative performance measures (APM) as defined by The European Securities and Market Authority (ESMA). An overview of APM can be found at [www.storebrand.com/ir](http://www.storebrand.com/ir).

# Storebrand Boligkreditt AS

## - Interim report for the first quarter of 2023

(Profit figures for the corresponding period in 2022 are shown in brackets. Balance sheet figures in brackets are for the end of 2022)

- **Low interest margins**
- **Increased lending**

### Financial performance

Pre-tax profit was NOK 27 million (NOK 38 million) for the first quarter.

Net interest income was NOK 77 million (NOK 66 million) in the first quarter. As a percentage of average total assets, net interest income was 0.77 per cent (0.96 per cent) for the first quarter. The interest margins were negatively impacted by increased NIBOR.

Other operating income amounted to minus NOK 7.5 million (minus NOK 2.8 million) and relate to net loss on financial instruments at fair value.

Operating expenses totalled NOK 38 million (NOK 26 million) in the first quarter. The increase was due to increased lending volume.

Loan losses in the first quarter amounted to NOK 5 million (NOK 0.8 million recognised as gain).

### Balance sheet development

The lending volume has increased by NOK 2.9 billion since the end of 2022 and amounted to NOK 40.3 billion (NOK 37.5 billion). Storebrand Bank ASA and Storebrand Boligkreditt AS operate with restrictive lending practices. The average loan-to-value ratio in the portfolio was 57 per cent (55 per cent) at the end of the quarter. On the date of transfer, the loan-to-value ratio never exceeds 80 per cent. The company has over-collateralisation of 22 per cent (32 per cent).

Non-performing loans at the end of the first quarter amounted to NOK 60 million (NOK 38 million), equivalent to 0.15 per cent of gross loans in the company (0.10 per cent). All the loans have a loan-to-value ratio within 80 per cent of market value or have mainly been written down. Loan loss provisions amounted to NOK 16 million (NOK 11 million) at the end of the first quarter.

The company's loan programme is AAA rated by S&P Global Ratings.

At the end of the first quarter of 2023, the company had a liquidity portfolio consisting of fixed-income securities with a AAA rating and AA+ rating from S&P Global Ratings with a market value of NOK 866 million, of which NOK 314 million is classified at amortised cost and NOK 552 million is classified at fair value with changes in value through profit and loss.

The company's total assets as of 31 March 2023 were NOK 41.8 billion (NOK 39.1 billion), an increase of NOK 2.7 billion compared with the end of 2022.

At the end of the first quarter of 2023, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK

33.7 billion. NOK 31.7 billion of these bonds have been placed in the market, while NOK 2 billion are being held by the parent bank. The weighted average of the bonds placed in the market was 3.2 years at the end of the quarter.

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these is a normal overdraft facility, with a ceiling of NOK 8.0 billion. This has no expiry date but can be terminated by the bank on 15 months' notice. The other facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity.

### Capital adequacy

Equity in the company at the end of the first quarter amounted to NOK 3 billion (NOK 2.7 billion) after group contributions paid/received. The eligible capital (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 3 billion (NOK 2.7 billion). The capital base of Storebrand Boligkreditt AS consists entirely of Core Equity Tier 1 (CET1). The CET1 adequacy ratio in the company was 19.2 per cent (20.8 per cent) at the end of the quarter. The requirement for the capital base was 16 per cent as of 31 March 2023. The company has satisfactory solvency and liquidity based on the company's business activities. The company satisfied the combined capital and capital buffer requirements at the end of the quarter.

Storebrand Boligkreditt AS must comply with an LCR of 100 per cent. At the end of the first quarter of 2023, the company's LCR was 852 per cent.

### Credit risk

The PD estimates have not changed significantly in the first quarter and are approximately on pre-pandemic level. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 31 March 2023. The LTVs are not significantly changed, and the average LTV is 57 per cent, an increase of approximately 2 percentage points. Defaulted loans have increased approximately by NOK 22 million from 33 million to 54 million in the first quarter.

The expected credit losses increased by NOK 5 million during the first quarter. The increase is due to an increase of NOK 5 million of losses based on models. The economic outlook with higher interest rates, higher inflation including energy prices are included in the models.

### Strategy and future prospects

Storebrand Boligkreditt AS will continue its core activity, which is the acquisition and management of mortgages from Storebrand Bank ASA. The company is aiming for a moderate growth in collateralisation during 2023.

The market trends and the non-performing loans are being closely monitored. Efforts to ensure good working procedures and high data quality will continue and thereby ensure that government and rating requirements continue to be fulfilled.

Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the performance of Storebrand Boligkreditt AS. With the war in Ukraine and turbulent capital markets, both in Norway and internationally, the company is paying extra close attention to the funding markets.

New issues of covered bonds will be made available when the company decides it is favourable to do so and there is sufficient

collateral. Storebrand Boligkreditt AS will continue to contribute to Storebrand Bank ASA having diversified financing.

The Board of Directors are not aware of any events of material importance to the preparation of the interim financial statements that have occurred since the balance sheet date.

Lysaker, 9 May 2023

The Board of Directors of Storebrand Boligkreditt AS

# Key figures

| NOK million  | 2023     | Q1<br>2022 | Full year<br>2022 |
|--|----------|------------|-------------------|
| <b>Profit and loss account:</b>  |          |            |                   |
| Net interest income as % of avg. total assets                          | 0.77%    | 0.96%      | 0.69%             |
| Profit before other comprehensive income as % of total assets          | 0.20%    | 0.42%      | 0.17%             |
| <b>Main balance sheet figures:</b>                                     |          |            |                   |
| Total assets   | 41,758.6 | 28,553.4   | 39,113.1          |
| Average total assets <sup>1)</sup>                                     | 40,233.4 | 27,934.7   | 32,020.0          |
| Gross loans to customers   | 40,354.2 | 26,859.8   | 37,481.0          |
| Equity   | 2,977.8  | 1,771.5    | 2,707.0           |
| <b>Other key figures:</b>  |          |            |                   |
| Loan losses and provisions as % of average total lending <sup>2)</sup> | 0.05%    | -0.01%     | 0.02%             |
| Gross non-performing and loss-exposed loans as % of total loans        | 0.15%    | 0.14%      | 0.10%             |
| Cost/income ratio <sup>3)</sup>  | 54.4%    | 41.5%      | 56.9%             |
| Core equity Tier 1 (CET1) capital ratio                                | 19.3%    | 16.8%      | 20.8%             |
| LCR <sup>4)</sup>  | 852.0%   | 1,930.0%   | 2,524.0%          |

<sup>1)</sup>Average total assets is calculated on the basis of monthly total assets for the quarter and for the year respectively.

<sup>2)</sup>Loan losses and provisions consists of total loan loss provisions including change in statistical provisions for the period.

<sup>3)</sup>Total operating expenses as % of total income.

<sup>4)</sup>Liquidity coverage requirement.

# Storebrand Boligkreditt AS

## Income statement

| NOK million  | Notes | Q1<br>2023    | 2022         | Full year<br>2022 |
|--|-------|---------------|--------------|-------------------|
| <i>Interest income and similar income</i>  |       |               |              |                   |
| Interest income calculated by using the effective interest method                    |       | 406.4         | 142.5        | 831.6             |
| Other interest income  |       | 7.0           | 3.1          | 24.2              |
| <b>Total interest income and similar income</b>                                      | 16    | <b>413.4</b>  | <b>145.5</b> | <b>855.8</b>      |
| <i>Interest expenses and similar expenses</i>  |       |               |              |                   |
| Interest expenses calculated by using the effective interest method                  |       | -332.9        | -79.4        | -631.6            |
| Other interest expenses  |       | -3.7          | -0.2         | -4.5              |
| <b>Total interest expenses and similar expenses</b>                                  | 16    | <b>-336.6</b> | <b>-79.6</b> | <b>-636.1</b>     |
| <b>Net interest income</b>   | 16    | <b>76.8</b>   | <b>66.0</b>  | <b>219.6</b>      |
| Fee and commission income from banking services                                      |       | 0.1           |              | 0.2               |
| Fee and commission expense for banking services                                      |       | -0.2          | -0.1         | -0.2              |
| Net change in fair value and gain/loss on foreign exchange and financial instruments | 17    | -7.3          | -2.8         | -12.6             |
| <b>Total other operating income</b>  |       | <b>-7.5</b>   | <b>-2.8</b>  | <b>-12.6</b>      |
| Staff expenses   |       |               |              | -0.2              |
| Other operating expenses   |       | -37.7         | -26.2        | -117.6            |
| <b>Total operating expenses excl. credit loss on loans, etc.</b>                     |       | <b>-37.7</b>  | <b>-26.2</b> | <b>-117.8</b>     |
| <b>Profit before credit loss on loans, etc.</b>                                      |       | <b>31.6</b>   | <b>37.0</b>  | <b>89.2</b>       |
| Credit loss on loans, guarantees and interest-bearing securities                     | 9     | -5.0          | 0.8          | -5.9              |
| <b>Profit before tax for continued operations</b>                                    |       | <b>26.6</b>   | <b>37.7</b>  | <b>83.3</b>       |
| Tax on profit from continued operations  | 3     | -5.9          | -8.3         | -18.3             |
| <b>Profit before other comprehensive income</b>                                      |       | <b>20.7</b>   | <b>29.4</b>  | <b>65.0</b>       |
| <b>Total other comprehensive income</b>  |       |               |              |                   |
| <b>Total comprehensive income</b>  |       | <b>20.7</b>   | <b>29.4</b>  | <b>65.0</b>       |

# Storebrand Boligkreditt AS

## Statement of financial position

| NOK million  | Notes                       | 31.03.2023      | 31.03.2022      | 31.12.2022      |
|--|-----------------------------|-----------------|-----------------|-----------------|
| Loans to and deposits with credit institutions         | 6                           | 78.4            | 13.6            | 25.0            |
| Loans to customers                                     | 5, 6, 10, 11,<br>12, 13, 15 | 40,338.8        | 26,855.9        | 37,470.3        |
| Interest-bearing securities                            | 6                           | 866.2           | 1,652.7         | 1,573.7         |
| Derivatives  | 6                           | 62.1            |                 | 14.9            |
| Other current assets                                   |                             | 413.1           | 31.3            | 29.3            |
| <b>Total assets</b>                                    |                             | <b>41,758.6</b> | <b>28,553.4</b> | <b>39,113.1</b> |
| Loans and deposits from credit institutions            | 6                           | 4,932.7         | 2,602.1         | 6,888.1         |
| Debt securities issued                                 | 6, 7                        | 33,678.5        | 24,126.5        | 29,420.7        |
| Derivatives  | 6                           | 39.6            |                 | 45.5            |
| Other current liabilities                              |                             | 99.1            | 1.4             | 21.0            |
| Tax payable  | 3                           | 5.9             | 8.3             | 6.2             |
| Deferred tax   | 3                           | 24.6            | 13.4            | 24.6            |
| Provisions for guarantees and unused credit facilities | 11                          | 0.3             |                 |                 |
| <b>Total liabilities</b>                               |                             | <b>38,780.8</b> | <b>26,751.8</b> | <b>36,406.1</b> |
| Share capital  |                             | 494.2           | 490.0           | 494.2           |
| Share premium  |                             | 1,445.9         | 550.1           | 1,445.9         |
| Other paid-in equity                                   |                             | 905.3           | 630.2           | 633.1           |
| Total paid-in equity                                   |                             | 2,845.3         | 1,670.3         | 2,573.2         |
| Other equity   |                             | 132.4           | 101.2           | 133.8           |
| Total retained earnings                                |                             | 132.4           | 101.2           | 133.8           |
| <b>Total equity</b>                                    | 8                           | <b>2,977.8</b>  | <b>1,771.5</b>  | <b>2,707.0</b>  |
| <b>Total liabilities and equity</b>                    |                             | <b>41,758.6</b> | <b>28,523.2</b> | <b>39,113.1</b> |

Lysaker, 9 May 2023

The Board of Directors of Storebrand Boligkreditt AS

# Storebrand Boligkreditt AS

## Statement of changes in equity

| NOK million                                      | Share capital | Share premium  | Other paid in capital | Total paid in equity | Other equity | Total retained earnings | Total equity   |
|--|---------------|----------------|-----------------------|----------------------|--------------|-------------------------|----------------|
| <b>Equity at 31.12.2021</b>                      | <b>490.0</b>  | <b>550.1</b>   | <b>521.4</b>          | <b>1,561.5</b>       | <b>180.6</b> | <b>180.6</b>            | <b>1,742.0</b> |
| Profit for the period                            |               |                |                       |                      | 65.0         | 65.0                    | 65.0           |
| Other comprehensive income                       |               |                |                       |                      |              |                         |                |
| <b>Total comprehensive income for the period</b> |               |                |                       |                      | <b>65.0</b>  | <b>65.0</b>             | <b>65.0</b>    |
| <b>Equity transactions with the owner:</b>       |               |                |                       |                      |              |                         |                |
| Capital increase                                 | 4.2           | 895.8          |                       | 900.0                |              |                         | 900.0          |
| Group contribution received                      |               |                | 111.7                 | 111.7                |              |                         | 111.7          |
| Group contribution paid                          |               |                |                       |                      | -111.7       | -111.7                  | -111.7         |
| <b>Equity at 31.12.2022</b>                      | <b>494.2</b>  | <b>1,445.9</b> | <b>633.1</b>          | <b>2,573.2</b>       | <b>133.8</b> | <b>133.8</b>            | <b>2,707.0</b> |
| Profit for the period                            |               |                |                       |                      | 20.7         | 20.7                    | 20.7           |
| Other comprehensive income                       |               |                |                       |                      |              |                         |                |
| <b>Total comprehensive income for the period</b> |               |                |                       |                      | <b>20.7</b>  | <b>20.7</b>             | <b>20.7</b>    |
| <b>Equity transactions with the owner:</b>       |               |                |                       |                      |              |                         |                |
| Group contribution received                      |               |                | 272.1                 | 272.1                |              |                         | 272.1          |
| Group contribution paid                          |               |                |                       |                      | -22.1        | -22.1                   | -22.1          |
| <b>Equity at 31.03.2023</b>                      | <b>494.2</b>  | <b>1,445.9</b> | <b>905.3</b>          | <b>2,845.3</b>       | <b>132.4</b> | <b>132.4</b>            | <b>2,977.8</b> |
| <b>Equity at 31.12.2021</b>                      |               |                |                       |                      |              |                         |                |
| <b>Equity at 31.12.2021</b>                      | <b>490.0</b>  | <b>550.1</b>   | <b>521.4</b>          | <b>1,561.5</b>       | <b>180.6</b> | <b>180.6</b>            | <b>1,742.0</b> |
| Profit for the period                            |               |                |                       |                      | 29.4         | 29.4                    | 29.4           |
| Other comprehensive income                       |               |                |                       |                      |              |                         |                |
| <b>Total comprehensive income for the period</b> |               |                |                       |                      | <b>29.4</b>  | <b>29.4</b>             | <b>29.4</b>    |
| Group contribution received                      |               |                | 108.8                 | 108.8                |              |                         | 108.8          |
| Provision for group contribution                 |               |                |                       |                      | -108.8       | -108.8                  | -108.8         |
| <b>Equity at 31.03.2022</b>                      | <b>490.0</b>  | <b>550.1</b>   | <b>630.2</b>          | <b>1,670.3</b>       | <b>101.2</b> | <b>101.2</b>            | <b>1,771.5</b> |

Storebrand Boligkreditt AS is 100 per cent owned by Storebrand Bank ASA. Number of shares are 35 300 000 of nominal value NOK 14 per share.



# Storebrand Boligkreditt AS

## Statement of cash flow

| NOK million   | 01.01 - 31.03   |               |
|---|-----------------|---------------|
|   | 2023            | 2022          |
| <b>Cash flow from operating activities</b>                    |                 |               |
| Net receipts of interest, commissions and fees from customers | 393.0           | 138.4         |
| Net disbursements/payments on customer loans                  | -2,989.0        | -434.7        |
| Net receipts/payments on securities                           | 695.4           | -2.9          |
| Payments of operating costs                                   | -2.7            | -24.0         |
| <b>Net cash flow from operating activities</b>                | <b>-1,903.3</b> | <b>-323.2</b> |
| <b>Cash flow from financing activities</b>                    |                 |               |
| Payments - repayments of loans and issuing of bond debt       | -2,993.2        | -398.0        |
| Receipts - new loans and issuing of bond debt                 | 7,161.0         |               |
| Payments - interest on loans                                  | -255.7          | -85.3         |
| Receipts - new loans from credit institutions                 |                 | 844.8         |
| Payments - repayment of loans to credit institutions          | -1,955.4        |               |
| Receipts - group contribution                                 |                 | 108.8         |
| Payments - group contribution                                 |                 | -139.5        |
| <b>Net cash flow from financing activities</b>                | <b>1,956.8</b>  | <b>330.8</b>  |
| Net cash flow in the period                                   | 53.4            | 7.6           |
| Cash and bank deposits at the start of the period             | 25.0            | 6.1           |
| <b>Cash and bank deposits at the end of the period</b>        | <b>78.4</b>     | <b>13.6</b>   |

Storebrand Boligkreditt AS has credit facility agreements with Storebrand Bank ASA. The amount drawn on the credit facilities is recognised in the item "Liabilities to credit institutions" as at 31.03.2023.

# Notes to the interim accounts

## Note 1 | Accounting policies

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements. The financial statements of Storebrand Boligkreditt AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and appurtenant interpretations.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2022 annual report, and the interim financial statements are prepared with respect to these accounting policies.

Business segments are the company's primary reporting segments. The company has only one segment, Retail Lending. This segment comprises lending to private individuals, and all loans are purchased from Storebrand Bank ASA. The company's accounts for the first quarter of 2023 therefore relate entirely to the Retail Lending segment.

There are no new standards or changes in standards that have not been applied in the presentation of the accounts for the first quarter of 2023 that are expected to have a significant effect on the company accounts.

## Note 2 | Important accounting estimates and judgements

Critical accounting estimates and judgements are described in the 2022 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 9.

In preparing the financial statements the management are requiring to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgement at the time the financial statements were prepared.

Actual results may differ from these estimates.

## Note 3 | Tax

Storebrand Boligkreditt AS has activities within "Section K" (financing and insurance activities as defined in Standard Industrial Classification 2007) which exceed 30 per cent and are therefore subject to the financial tax, but since the company does not have any employees it is not subject to finance tax. A tax rate of 22 per cent has been used for capitalizing deferred tax asset in the balance sheet.

## Note 4 | Related parties

### Issued covered bonds

Storebrand Bank ASA has invested NOK 2 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 March 2023.

### Loans transferred from Storebrand Bank ASA

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. Once the loans are transferred, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkreditt AS that receives all the cash flows from the loan customer. Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made in case of change from variable to fixed interest and conversion to a flexible mortgage. In some cases Storebrand Bank ASA shall arrange the transfer and return of loans when changes of loan amount or conversion to another mortgage product have to be made. The costs are included in the contractual administration fee. Non-performing loans in Storebrand Boligkreditt AS remain in the company. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific reports are prepared for non-performing loans in Storebrand Boligkreditt AS. These loans are not included in the cover pool.

Loans to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidized interest rate is covered monthly by the company in which the debtor is employed.

Storebrand Bank ASA has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS.

#### Credit facilities with Storebrand Bank ASA

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these facilities is a normal overdraft facility, with a commitment of NOK 8 billion. This has no expiry date but can be terminated by the bank on 15 months' notice.

The amount of the other facility is the payment obligations of Storebrand Boligkreditt AS the following 31 days on interest and principal amounts regarding Covered Bonds, including any connected derivatives. This facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity.

In 2023 all covenant requirements are fulfilled.

#### Other

Storebrand Boligkreditt AS has no employees, and purchases personnel resources from Storebrand Bank ASA and services including accounting functions from Storebrand Livsforsikring AS.

Storebrand Boligkreditt AS conducts transactions with close associates as part of its normal business activities. The terms for transactions with senior employees and related parties are stipulated in note 31 in the 2022 annual report for Storebrand Boligkreditt AS.

## Note 5 | Financial risk

Notes 4 to 9 in the 2022 annual report provide a detailed overview of the company's financial risk. The descriptions are applicable at 31 March 2023, however, with the following amendments and further comments.

#### Credit risk - exposure

The PD estimates have not changed significantly in the first quarter, and are approximately on pre pandemic level. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 31 March 2023. The LTVs are not significantly changed, and the average LTV is 57 per cent, an increase of approximately 2 percentage points. Defaulted loans have increased approximately by NOK 22 million from 33 million to 54 million in the first quarter.

The expected credit losses increased by NOK 5 million during the first quarter. The increase is due to an increase of NOK 5 million of losses based on models. The level of expected credit losses is still above pre-pandemic level. The economic outlook with higher interest rates, higher inflation including energy prices are included in the models.

The value of the cover pool, including substitute assets of NOK 0.6 billion, is approximately 122 per cent of the value of outstanding covered bonds, including derivatives, i.e. an over collateralisation of 22 per cent. The legal requirement is 5 per cent. The eligible part of the cover pool consists of non-defaulted exposures and exposures within 80 per cent of the value of the pledged properties. The eligible part of the cover pool is 99.4 per cent of the total cover pool. The over collateralisation is calculated on the eligible part of the cover pool.

#### Loans-to-value ratio, secured loans

| NOK million  | 31.03.2023               |                    |                      |                   |
|--|--------------------------|--------------------|----------------------|-------------------|
|  | Distribution in per cent | Book value (gross) | Unused credit limits | Total commitments |
| 0% - 40%   | 17.2%                    | 6,514.7            | 721.2                | 7,235.9           |
| 40% - 60%  | 33.6%                    | 13,426.3           | 718.3                | 14,144.6          |
| 60% - 80%  | 43.9%                    | 18,215.2           | 252.0                | 18,467.1          |
| 80% - 90%  | 4.9%                     | 2,056.4            | 6.5                  | 2,062.9           |
| 90% - 100%   | 0.2%                     | 59.9               | 4.0                  | 63.9              |
| > 100%   | 0.2%                     | 81.4               | 2.2                  | 83.5              |
| <b>Total secured loans</b>   | <b>100.0%</b>            | <b>40,353.7</b>    | <b>1,704.3</b>       | <b>42,058.0</b>   |
| Loan commitments and financing certificates, secured                         |                          |                    |                      |                   |
| <b>Total secured loans incl. loan commitments and financing certificates</b> |                          | <b>40,353.7</b>    | <b>1,704.3</b>       | <b>42,058.0</b>   |

| NOK million  | 31.12.2022               |                    |                      |                   |
|--|--------------------------|--------------------|----------------------|-------------------|
|  | Distribution in per cent | Book value (gross) | Unused credit limits | Total commitments |
| 0% - 40%   | 20.4%                    | 7,190.4            | 747.6                | 7,938.0           |
| 40% - 60%  | 36.2%                    | 13,579.8           | 493.8                | 14,073.6          |
| 60% - 80%  | 41.7%                    | 16,093.6           | 121.3                | 16,214.9          |
| 80% - 90%  | 1.3%                     | 498.3              | 1.9                  | 500.2             |
| 90% - 100%   | 0.2%                     | 90.2               | 2.2                  | 92.4              |
| > 100%   | 0.1%                     | 28.2               | 2.4                  | 30.5              |
| <b>Total secured loans</b>   | <b>100.0%</b>            | <b>37,480.5</b>    | <b>1,369.2</b>       | <b>38,849.7</b>   |
| Loan commitments and financing certificates, secured                         |                          |                    |                      |                   |
| <b>Total secured loans incl. loan commitments and financing certificates</b> |                          | <b>37,480.5</b>    | <b>1,369.2</b>       | <b>38,849.7</b>   |

### Risk related to secured loans

| NOK million   | 31.03.2023               |                    |                      |                   |
|---|--------------------------|--------------------|----------------------|-------------------|
|   | Distribution in per cent | Book value (gross) | Unused credit limits | Total commitments |
| Low risk  | 90.5%                    | 36,387.1           | 1,680.1              | 38,067.2          |
| Medium risk   | 8.8%                     | 3,668.8            | 23.3                 | 3,692.1           |
| High risk   | 0.6%                     | 238.7              | 0.9                  | 239.5             |
| Non-performing and loss-exposed loans incl. loans with evidence of impairment | 0.1%                     | 59.1               |                      | 59.1              |
| <b>Total secured loans</b>  | <b>100.0%</b>            | <b>40,353.7</b>    | <b>1,704.3</b>       | <b>42,058.0</b>   |
| Loan commitments and financing certificates, secured                          |                          |                    |                      |                   |
| <b>Total secured loans incl. loan commitments and financing certificates</b>  |                          | <b>40,353.7</b>    | <b>1,704.3</b>       | <b>42,058.0</b>   |

| NOK million   | 31.12.2022               |                    |                      |                   |
|---|--------------------------|--------------------|----------------------|-------------------|
|   | Distribution in per cent | Book value (gross) | Unused credit limits | Total commitments |
| Low risk  | 92.0%                    | 34,363.6           | 1,360.0              | 35,723.6          |
| Medium risk   | 7.4%                     | 2,884.6            | 9.0                  | 2,893.6           |
| High risk   | 0.5%                     | 195.0              |                      | 195.1             |
| Non-performing and loss-exposed loans incl. loans with evidence of impairment | 0.1%                     | 37.4               |                      | 37.4              |
| <b>Total secured loans</b>  | <b>100.0%</b>            | <b>37,480.5</b>    | <b>1,369.2</b>       | <b>38,849.7</b>   |
| Loan commitments and financing certificates, secured                          |                          |                    |                      |                   |
| <b>Total secured loans incl. loan commitments and financing certificates</b>  |                          | <b>37,480.5</b>    | <b>1,369.2</b>       | <b>38,849.7</b>   |

### Liquidity risk

Storebrand Boligkreditt AS has had solid liquidity buffers previous quarters, and the company still has substantial liquidity buffer at 31 March 2023. The LCR ratio for the company is at 852 per cent, well above the requirement of 100 per cent. The funding structure is balanced with regards to maturity.

The covered bond programme is rated "AAA".

### Market risk

The interest rate risk is not significantly changed in the quarter. The interest rate risk is limited. The mortgages are administrative adjusted exposures 2 months notice. The covered bonds are 3M NIBOR or swapped to 3M NIBOR (cash flow hedged). The interest rate risk is thus almost entirely to the 0-3 month time horizon. A 1 per cent parallel shift upwards in the interest rate curve would lead to NOK 3 million loss for the company. A similar shift downwards would lead to a gain of NOK 3 million. Storebrand Boligkreditt AS has one Euro denominated covered bond of 50 million, and a cross currency swap of identical

nominal size and EURIBOR rates thus effectively converting the payments to three months NIBOR at 31 March 2023. The credit spread risk is low.

## Note 6 | Valuation of financial instruments

The Storebrand Group classify financial instruments valued at fair value in three different levels. The criteria for the classification and processes associated with valuing are described in more detail in note 9 in the annual report 2022 for Storebrand Boligkreditt AS.

The company has established valuation models and gathers information from a wide range of well-informed sources with a view to minimize any uncertainty in the valuations.

### Valuation of financial instruments at fair value through profit and loss

| NOK million   | Level 1       | Level 2                | Level 3                    | 31.03.2023   | 31.12.2022 |
|---|---------------|------------------------|----------------------------|--------------|------------|
|   | Quoted prices | Observable assumptions | Non-observable assumptions |              |            |
| <b>Interest-bearing securities</b>                  |               |                        |                            |              |            |
| Mortgage and asset backed bonds                     |               | 551.8                  |                            | 551.8        | 1,114.3    |
| <b>Total interest-bearing securities 31.03.2023</b> |               | <b>551.8</b>           |                            | <b>551.8</b> |            |
| Total interest-bearing securities 31.12.2022        |               | 1,114.3                |                            |              | 1,114.3    |
| <b>Derivatives</b>                                  |               |                        |                            |              |            |
| Interest rate derivatives                           |               | 22.5                   |                            | 22.5         | -30.6      |
| <b>Total derivatives 31.03.2023</b>                 |               | <b>22.5</b>            |                            | <b>22.5</b>  |            |
| Derivatives with a positive fair value              |               | 62.1                   |                            | 62.1         | 14.9       |
| Derivatives with a negative fair value              |               | -39.6                  |                            | -39.6        | -45.5      |
| Total derivatives 31.12.2022                        |               | -30.6                  |                            |              | -30.6      |

There have not been any changes between quoted prices and observable assumptions on the various financial instruments in the quarter.

### Valuation of financial instruments at fair value through other comprehensive income

| NOK million                        | Level 1       | Level 2                | Level 3                    | 31.03.2023      | 31.12.2022      |
|------------------------------------|---------------|------------------------|----------------------------|-----------------|-----------------|
|                                    | Quoted prices | Observable assumptions | Non-observable assumptions |                 |                 |
| Loans to customers - retail market |               |                        | 40,338.8                   | 40,338.8        | 37,470.3        |
| <b>Total loans to customers</b>    |               |                        | <b>40,338.8</b>            | <b>40,338.8</b> | <b>37,470.3</b> |

### Financial instruments at fair value - level 3

| NOK million                               | 31.03.2023 |   |
|---|------------|---|
|   |            | Loans to customers at fair value through other comprehensive income |
| Book value 01.01.2023                     |            | 37,470.3  |
| Net gains/losses on financial instruments |            | -4.7  |
| Supply / disposal                         |            | 6,206.5   |
| Sales / due settlements                   |            | -3,333.3  |
| <b>Book value 31.03.2023</b>              |            | <b>40,338.8</b>   |

| NOK million                               | 31.12.2022 |   |
|---|------------|---|
|   |            | Loans to customers at fair value through other comprehensive income |
| Book value 01.01.2022                     |            | 26,430.0  |
| Net gains/losses on financial instruments |            | -6.0  |
| Supply / disposal                         |            | 20,869.4  |
| Sales / due settlements                   |            | -9,823.0  |
| <b>Book value 31.12.2022</b>              |            | <b>37,470.3</b>   |

### Valuation of financial instruments at amortised cost

| NOK million                                    | 31.03.2023      |                 | 31.12.2022 |            |
|--|-----------------|-----------------|------------|------------|
|  | Fair value      | Book value      | Fair value | Book value |
| <b>Financial assets</b>                        |                 |                 |            |            |
| Loans to and deposits with credit institutions | 78.4            | 78.4            | 25.0       | 25.0       |
| Interest-bearing securities                    | 314.3           | 314.4           | 459.8      | 459.3      |
| <b>Total financial assets 31.03.2023</b>       | <b>392.7</b>    | <b>392.8</b>    |            |            |
| Total financial assets 31.12.2022              |                 |                 | 484.8      | 484.3      |
| <b>Financial liabilities</b>                   |                 |                 |            |            |
| Loans and deposits from credit institutions    | 4,932.7         | 4,932.7         | 6,888.1    | 6,888.1    |
| Debt securities issued                         | 33,598.1        | 33,678.5        | 29,411.5   | 29,420.7   |
| <b>Total financial liabilities 31.03.2023</b>  | <b>38,530.8</b> | <b>38,611.3</b> |            |            |
| Total financial liabilities 31.12.2022         |                 |                 | 36,299.5   | 36,308.7   |

### Sensitivity assessments

#### Loans to customers

The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

| NOK million   | Floating loans to customers                         |            | Floating loans to customers                         |             |
|---|---|------------|---|-------------|
|   | Fair value through other comprehensive income (OCI) |            | Fair value through other comprehensive income (OCI) |             |
|   | Changes in market spread                            |            | Changes in market spread                            |             |
|   | + 10 bp   | - 10 bp    | + 25bp  | - 25 bp     |
| <b>Increase/reduction in fair value at 31.03.2023</b> | <b>-4.6</b>   | <b>4.6</b> | <b>-11.6</b>  | <b>11.6</b> |
| Increase/reduction in fair value at 31.12.2022        | -4.3  | 4.3        | -10.8   | 10.8        |

**Covered bonds**

NOK million

| ISIN Code                                     | Net nominal value | Currency | Interest | Maturity <sup>1)</sup> | 31.03.2023      |
|---|-------------------|----------|----------|------------------------|-----------------|
| NO0010951528                                  | 480.0             | NOK      | Fixed    | 15.04.2031             | 444.7           |
| NO0010813959                                  | 1,011.0           | NOK      | Floating | 20.06.2023             | 1,012.3         |
| NO0010873177                                  | 5,000.0           | NOK      | Floating | 19.06.2024             | 5,004.6         |
| NO0010894199                                  | 6,500.0           | NOK      | Floating | 25.06.2025             | 6,608.0         |
| NO0011073140                                  | 7,000.0           | NOK      | Floating | 03.06.2026             | 7,130.8         |
| NO0012526211                                  | 6,500.0           | NOK      | Floating | 20.05.2027             | 6,524.4         |
| XS2553532255                                  | 50.0              | EUR      | Floating | 11.11.2027             | 592.7           |
| NO0011073140                                  | 5,500.0           | NOK      | Floating | 19.04.2028             | 5,540.2         |
| NO0010936917                                  | 800.0             | NOK      | Floating | 21.02.2031             | 821.0           |
| <b>Total debt securities issued</b>           |                   |          |          |                        | <b>33,678.5</b> |
| Total debt securities issued as at 31.12.2022 |                   |          |          |                        | <b>29,420.7</b> |

<sup>1)</sup>Maturity date in this summary is the first possible maturity date (Call date).

<sup>2)</sup>For covered bonds, a regulatory requirement for over-collateralisation of 5 per cent apply. In 2023 all covenants are fulfilled. See note 15.

## Capital adequacy

The standard method is used for credit risk and market risk and the basis method is used for operational risk. The countercyclical capital buffer requirement increases by 0.5 per cent to 2.5 per cent as from 31 March 2023. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (Tier 1 capital + Tier 2 capital) are 12.5 per cent and 16 per cent.

### Eligible capital

| NOK million   | 31.03.2023     | 31.12.2022     |
|---|----------------|----------------|
| Share capital   | 494.2          | 494.2          |
| Other equity  | 2,483.6        | 2,212.8        |
| <b>Total equity</b>                                       | <b>2,977.8</b> | <b>2,707.0</b> |
| Deductions  |                |                |
| AVA adjustments   | -41.0          | -38.7          |
| Provision for group contribution                          |                | -22.1          |
| Additions   |                |                |
| Group contribution received                               |                | 272.1          |
| <b>Core Equity Tier 1 (CET1)</b>                          | <b>2,936.7</b> | <b>2,918.4</b> |
| Additional Tier 1 capital                                 |                |                |
| <b>Tier 1 capital</b>                                     | <b>2,936.7</b> | <b>2,918.4</b> |
| Tier 2 capital  |                |                |
| <b>Eligible capital (Tier 1 capital + Tier 2 capital)</b> | <b>2,936.7</b> | <b>2,918.4</b> |

### Minimum capital requirements

| NOK million  | 31.03.2023     | 31.12.2022     |
|--|----------------|----------------|
| Credit risk  | 1,182.5        | 1,088.9        |
| Of which:  |                |                |
| Institutions                                       | 7.9            | 0.9            |
| Loans secured against real estate                  | 1,124.0        | 1,044.5        |
| Loans past-due                                     | 4.7            | 3.1            |
| Covered bonds                                      | 4.4            | 8.9            |
| Other  | 41.6           | 31.5           |
| <b>Total minimum requirement for credit risk</b>   | <b>1,182.5</b> | <b>1,088.9</b> |
| <b>Total minimum requirement for market risk</b>   |                |                |
| Operational risk                                   | 32.7           | 32.7           |
| CVA risk <sup>1)</sup>                             | 0.7            | 0.8            |
| <b>Minimum requirement for net primary capital</b> | <b>1,216.0</b> | <b>1,122.4</b> |

<sup>1)</sup>Regulation on own funds requirements for credit valuation adjustment risk.

### Capital adequacy

|   | 31.03.2023 | 31.12.2022 |
|---|------------|------------|
| Capital ratio                           | 19.3%      | 20.8%      |
| Tier 1 capital ratio                    | 19.3%      | 20.8%      |
| Core equity Tier 1 (CET1) capital ratio | 19.3%      | 20.8%      |



**Basis of calculation (risk-weighted volume)**

| NOK million  | 31.03.2023      | 31.12.2022      |
|--|-----------------|-----------------|
| Credit risk  | 14,781.1        | 13,610.8        |
| Of which:  |                 |                 |
| Institutions   | 98.4            | 10.8            |
| Loans secured against real estate  | 14,049.4        | 13,056.3        |
| Loans past-due   | 58.5            | 39.2            |
| Covered bonds  | 55.1            | 111.3           |
| Other  | 519.6           | 393.2           |
| <b>Total basis of calculation credit risk</b>                              | <b>14,781.1</b> | <b>13,610.8</b> |
| <b>Total basis of calculation market risk</b>                              |                 |                 |
| Operational risk   | 409.1           | 409.1           |
| CVA risk   | 9.3             | 10.1            |
| <b>Total basis of calculation of minimum requirements for capital base</b> | <b>15,199.4</b> | <b>14,030.0</b> |

**Leverage ratio**

| NOK million                           | 31.03.2023 | 31.12.2022 |
|---------------------------------------|------------|------------|
| Tier 1 capital                        | 2,936.7    | 2,918.4    |
| Total Leverage ratio exposure measure | 42,158.9   | 39,440.4   |
| Leverage ratio                        | 7.0%       | 7.4%       |

Leverage ratio requirement is 3.0 percentage points as per 31.03.2023

Note  
9

**Losses on loans, guarantees and unused credit limits**

| NOK million                                     | 31.03.2023  |  |             | 31.03.2022  |  |            |
|---|---|--|-------------|---|--|------------|
|   | Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI) | Guarantees and unused credit limits which not are valued at fair value through profit and loss | Total       | Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI) | Guarantees and unused credit limits which not are valued at fair value through profit and loss | Total      |
| The periods change in impairment losses stage 1 | -0.7  |  | -0.7        | 0.1   |  | 0.1        |
| The periods change in impairment losses stage 2 | -3.4  | -0.3   | -3.7        | 0.6   |  | 0.6        |
| The periods change in impairment losses stage 3 | -0.7  |  | -0.7        |   |  |            |
| Other changes                                   |   |  |             |   |  |            |
| <b>Loss expense for the period</b>              |   |  | <b>-5.0</b> | <b>0.8</b>  |  | <b>0.8</b> |

The company has no outstanding contractual amounts for realised losses during 1st quarter 2023 and 2022 that still are subject to enforcement activities.

Note 10 | Loan portfolio and guarantees

| NOK million   | 31.03.2023<br>Book value | 31.12.2022<br>Book value |
|---|--------------------------|--------------------------|
| Loans to customers at fair value through other comprehensive income (OCI) | 40,354.2                 | 37,481.0                 |
| <b>Total gross loans to customers</b>                                     | <b>40,354.2</b>          | <b>37,481.0</b>          |
| Provision for expected loss stage 1                                       | -2.9                     | -2.3                     |
| Provision for expected loss stage 2                                       | -9.7                     | -6.4                     |
| Provision for expected loss stage 3                                       | -2.8                     | -2.1                     |
| <b>Net loans to customers</b>   | <b>40,338.8</b>          | <b>37,470.3</b>          |

Change in gross loans to customers valued at fair value through other comprehensive income (OCI)

| NOK million                   | Stage 1         | Stage 2        | Stage 3     | Total gross loans |
|-------------------------------|-----------------|----------------|-------------|-------------------|
| Gross loans 01.01.2023        | 34,986.2        | 2,457.0        | 37.8        | 37,481.0          |
| Transfer to stage 1           | 376.6           | -376.6         |             |                   |
| Transfer to stage 2           | -728.2          | 730.5          | -2.3        |                   |
| Transfer to stage 3           | -5.8            | -34.1          | 39.9        |                   |
| New loans                     | 5,775.0         | 431.6          |             | 6,206.5           |
| Derecognition                 | -2,656.4        | -168.4         |             | -2,824.8          |
| Other changes                 | -474.4          | -34.5          | 0.4         | -508.5            |
| <b>Gross loans 31.03.2023</b> | <b>37,273.0</b> | <b>3,005.4</b> | <b>75.8</b> | <b>40,354.2</b>   |

| NOK million                   | Stage 1         | Stage 2        | Stage 3     | Total gross loans |
|-------------------------------|-----------------|----------------|-------------|-------------------|
| Gross loans 01.01.2022        | 25,298.9        | 1,120.9        | 14.9        | 26,434.7          |
| Transfer to stage 1           | 271.0           | -270.4         | -0.7        |                   |
| Transfer to stage 2           | -729.0          | 730.1          | -1.2        |                   |
| Transfer to stage 3           | -5.8            | -11.9          | 17.7        |                   |
| New loans                     | 19,485.2        | 1,374.0        | 10.2        | 20,869.4          |
| Derecognition                 | -8,782.5        | -465.3         | -3.2        | -9,251.1          |
| Other changes                 | -551.7          | -20.3          |             | -572.0            |
| <b>Gross loans 31.12.2022</b> | <b>34,986.2</b> | <b>2,457.0</b> | <b>37.8</b> | <b>37,481.0</b>   |

## Change in maximum exposure for guarantees and unused credits

| NOK million                        | Stage 1        | Stage 2     | Stage 3 | Total exposure |
|------------------------------------|----------------|-------------|---------|----------------|
| Maximum exposure 01.01.2023        | 1,352.6        | 16.5        |         | 1,369.2        |
| Transfer to stage 1                | 6.3            | -6.3        |         |                |
| Transfer to stage 2                | -5.9           | 5.9         |         |                |
| Transfer to stage 3                |                |             |         |                |
| New loans                          | 388.5          | 7.4         |         | 395.9          |
| Derecognition                      | -88.9          | -0.2        |         | -89.1          |
| Other changes                      | 24.2           | 4.1         |         | 28.3           |
| <b>Maximum exposure 31.03.2023</b> | <b>1,676.8</b> | <b>27.5</b> |         | <b>1,704.3</b> |

| NOK million                        | Stage 1        | Stage 2     | Stage 3 | Total exposure |
|------------------------------------|----------------|-------------|---------|----------------|
| Maximum exposure 01.01.2022        | 949.1          | 0.9         |         | 950.0          |
| Transfer to stage 1                | 0.5            | -0.5        |         |                |
| Transfer to stage 2                | -5.5           | 5.5         |         |                |
| Transfer to stage 3                |                |             |         |                |
| New loans                          | 593.8          | 9.5         |         | 603.3          |
| Derecognition                      | -208.7         | -0.1        |         | -208.8         |
| Other changes                      | 23.4           | 1.3         |         | 24.7           |
| <b>Maximum exposure 31.12.2022</b> | <b>1,352.6</b> | <b>16.5</b> |         | <b>1,369.2</b> |

Note | Loan loss provisions  
11

| NOK million  | Stage 1      | Stage 2  | Stage 3   | Total       |
|--|--------------|--|---|-------------|
|  | 12-month ECL | Lifetime ECL - no objective evidence of impairment | Lifetime ECL - objective evidence of impairment |             |
| Loan loss provisions 01.01.2023  | 2.3          | 6.4  | 2.1   | 10.7        |
| Transfer to stage 1 (12-month ECL)   | 0.8          | -0.8   |   |             |
| Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)                                 | -0.2         | 0.2  |   |             |
| Transfer to stage 3 (lifetime ECL - objective evidence of impairment)                                    |              | -0.6   | 0.6   |             |
| Net remeasurement of loan losses   | -0.7         | 2.8  | -0.6  | 1.5         |
| New financial assets originated or purchased   | 0.8          | 0.9  |   | 1.7         |
| Financial assets that have been derecognised   | -0.2         | -0.5   |   | -0.7        |
| ECL changes of balances on financial assets without changes in stage in the period                       | 0.3          | 2.2  | 0.1   | 2.6         |
| <b>Loan loss provisions 31.03.2023</b>   | <b>3.0</b>   | <b>10.5</b>  | <b>2.3</b>                                      | <b>15.7</b> |
| Loan loss provisions on loans to customers valued at amortised cost                                      |              |  |   |             |
| Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI) | 2.9          | 10.2   | 2.3   | 15.4        |
| Loan loss provisions on guarantees and unused credit limits  |              | 0.3  |   | 0.3         |
| <b>Total loan loss provisions</b>  | <b>3.0</b>   | <b>10.5</b>  | <b>2.3</b>                                      | <b>15.7</b> |

| NOK million  | Stage 1      | Stage 2  | Stage 3   | Total       |
|--|--------------|--|---|-------------|
|  | 12-month ECL | Lifetime ECL - no objective evidence of impairment | Lifetime ECL - objective evidence of impairment |             |
| Loan loss provisions 01.01.2022  | 1.1          | 2.5  | 1.1   | 4.7         |
| Transfer to stage 1 (12-month ECL)   | 0.4          | -0.4   |   |             |
| Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)                                 | -0.1         | 0.1  |   |             |
| Transfer to stage 3 (lifetime ECL - objective evidence of impairment)                                    |              | -0.2   | 0.2   |             |
| Net remeasurement of loan losses   | -0.4         | 1.7  | 0.8   | 2.1         |
| New financial assets originated or purchased   | 2.0          | 4.0  | 0.1   | 6.1         |
| Financial assets that have been derecognised   | -0.5         | -1.2   | -0.1  | -1.7        |
| ECL changes of balances on financial assets without changes in stage in the period                       | -0.2         | -0.3   |   | -0.5        |
| <b>Loan loss provisions 31.12.2022</b>   | <b>2.3</b>   | <b>6.4</b>   | <b>2.1</b>                                      | <b>10.7</b> |
| Loan loss provisions on loans to customers valued at amortised cost                                      |              |  |   |             |
| Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI) | 2.3          | 6.4  | 2.1   | 10.7        |
| Loan loss provisions on guarantees and unused credit limits  |              |  |   |             |
| <b>Total loan loss provisions</b>  | <b>2.3</b>   | <b>6.4</b>   | <b>2.1</b>                                      | <b>10.7</b> |

Periodical changes in individual impairment and expected credit loss on loans, unused credits and guarantees are shown above. Storebrand Boligkreditt AS has not any expected loan loss provisions related to loans to credit institutions and interest-bearing securities. Recognised losses on loans, unused credits and guarantees in the profit and loss account are shown in note 9.

Note 12 | Non-performing loans and loan losses

| (NOK million)                                       | 31.03.2023  | 31.12.2022  |
|---|-------------|-------------|
| <b>Non-performing loans</b>                         |             |             |
| Non-performing loans without evidence of impairment | 54.5        | 32.7        |
| Loss-exposed loans with evidence of impairment      | 5.1         | 5.1         |
| <b>Gross non-performing and loss-exposed loans</b>  | <b>59.6</b> | <b>37.8</b> |
| Loan loss provisions in stage 3                     | -2.3        | -2.1        |
| <b>Net non-performing and loss-exposed loans</b>    | <b>57.3</b> | <b>35.7</b> |

Overview of loan loss provisions and securities on loans in stage 3

| NOK million  | 31.03.2023   |                      |             |                     |                      |
|--|--------------|----------------------|-------------|---------------------|----------------------|
|  | Gross amount | Loan loss provisions | Net value   | Value of collateral | Type of collateral   |
| Non-performing loans without evidence of impairment              |              |                      |             |                     |                      |
| - retail exposures secured by mortgages on immovable property    | 54.5         | -1.2                 | 53.3        | 90.7                | residential property |
| - unsecured retail exposures including credit cards exposures    |              |                      |             |                     |                      |
| - other exposures including SME exposures                        |              |                      |             |                     |                      |
| <b>Total non-performing loans without evidence of impairment</b> | <b>54.5</b>  | <b>-1.2</b>          | <b>53.3</b> |                     |                      |
| Loss-exposed loans with evidence of impairment                   |              |                      |             |                     |                      |
| - retail exposures secured by mortgages on immovable property    | 4.6          | -0.6                 | 4.0         | 19.0                | residential property |
| - unsecured retail exposures including credit cards exposures    |              |                      |             |                     |                      |
| - other exposures including SME exposures                        | 0.5          | -0.5                 |             |                     |                      |
| <b>Total loss-exposed loans with evidence of impairment</b>      | <b>5.1</b>   | <b>-1.1</b>          | <b>4.0</b>  |                     |                      |

The company has loans of NOK 38.7 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

| NOK million  | 31.12.2022   |                      |             |                     |                      |
|--|--------------|----------------------|-------------|---------------------|----------------------|
|  | Gross amount | Loan loss provisions | Net value   | Value of collateral | Type of collateral   |
| Non-performing loans without evidence of impairment              |              |                      |             |                     |                      |
| - retail exposures secured by mortgages on immovable property    | 32.7         | -1.1                 | 31.7        | 66.1                | residential property |
| - unsecured retail exposures including credit cards exposures    |              |                      |             |                     |                      |
| - other exposures including SME exposures                        |              |                      |             |                     |                      |
| <b>Gross non-performing loans without evidence of impairment</b> | <b>32.7</b>  | <b>-1.1</b>          | <b>31.7</b> |                     |                      |
| Loss-exposed loans with evidence of impairment                   |              |                      |             |                     |                      |
| - retail exposures secured by mortgages on immovable property    | 4.7          | -0.6                 | 4.1         | 19.9                | residential property |
| - unsecured retail exposures including credit cards exposures    |              |                      |             |                     |                      |
| - other exposures including SME exposures                        | 0.5          | -0.5                 |             |                     |                      |
| <b>Gross loss-exposed loans with evidence of impairment</b>      | <b>5.1</b>   | <b>-1.1</b>          | <b>4.1</b>  |                     |                      |

The company has loans of NOK 16.9 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

Note 13 | Distribution of loan loss provisions and exposure on secured and unsecured exposures

**Distribution of loan loss provisions**

| NOK million   | 31.03.2023 |             |            | Total loan loss provisions |
|---|------------|-------------|------------|----------------------------|
|   | Stage 1    | Stage 2     | Stage 3    |                            |
| Retail exposures secured by mortgages on immovable property | 3.0        | 10.5        | 1.8        | 15.3                       |
| Unsecured retail exposures including credit cards exposures |            |             |            |                            |
| Other exposures including SME exposures                     |            |             | 0.5        | 0.5                        |
| <b>Total loan loss provisions</b>                           | <b>3.0</b> | <b>10.5</b> | <b>2.3</b> | <b>15.7</b>                |

| NOK million   | 31.12.2022 |            |            | Total loan loss provisions |
|---|------------|------------|------------|----------------------------|
|   | Stage 1    | Stage 2    | Stage 3    |                            |
| Retail exposures secured by mortgages on immovable property | 2.3        | 6.3        | 1.7        | 10.2                       |
| Unsecured retail exposures including credit cards exposures |            |            |            |                            |
| Other exposures including SME exposures                     |            |            | 0.5        | 0.5                        |
| <b>Total loan loss provisions</b>                           | <b>2.3</b> | <b>6.3</b> | <b>2.1</b> | <b>10.7</b>                |

**Distribution of exposures incl. unused credit limits and guarantees**

| NOK million   | 31.03.2023      |                |             | Total exposure  |
|---|-----------------|----------------|-------------|-----------------|
|   | Stage 1         | Stage 2        | Stage 3     |                 |
| Retail exposures secured by mortgages on immovable property | 38,949.8        | 3,049.1        | 59.1        | 42,058.0        |
| Unsecured retail exposures including credit cards exposures |                 |                |             |                 |
| Other exposures including SME exposures                     |                 |                | 0.5         | 0.5             |
| <b>Total exposure</b>                                       | <b>38,949.8</b> | <b>3,049.1</b> | <b>59.6</b> | <b>42,058.5</b> |

| NOK million   | 31.12.2022      |                |             | Total exposure  |
|---|-----------------|----------------|-------------|-----------------|
|   | Stage 1         | Stage 2        | Stage 3     |                 |
| Retail exposures secured by mortgages on immovable property | 36,338.8        | 2,473.5        | 37.4        | 38,849.7        |
| Unsecured retail exposures including credit cards exposures |                 |                |             |                 |
| Other exposures including SME exposures                     |                 |                | 0.5         | 0.5             |
| <b>Total exposure</b>                                       | <b>36,338.8</b> | <b>2,473.5</b> | <b>37.8</b> | <b>38,850.2</b> |

Note 14 | Off balance sheet liabilities and contingent liabilities

| NOK million                         | 31.03.2023     | 31.12.2022     |
|-------------------------------------|----------------|----------------|
| Unused credit facilities            | 1,704.3        | 1,369.2        |
| <b>Total contingent liabilities</b> | <b>1,704.3</b> | <b>1,369.2</b> |

Unused credit facilities encompass unused flexible mortgage facilities.

Per 31 March 2023, the company has not pledged any collateral.

Note 15 | Loans to value ratio and collateral

| NOK million                              | 31.03.2023      | 31.12.2022      |
|--|-----------------|-----------------|
| Gross loans <sup>1)</sup>                | 40,354.2        | 37,481.0        |
| Average loan balance per customer        | 3.1             | 3.0             |
| No. of loans                             | 15,415          | 15,361          |
| Weighted average seasoning (months)      | 29              | 29              |
| Weighted average remaining term (months) | 285             | 291             |
| Average loan to value ratio              | 57%             | 55%             |
| Over-collateralisation <sup>2)</sup>     | 22%             | 32%             |
| <b>Cover pool:</b>                       |                 |                 |
| Residential mortgages <sup>1)</sup>      | 40,126.1        | 36,970.3        |
| Supplementary security                   | 552.9           | 1,143.5         |
| <b>Total</b>                             | <b>40,679.0</b> | <b>38,113.8</b> |

<sup>1)</sup>In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 80% of the value of collateral (i.e. value of properties pledged as collateral). As per 31 March 2023, the company had NOK 169 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 March 2023, the company has 20 non-performing loans without evidence of impairment, equivalent to NOK 54.5 million. There are 3 non-performing loans with evidence of impairment of NOK 5.1 million where the impairment is assessed to be NOK 1.1 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool.

<sup>2)</sup>Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 33.3 billion (nominal value).

Note 16 | Net interest income

| NOK million   | Q1            |              | Full Year     |
|---|---------------|--------------|---------------|
|   | 2023          | 2022         | 2022          |
| Interest on loans to credit institutions  | 0.1           |              | 0.3           |
| Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income | 403.0         | 141.8        | 824.5         |
| Interest on interest-bearing securities valued at amortised cost  | 3.3           | 0.6          | 6.8           |
| <b>Total interest income calculated by using the effective interest method</b>                                      | <b>406.4</b>  | <b>142.5</b> | <b>831.6</b>  |
| Interest on interest-bearing securities valued at fair value with change in value through profit and loss           | 7.0           | 3.1          | 24.2          |
| Interest on derivatives   |               |              |               |
| <b>Total other interest income</b>  | <b>7.0</b>    | <b>3.1</b>   | <b>24.2</b>   |
| <b>Total interest income</b>  | <b>413.4</b>  | <b>145.6</b> | <b>855.8</b>  |
| Interest on loans from credit institutions  | -36.7         | -5.7         | -76.0         |
| Interest on debt securities issued  | -296.2        | -73.7        | -555.6        |
| <b>Total interest expenses calculated by using the effective interest method</b>                                    | <b>-332.9</b> | <b>-79.4</b> | <b>-631.6</b> |
| Interest on derivatives   | -2.3          | 0.7          | -0.7          |
| Other interest expenses   | -1.4          | -0.9         | -3.8          |
| <b>Total other interest expenses</b>  | <b>-3.7</b>   | <b>-0.2</b>  | <b>-4.5</b>   |
| <b>Total interest expenses</b>  | <b>-336.6</b> | <b>-79.6</b> | <b>-636.1</b> |
| <b>Net interest income</b>  | <b>76.8</b>   | <b>66.0</b>  | <b>219.6</b>  |

Note 17 | Net change in fair value and gain/loss on foreign exchange and financial instruments

| NOK mill.  | Q1          |              | Full Year    |
|--|-------------|--------------|--------------|
|  | 2023        | 2022         | 2022         |
| Realised gain/loss on loans and receivables  |             |              |              |
| Unrealised gain/loss on loans and receivables  | -0.1        | -0.1         | -0.2         |
| <b>Net change in value and gain/loss on loans and receivables</b>                                | <b>-0.1</b> | <b>-0.1</b>  | <b>-0.2</b>  |
| Realised gain/loss on interest-bearing securities  | 0.1         |              | -0.3         |
| Unrealised gain/loss on interest-bearing securities  | -0.4        | 0.3          | 0.6          |
| <b>Net change in value and gain/loss on interest-bearing securities</b>                          | <b>-0.3</b> | <b>0.3</b>   | <b>0.3</b>   |
| Realised gain/loss on financial liabilities  | -4.4        | -0.6         | -2.1         |
| Unrealised gain/loss on financial liabilities  | -3.3        | 32.3         | 42.8         |
| <b>Net change in value and gain/loss on financial liabilities (except financial derivatives)</b> | <b>-7.7</b> | <b>31.7</b>  | <b>40.7</b>  |
| Realised gain/loss on foreign exchange and financial derivatives                                 | -20.0       |              | -23.5        |
| Unrealised gain/loss on foreign exchange and financial derivatives                               | 20.6        | -34.7        | -30.0        |
| <b>Net change in value and gain/loss on foreign exchange and financial derivatives</b>           | <b>0.7</b>  | <b>-34.7</b> | <b>-53.4</b> |
| <b>Total change in value and net gain/loss on financial assets and financial liabilities</b>     | <b>-7.3</b> | <b>-2.8</b>  | <b>-12.6</b> |



Note 18 | Quarterly income statement

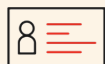
| NOK million                                     | Q1<br>2023   | Q4<br>2022   | Q3<br>2022   | Q2<br>2022   | Q1<br>2022   |
|---|--------------|--------------|--------------|--------------|--------------|
| Interest income                                 | 413.4        | 325.8        | 212.3        | 172.2        | 145.5        |
| Interest expense                                | -336.6       | -287.7       | -154.1       | -114.8       | -79.6        |
| <b>Net interest income</b>                      | <b>76.8</b>  | <b>38.0</b>  | <b>58.2</b>  | <b>57.4</b>  | <b>66.0</b>  |
| Net gains on financial instruments              | -7.3         | -5.0         | -0.6         | -4.2         | -2.8         |
| Other income                                    | -0.1         | 0.1          |              |              |              |
| <b>Total other operating income</b>             | <b>-7.5</b>  | <b>-4.9</b>  | <b>-0.7</b>  | <b>-4.2</b>  | <b>-2.8</b>  |
| Staff expenses                                  |              | -0.1         | -0.2         |              |              |
| General administration expenses                 | -37.7        | -33.3        | -30.5        | -27.6        | -26.2        |
| <b>Total operating expenses</b>                 | <b>-37.7</b> | <b>-33.4</b> | <b>-30.7</b> | <b>-27.5</b> | <b>-26.2</b> |
| <b>Operating profit before loan losses</b>      | <b>31.6</b>  | <b>-0.3</b>  | <b>26.8</b>  | <b>25.7</b>  | <b>37.0</b>  |
| Loan losses for the period                      | -5.0         | -4.2         | -1.9         | -0.6         | 0.8          |
| <b>Profit before tax</b>                        | <b>26.6</b>  | <b>-4.4</b>  | <b>25.0</b>  | <b>25.0</b>  | <b>37.7</b>  |
| Tax   | -5.9         | 1.0          | -5.5         | -5.5         | -8.3         |
| <b>Profit before other comprehensive income</b> | <b>20.7</b>  | <b>-3.5</b>  | <b>19.5</b>  | <b>19.5</b>  | <b>29.4</b>  |

## Financial calendar



|                      |                 |
|----------------------|-----------------|
| <b>14 July</b>       | Results Q2 2023 |
| <b>25 October</b>    | Results Q3 2023 |
| <b>February 2024</b> | Results Q4 2023 |

## Investor Relations contacts



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