

Interim report 4th quarter 2023

Storebrand Boligkreditt AS (unaudited)



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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/jr.

Storebrand Boligkreditt AS

- Interim report for the fourth 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, but increased interest margins**
- **Increased lending**
- **Low, but increasing volume of non-performing loans**

Financial performance

Pre-tax profit was NOK 40 million (minus NOK 4 million) for the fourth quarter and a pre-tax of NOK 152 million (NOK 83 million) year to date.

Net interest income was NOK 86 million (NOK 38 million) in the fourth quarter and NOK 327 (NOK 220 million) year to date. As a percentage of average total assets, net interest income was 0.79 per cent (0.41 per cent) for the fourth quarter and 0.79 per cent (0.69 per cent) year to date.

Other operating income amounted to NOK 2 (minus NOK 5 million) in the quarter and minus NOK 6 million (minus NOK 13 million) year to date and relate mainly to net loss on financial instruments.

Operating expenses totalled NOK 41 million (NOK 33 million) in the quarter and NOK 159 million (NOK 118 million) year to date. The increase was due to increased lending volume.

Loan losses in the fourth quarter amounted to NOK 7.8 million (NOK 4.2 million) and NOK 9.3 million (NOK 5.9 million) year to date. The booked loan losses consisted mainly of increased loan loss provisions driven by an increased volume of non-performing loans.

Balance sheet development

The lending volume has increased by NOK 7.6 billion since the end of 2022 and amounted to NOK 45.1 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 59 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 24 per cent (32 per cent).

Non-performing (defaulted) loans at the end of the fourth quarter amounted to NOK 220 million (NOK 38 million), equivalent to 0.49 per cent of gross loans in the company (0.10 per cent). The increase of non-performing loans is due to increasing interest rates on the customers debts and increased costs of living in general. 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 20 million (NOK 11 million) at the end of the fourth quarter.

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

At the end of the fourth 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 1.413 billion, of which NOK 104 million is classified at amortised cost and NOK 1.309 billion is classified at fair value with changes in value through profit and loss.

The company's total assets as of 31 December 2023 were NOK 46.6 billion (NOK 39.1 billion), an increase of NOK 7.5 billion compared with the end of 2022.

At the end of the fourth quarter of 2023, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK 37.3 billion. NOK 36.5 billion of these bonds have been placed in the market, while NOK 0.8 billion are being held by the parent bank. The weighted average of the bonds placed in the market was 2.7 years at the end of the fourth 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 fourth quarter amounted to NOK 3.6 billion (NOK 2.7 billion), and own funds (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 3.6 billion (NOK 2.9 billion). The capital base of Storebrand Boligkreditt AS consists entirely of Common Equity Tier 1 (CET1) capital. The CET1 adequacy ratio in the company was 21.1 per cent (20.8 per cent) at the end of the quarter. The requirement for the capital base was 17.5 per cent as of 31 December 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 fourth quarter of 2023, the company's LCR was 199 per cent.

Credit risk

The PD estimates have increased year to date. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 31 December 2023. The LTV's are not significantly changed, and the average LTV is 59 per cent. Defaulted loans have increased approximately by NOK 182 million from 38 million to 220 million in the fourth quarter. The expected credit losses increased by NOK 9 million year to date. 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 growth in collateralisation also during 2024.

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 secure Storebrand Bank ASA a 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, 6 February 2024

The Board of Directors of Storebrand Boligkreditt AS

Key figures

NOK million	Q4		01.01 - 31.12	
	2023	2022	2023	2022
Profit and loss account:				
Net interest income as % of avg. total assets	0.79%	0.41%	0.79%	0.69%
Profit before other comprehensive income as % of total assets			0.25%	0.17%
Main balance sheet figures:				
Total assets			46,650.0	39,113.1
Average total assets ¹⁾	43,607.9	37,108.0	41,163.9	32,020.0
Gross loans to customers			45,089.5	37,481.0
Equity			3,626.1	2,707.0
Other key figures:				
Loan losses and provisions as % of average total lending ²⁾	0.07%	0.05%	0.02%	0.02%
Gross non-performing and loss-exposed loans as % of total loans			0.49%	0.10%
Cost/income ratio ³⁾	46.3%	100.8%	49.6%	56.9%
Core equity Tier 1 (CET1) capital ratio			21.1%	20.8%
LCR ⁴⁾			199.0%	2,524.0%

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

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

³⁾Total operating expenses as % of total income.

⁴⁾Liquidity coverage requirement.

Storebrand Boligkreditt AS

Income statement

NOK million	Notes	Q4		01.01 - 31.12	
		2023	2022	2023	2022
<i>Interest income and similar income</i>					
Interest income calculated by using the effective interest method		578.6	316.0	1,928.0	831.6
Other interest income		14.2	9.8	33.7	24.2
Total interest income and similar income	14	592.8	325.8	1,961.7	855.8
<i>Interest expenses and similar expenses</i>					
Interest expenses calculated by using the effective interest method		-501.8	-284.6	-1,619.0	-631.6
Other interest expenses		-4.6	-3.1	-16.1	-4.5
Total interest expenses and similar expenses	14	-506.4	-287.7	-1,635.2	-636.1
Net interest income	14	86.4	38.0	326.5	219.6
Fee and commission income from banking services		0.2	0.1	0.6	0.2
Fee and commission expense for banking services				-0.3	-0.2
Net change in fair value and gain/loss on foreign exchange and financial instruments	15	1.6	-5.0	-6.0	-12.6
Total other operating income		1.8	-4.9	-5.6	-12.6
Staff expenses		-0.1	-0.1	-0.2	-0.2
Other operating expenses		-40.6	-33.3	-158.9	-117.6
Total operating expenses excl. credit loss on loans, etc.		-40.8	-33.4	-159.1	-117.8
Profit before credit loss on loans, etc.		47.4	-0.3	161.8	89.2
Credit loss on loans, guarantees and interest-bearing securities	7	-7.8	-4.2	-9.3	-5.9
Profit before tax for continued operations		39.6	-4.4	152.5	83.3
Tax on profit from continued operations		-8.7	1.0	-33.5	-18.3
Profit before other comprehensive income		30.9	-3.5	118.9	65.0
Change in unrealised gain/loss on loans valued at fair value through other comprehensive income (OCI)		1.2		0.2	
Tax		-0.3			
Total other income and expenses that may be reclassified to profit/loss		1.0		0.1	
Total other comprehensive income		1.0		0.1	
Total comprehensive income		31.8	-3.5	119.1	65.0

Storebrand Boligkreditt AS

Statement of financial position

NOK million	Notes	31.12.2023	31.12.2022
Loans to and deposits with credit institutions	4	69.5	25.0
Loans to customers	3, 4, 8, 9, 10, 11, 13	45,069.4	37,470.3
Interest-bearing securities	4	1,413.1	1,573.7
Derivatives	4	53.1	14.9
Other current assets		44.8	29.3
Total assets		46,650.0	39,113.1
Loans and deposits from credit institutions	4	5,580.0	6,888.1
Debt securities issued	4, 5	37,287.2	29,420.7
Derivatives	4	42.8	45.5
Other current liabilities		55.7	21.0
Tax payable		13.2	6.2
Deferred tax		45.0	24.6
Total liabilities		43,023.9	36,406.1
Share capital		496.8	494.2
Share premium		1,993.3	1,445.9
Other paid-in equity		905.3	633.1
Total paid-in equity		3,395.3	2,573.2
Other equity		230.8	133.8
Total retained earnings		230.8	133.8
Total equity	6	3,626.1	2,707.0
Total liabilities and equity		46,650.0	39,113.1

Lysaker, 6 February 2024

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
Equity at 31.12.2021	490.0	550.1	521.4	1,561.5	180.6	180.6	1,742.0
Profit for the period					65.0	65.0	65.0
Other comprehensive income							
Total comprehensive income for the period					65.0	65.0	65.0
Equity transactions with the owner:							
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
Equity at 31.12.2022	494.2	1,445.9	633.1	2,573.2	133.8	133.8	2,707.0
Profit for the period					118.9	118.9	118.9
Other comprehensive income					0.1	0.1	0.1
Total comprehensive income for the period					119.1	119.1	119.1
Equity transactions with the owner:							
Capital increase	2.6	547.4		550.0			550.0
Group contribution received			272.1	272.1			272.1
Group contribution paid					-22.1	-22.1	-22.1
Equity at 31.12.2023	496.8	1,993.3	905.3	3,395.3	230.8	230.8	3,626.1

Storebrand Boligkreditt AS is 100 per cent owned by Storebrand Bank ASA. Number of shares are 35 483 333 of nominal value NOK 14 per share.

Storebrand Boligkreditt AS

Statement of cash flow

NOK million	01.01 - 31.12	
	2023	2022
Cash flow from operating activities		
Net receipts of interest, commissions and fees from customers	1,876.2	781.7
Net disbursements/payments on customer loans	-7,537.0	-11,034.7
Net receipts/payments on securities	117.5	99.2
Payments of operating costs	-126.7	-96.7
Net cash flow from operating activities	-5,669.9	-10,250.6
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-4,000.0	-3,987.4
Receipts - new loans and issuing of bond debt	11,761.0	8,872.1
Payments - interest on loans	-1,532.2	-615.3
Receipts - new loans from credit institutions		5,130.8
Payments - repayment of loans to credit institutions	-1,308.1	
Receipts - issuing of share capital and other equity	550.0	900.0
Receipts - group contribution	272.1	108.8
Payments - group contribution	-28.4	-139.5
Net cash flow from financing activities	5,714.5	10,269.5
Net cash flow in the period	44.6	18.9
Cash and bank deposits at the start of the period	25.0	6.1
Cash and bank deposits at the end of the period	69.5	25.0

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 31.12.2023.

Notes to the interim accounts

Note 1 | Basis for preparation

1

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.

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

In preparing financial statements the management are required 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 judgment at the time the financial statements were prepared.

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 fourth 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 fourth quarter of 2023 that are expected to have a significant effect on the company accounts.

Note 2 | Related parties

2

Issued covered bonds

Storebrand Bank ASA has invested NOK 0.8 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 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 3 | 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 December 2023, however, with the following amendments and further comments.

Credit risk - exposure

The PD estimates have increased year to date. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 31 December 2023. The LTV's are not significantly changed, and the average LTV is 59,4 per cent. Defaulted loans have increased from 38 million year end 2022 to 220 million year end 2023. Loan losses and provisions increased by NOK 9,3 million year to date. The macroeconomic outlook is included in the models.

The value of the cover pool, including substitute assets of NOK 1,3 billion, is 124,3 per cent of the value of outstanding covered bonds, including derivatives, i.e. an over-collateralisation of 24,3 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 98,8 per cent of the total cover pool. The over-collateralisation is calculated on the eligible part of the cover pool.

Storebrand Boligkreditt AS has a credit facility with Storebrand Bank ASA. On 31 December 2023 NOK 5,6 billion of NOK 8 billion NOK has been drawn, i.e. an undrawn amount of NOK 2,4 billion.

Loans-to-value ratio, secured loans

NOK million	31.12.2023			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	19.4%	7,269.0	1,924.8	9,193.9
40% - 60%	28.1%	12,900.6	438.8	13,339.4
60% - 80%	44.0%	20,861.4	34.4	20,895.7
80% - 90%	7.4%	3,523.9		3,523.9
90% - 100%	0.9%	407.9		407.9
> 100%	0.3%	126.2	0.6	126.8
Total secured loans	100.0%	45,089.0	2,398.6	47,487.6
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		45,089.0	2,398.6	47,487.6

31.12.2022				
NOK million	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
Total secured loans	100.0%	37,480.5	1,369.2	38,849.7
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		37,480.5	1,369.2	38,849.7

Risk related to secured loans

31.12.2023				
NOK million	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	89.4%	40,119.1	2,348.6	42,467.7
Medium risk	9.5%	4,458.1	49.7	4,507.9
High risk	0.6%	292.6	0.3	292.9
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.5%	219.1		219.1
Total secured loans	100.0%	45,089.0	2,398.6	47,487.6
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		45,089.0	2,398.6	47,487.6

31.12.2022				
NOK million	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	0.1	195.1
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1%	37.4		37.4
Total secured loans	100.0%	37,480.5	1,369.2	38,849.7
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		37,480.5	1,369.2	38,849.7

Liquidity risk

Storebrand Boligkreditt AS has had solid liquidity buffers previous quarters, and the company still has substantial liquidity buffer at 31 December 2023. The LCR ratio for the company is at 199 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 7 million loss for the company. A similar shift downwards would lead to a gain of NOK 7 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 December 2023. The credit spread risk is low.

Note 4 | 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	31.12.2023	31.12.2022
	Quoted prices	Observable assumptions	Non-observable assumptions		
Interest-bearing securities					
Mortgage and asset backed bonds		1,309.2		1,309.2	1,114.3
Total interest-bearing securities 31.12.2023		1,309.2		1,309.2	
Total interest-bearing securities 31.12.2022		1,114.3			1,114.3
Derivatives					
Interest rate derivatives		10.3		10.3	-30.6
Total derivatives 31.12.2023		10.3		10.3	
Derivatives with a positive fair value		53.1		53.1	14.9
Derivatives with a negative fair value		-42.8		-42.8	-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	31.12.2023	31.12.2022
	Quoted prices	Observable assumptions	Non-observable assumptions		
Loans to customers - retail market			45,069.4	45,069.4	37,470.3
Total loans to customers			45,069.4	45,069.4	37,470.3

Financial instruments at fair value - level 3

NOK million	31.12.2023	
		Loans to customers at fair value through other comprehensive income
Book value 01.01.2023		37,470.3
Net gains/losses on financial instruments		-9.4
Supply / disposal		19,520.7
Sales / due settlements		-11,912.2
Book value 31.12.2023		45,069.4

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
Book value 31.12.2022		37,470.3

Valuation of financial instruments at amortised cost

NOK million	31.12.2023		31.12.2022	
	Fair value	Book value	Fair value	Book value
Financial assets				
Loans to and deposits with credit institutions	69.5	69.5	25.0	25.0
Interest-bearing securities	103.9	103.9	459.8	459.3
Total financial assets 31.12.2023	173.5	173.5		
Total financial assets 31.12.2022			484.8	484.3
Financial liabilities				
Loans and deposits from credit institutions	5,580.0	5,580.0	6,888.1	6,888.1
Debt securities issued	37,276.9	37,287.2	29,411.5	29,420.7
Total financial liabilities 31.12.2023	42,856.9	42,867.2		
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 are valued at nominal value less expected credit loss. Loans without any substantially higher credit risk than at initial recognition are valued at nominal value. Loans where there has been a significant increase in credit risk since initial recognition or loans where there is objective evidence of loss, are valued at nominal value less expected credit loss over the lifetime of the loan.

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
Increase/reduction in fair value at 31.12.2023	-5.2	5.2	-12.9	12.9
Increase/reduction in fair value at 31.12.2022	-4.3	4.3	-10.8	10.8

Note 5 | Debt securities issued

Covered bonds

NOK million						
ISIN Code	Net nominal value	Currency	Interest	Maturity ¹⁾		31.12.2023
NO0010951528	480.0	NOK	Fixed	15.04.2031		443.1
NO0010873177	5,000.0	NOK	Floating	19.06.2024		5,008.5
NO0010894199	6,500.0	NOK	Floating	25.06.2025		6,574.3
NO0011073140	10,000.0	NOK	Floating	03.06.2026		10,152.0
NO0012526211	7,500.0	NOK	Floating	20.05.2027		7,544.4
XS2553532255	50.0	EUR	Floating	11.11.2027		583.1
NO0012807413	6,100.0	NOK	Floating	19.04.2028		6,160.9
NO0010936917	800.0	NOK	Floating	21.02.2031		821.0
Total debt securities issued ²⁾						37,287.2
Total debt securities issued as at 31.12.2022						29,420.7

¹⁾Maturity date in this summary is the first possible maturity date (Call date).

²⁾For covered bonds, a regulatory requirement for over-collateralisation of 5 per cent apply. In 2023 all covenants are fulfilled. See note 13.

Note 6 | Capital adequacy

The standard method is used for credit risk and market risk and the basis method is used for operational risk. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (Tier 1 capital + Tier 2 capital) are 14 per cent and 17.5 per cent.

Eligible capital

NOK million	31.12.2023	31.12.2022
Share capital	496.8	494.2
Other equity	3,129.3	2,212.8
Total equity	3,626.1	2,707.0
Deductions		
Profit not included in the calculation of eligible capital		
AVA adjustments	-46.5	-38.7
Provision for group contribution	-46.7	-22.1
Additions		
Group contribution received	46.7	272.1
Core Equity Tier 1 (CET1)	3,579.6	2,918.4
Additional Tier 1 capital		
Tier 1 capital	3,579.6	2,918.4
Tier 2 capital		
Eligible capital (Tier 1 capital + Tier 2 capital)	3,579.6	2,918.4

Minimum capital requirements

NOK million	31.12.2023	31.12.2022
Credit risk	1,313.7	1,088.9
Of which:		
Institutions	1.8	0.9
Loans secured against real estate	1,265.3	1,044.5
Loans past-due	17.7	3.1
Covered bonds	10.5	8.9
Other	18.4	31.5
Total minimum requirement for credit risk	1,313.7	1,088.9
Total minimum requirement for market risk		
Operational risk	39.7	32.7
CVA risk ¹⁾	0.7	0.8
Minimum requirement for net primary capital	1,354.1	1,122.4

¹⁾Regulation on own funds requirements for credit valuation adjustment risk.

Capital adequacy

	31.12.2023	31.12.2022
Capital ratio	21.1%	20.8%
Tier 1 capital ratio	21.1%	20.8%
Core equity Tier 1 (CET1) capital ratio	21.1%	20.8%

Basis of calculation (risk-weighted volume)

NOK million	31.12.2023	31.12.2022
Credit risk	16,421.0	13,610.8
Of which:		
Institutions	22.4	10.8
Loans secured against real estate	15,816.7	13,056.3
Loans past-due	220.9	39.2
Covered bonds	130.8	111.3
Other	230.2	393.2
Total basis of calculation credit risk	16,421.0	13,610.8
Total basis of calculation market risk		
Operational risk	496.5	409.1
CVA risk	9.1	10.1
Total basis of calculation of minimum requirements for capital base	16,926.6	14,030.0

Leverage ratio

NOK million	31.12.2023	31.12.2022
Tier 1 capital	3,579.6	2,918.4
Total Leverage ratio exposure measure	47,285.9	39,440.4
Leverage ratio	7.6%	7.4%

Leverage ratio requirement is 3.0 percentage points as per 31.12.2023

Note 7 | Losses on loans, guarantees and unused credit limits

NOK million	31.12.2023		31.12.2022			
	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	0.6		0.6	-1.1		-1.1
The periods change in impairment losses stage 2	-0.2		-0.2	-3.9		-3.9
The periods change in impairment losses stage 3	-9.8		-9.8	-1.0		-1.0
Other changes	0.1		0.1	0.1		0.1
Loss expense for the period	-9.3		-9.3	-5.9		-5.9

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

Note 8 | Loan portfolio and guarantees

NOK million	31.12.2023	31.12.2022
	Book value	Book value
Loans to customers at fair value through other comprehensive income (OCI)	45,089.5	37,481.0
Total gross loans to customers	45,089.5	37,481.0
Provision for expected loss stage 1	-1.7	-2.3
Provision for expected loss stage 2	-6.5	-6.4
Provision for expected loss stage 3	-11.9	-2.1
Net loans to customers	45,069.4	37,470.3

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	597.4	-594.7	-2.7	
Transfer to stage 2	-1,502.6	1,503.6	-1.0	
Transfer to stage 3	-83.4	-77.4	160.7	
New loans	17,849.2	1,629.5	42.0	19,520.7
Derecognition	-10,449.6	-668.6	-14.8	-11,133.0
Other changes	-744.1	-32.6	-2.5	-779.3
Gross loans 31.12.2023	40,653.1	4,216.8	219.6	45,089.5

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
Gross loans 31.12.2022	34,986.2	2,457.0	37.8	37,481.0

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	4.2	-4.2		
Transfer to stage 2	-18.4	18.4		
Transfer to stage 3	-0.1		0.1	
New loans	1,218.7	25.6		1,244.3
Derecognition	-232.6	-8.5		-241.1
Other changes	38.3	-12.0	-0.1	26.2
Maximum exposure 31.12.2023	2,362.8	35.9		2,398.6

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
Maximum exposure 31.12.2022	1,352.6	16.5		1,369.2

Note
9

Loan loss provisions

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)	1.0	-1.0		
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.3	0.3		
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-1.4	1.5	
Net remeasurement of loan losses	-1.0	1.9	5.8	6.7
New financial assets originated or purchased	1.3	3.0	3.4	7.7
Financial assets that have been derecognised	-0.7	-1.9	-0.1	-2.7
ECL changes of balances on financial assets without changes in stage in the period	-0.8	-0.6	-0.9	-2.3
Loan loss provisions 31.12.2023	1.7	6.6	11.9	20.1
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)	1.7	6.5	11.9	20.1
Loan loss provisions on guarantees and unused credit limits				
Total loan loss provisions	1.7	6.6	11.9	20.1

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
Loan loss provisions 31.12.2022	2.3	6.4	2.1	10.7
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				
Total loan loss provisions	2.3	6.4	2.1	10.7

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 7.

Note 10 | Non-performing loans and loan losses

NOK million	31.12.2023	31.12.2022
Non-performing loans		
Non-performing loans without evidence of impairment	163.0	32.7
Loss-exposed loans with evidence of impairment	56.6	5.1
Gross non-performing and loss-exposed loans	219.6	37.8
Loan loss provisions in stage 3	-11.9	-2.1
Net non-performing and loss-exposed loans	207.7	35.7

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

NOK million	31.12.2023				
	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	163.0	-4.8	158.2	300.4	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	163.0	-4.8	158.2		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	56.1	-6.6	49.5	80.0	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.5	-0.5			
Total loss-exposed loans with evidence of impairment	56.6	-7.0	49.5		

The company has loans of NOK 69.9 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

NOK million	31.12.2022			Value of collateral	Type of collateral
	Gross amount	Loan loss provisions	Net value		
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					
Gross non-performing loans without evidence of impairment	32.7	-1.1	31.7		
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			
Gross loss-exposed loans with evidence of impairment	5.1	-1.1	4.1		

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

Distribution of loan loss provisions

31.12.2023				
NOK million	Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	1.7	6.6	11.4	19.6
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total loan loss provisions	1.7	6.6	11.9	20.1

31.12.2022				
NOK million	Stage 1	Stage 2	Stage 3	Total loan loss provisions
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
Total loan loss provisions	2.3	6.3	2.1	10.7

Distribution of exposures incl. unused credit limits and guarantees

31.12.2023				
NOK million	Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	43,015.9	4,252.6	219.1	47,487.6
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total exposure	43,015.9	4,252.6	219.6	47,488.1

31.12.2022				
NOK million	Stage 1	Stage 2	Stage 3	Total exposure
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
Total exposure	36,338.8	2,473.5	37.8	38,850.2

Note 12 | Off balance sheet liabilities and contingent liabilities

NOK million	31.12.2023	31.12.2022
Unused credit facilities	2,398.6	1,369.2
Total contingent liabilities	2,398.6	1,369.2

Unused credit facilities encompass unused flexible mortgage facilities.

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

Note 13 | Loans to value ratio and collateral

NOK million	31.12.2023	31.12.2022
Gross loans ¹⁾	45,089.5	37,481.0
Average loan balance per customer	3.4	3.0
No. of loans	16,506	15,361
Weighted average seasoning (months)	29	29
Weighted average remaining term (months)	281	291
Average loan to value ratio	59%	55%
Over-collateralisation ²⁾	24.3%	32.3%
Cover pool:		
Residential mortgages ¹⁾	44,568.8	36,970.3
Derivatives	8.3	
Supplementary security ³⁾	1,307.0	1,143.5
Total	45,884.1	38,113.8

¹⁾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 December 2023, the company had NOK 208 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 December 2022, the company has 55 non-performing loans without evidence of impairment, equivalent to NOK 163 million. There are 12 non-performing loans with evidence of impairment of NOK 56.6 million where the impairment is assessed to be NOK 7 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool. A total of NOK 427.6 million are not included in the cover pool.

²⁾Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 36.9 billion (nominal value).

³⁾Supplementary security is loans to and deposits with credit institutions and interest-bearing securities.

Note 14 | Net interest income

NOK million	Q4		01.01 - 31.12	
	2023	2022	2023	2022
Interest on loans to credit institutions	-0.1	0.1	0.8	0.3
Interest on loans to customers - loans valued at amortised cost				
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income	577.6	312.6	1,919.1	824.5
Interest on interest-bearing securities valued at amortised cost	1.1	3.3	8.0	6.8
Total interest income calculated by using the effective interest method	578.6	316.0	1,928.0	831.6
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	14.2	9.8	33.7	24.2
Interest on derivatives				
Total other interest income	14.2	9.8	33.7	24.2
Total interest income	592.8	325.8	1,961.7	855.8
Interest on loans from credit institutions	-31.9	-39.1	-110.7	-76.0
Interest on debt securities issued	-469.9	-245.5	-1,508.4	-555.6
Total interest expenses calculated by using the effective interest method	-501.8	-284.6	-1,619.0	-631.6
Interest on derivatives	-3.2	-2.1	-10.5	-0.7
Other interest expenses	-1.4	-1.0	-5.7	-3.8
Total other interest expenses	-4.6	-3.1	-16.1	-4.5
Total interest expenses	-506.4	-287.7	-1,635.2	-636.1
Net interest income	86.4	38.0	326.5	219.6

Note 15 | Net change in fair value and gain/loss on foreign exchange and financial instruments

NOK mill.	Q4		01.01 - 31.12	
	2023	2022	2023	2022
Realised gain/loss on loans and receivables				
Unrealised gain/loss on loans and receivables			-0.2	-0.2
Net change in value and gain/loss on loans and receivables			-0.2	-0.2
Realised gain/loss on interest-bearing securities		-0.3	0.1	-0.3
Unrealised gain/loss on interest-bearing securities	1.6	3.3	2.2	0.6
Net change in value and gain/loss on interest-bearing securities	1.6	3.1	2.3	0.3
Realised gain/loss on financial liabilities			-4.6	-2.1
Unrealised gain/loss on financial liabilities	-25.9	-11.5	-4.1	42.8
Net change in value and gain/loss on financial liabilities (except financial derivatives)	-25.9	-11.5	-8.7	40.7
Realised gain/loss on foreign exchange and financial derivatives		-14.1	8.3	-14.1
Unrealised gain/loss on foreign exchange and financial derivatives	26.0	17.5	-7.6	-39.4
Net change in value and gain/loss on foreign exchange and financial derivatives	25.9	3.5	0.7	-53.4
Total change in value and net gain/loss on financial assets and financial liabilities	1.6	-5.0	-6.0	-12.6

Financial calendar

7 February 2024	Results Q4 2023
24 April 2024	Results Q1 2024
12 July 2024	Results Q2 2024
23 October 2024	Results Q3 2024

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