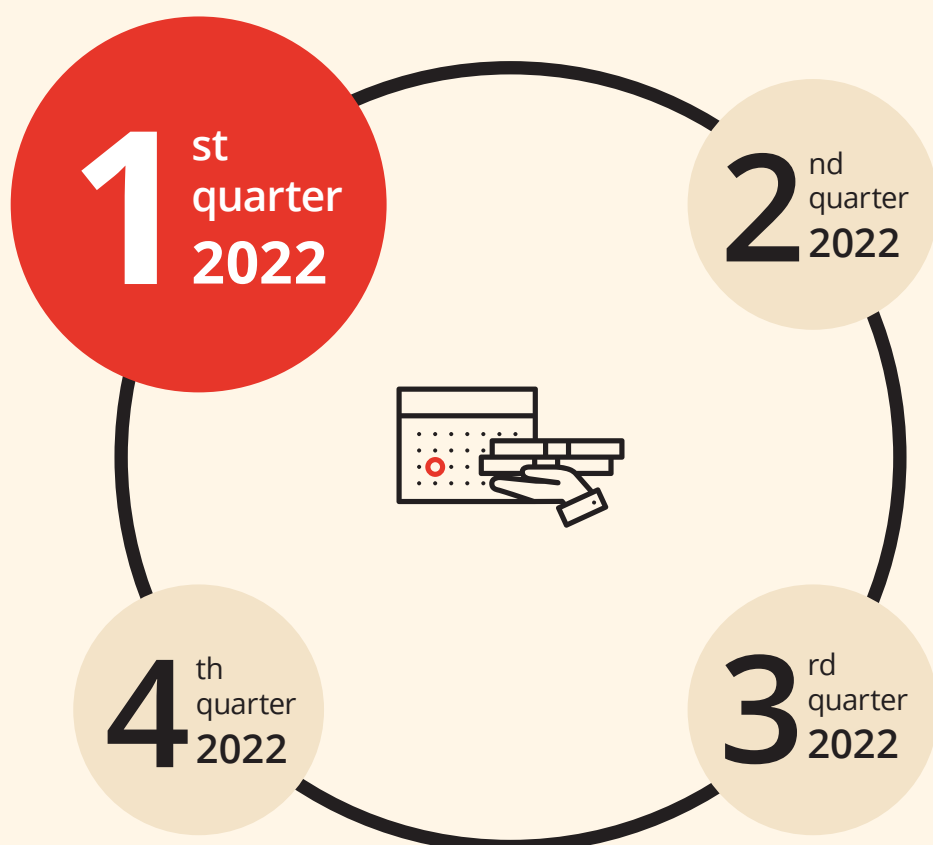


Interim report 2022

Storebrand Boligkreditt AS (unaudited)



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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.

Storebrand Boligkreditt AS

- Interim report for the first quarter of 2022

(Profit figures for the corresponding period in 2021 are shown in brackets. Balance sheet figures in brackets are for the end of 2021)

- Decreased interest margins
- Increased lending

Financial performance

Pre-tax profit was NOK 38 million (NOK 40 million) for the first quarter.

Net interest income was NOK 66 million (NOK 58 million) in the first quarter. The increase from the first quarter of 2021 was due to increased lending volume. As a percentage of average total assets, net interest income was 0.96 per cent (1.01 per cent) for the quarter.

Other operating income amounted to minus NOK 2.8 million (NOK 3.8 million) and relate to net loss on financial instruments at fair value.

Operating expenses totalled NOK 26 million (NOK 22 million) in the first quarter.

Loan losses amounted to NOK 0.8 million recognised as gain (NOK 0.6 million recognised as gain).

Balance sheet development

The lending volume has increased by NOK 0.4 billion since the end of 2021 and amounted to NOK 26.9 billion (NOK 26.4 billion). Storebrand Bank ASA and Storebrand Boligkreditt AS operate with restrictive lending practices. The average loan-to-value ratio in the portfolio was 52 per cent (55 per cent) at the end of the quarter. On the date of transfer, the loan-to-value ratio never exceeds 75 per cent. The company has over-collateralisation of 117 per cent (111 per cent).

Non-performing loans at the end of the first quarter amounted to NOK 14 million (NOK 15 million), equivalent to 0.05 per cent of gross loans in the company (0.06 per cent). All the loans have a loan-to-value ratio within 75 per cent of market value or have mainly been written down. Loan loss provisions amounted to NOK 4 million (NOK 5 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 2022, 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 1,653 million, of which NOK 288 million is classified at amortised cost and NOK 1,365 million is classified at fair value with changes in value through profit and loss.

The company's total assets as of 31 March 2022 were NOK 28.5 billion (NOK 28.1 billion), an increase of NOK 0.4 billion compared with the end of 2021.

At the end of the first quarter of 2022, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK 24.1 billion. NOK 21.6 billion of these bonds have been placed in the market, while NOK 2.5 billion are being held by the parent bank. The weighted average of the bonds placed in the market was 2.9 years at end of the first 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 1.8 billion (NOK 1.7 billion) after group contributions paid/received. The eligible capital (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 1.7 billion (NOK 1.7 billion). The capital base of Storebrand Boligkreditt AS consists entirely of Core Equity Tier 1 (CET1). The CET1 adequacy ratio in the company was 16.8 per cent (17.0 per cent) at the end of the first quarter. The requirement for the capital base was 14.5 per cent as of 31 March 2022. The company has satisfactory solvency and liquidity based on the company's business activities. The company satisfied the combined capital and capital buffer requirements by a good margin 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 2022, the company's LCR was 1,930 per cent.

Credit risk

The loan portfolio at 31 March 2022 is not significantly changed from previous quarters. The portfolio consists of loans and credits secured in real estate. The average LTV is low and have not changed significantly from previous quarters. Loans in arrear and defaulted loans are on similar levels as in previous quarters.

The expected credit loss is increased from NOK 3.6 million to NOK 3.9 million in the first quarter.

Strategy and future prospects

In 2022, 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 2022.

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, 3 May 2022

The Board of Directors of Storebrand Boligkreditt AS

Storebrand Boligkreditt AS

Key figures

NOK million and percentage	Q1		Full year
	2022	2021	2021
Profit and loss account: (as % of avg. total assets)			
Net interest income	0.96 %	1.01 %	1.06 %
Profit before other comprehensive income as % of total assets	0.42 %	0.54 %	0.47 %
Main balance sheet figures:			
Total assets	28,553.4	23,804.8	28,114.4
Average total assets ¹⁾	27,934.7	23,072.3	25,063.8
Gross loans to customers	26,859.8	22,262.9	26,434.7
Equity	1,771.5	1,640.5	1,742.0
Other key figures:			
Loan losses and provisions as % of average total lending ²⁾	0.00 %	-0.01 %	0.00 %
Gross non-performing and loss-exposed loans as % of total loans	0.1 %	0.1 %	0.06 %
Cost/income ratio ³⁾	41.5 %	35.3 %	35.8 %
Core equity Tier 1 (CET1) capital ratio	16.8 %	18.6 %	17.0 %
LCR ⁴⁾	1,930.0 %	978.0 %	6,203.0 %

Definitions:

- 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 consist 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)	note	Q1 2022	2021	Full year 2021
Interest income and similar income				
Interest income calculated by using the effective interest method		142.5	99.2	439.2
Other interest income		3.1	1.9	11.2
Total interest income and similar income		145.5	101.1	450.4
Interest expenses and similar expenses				
Interest expenses calculated by using the effective interest method		-79.4	-42.9	-182.3
Other interest expenses		-0.2	-0.5	-3.4
Total interest expenses and similar expenses		-79.6	-43.4	-185.7
Net interest income	16	66.0	57.7	264.7
Fee and commission income from banking services				
Fee and commission expense for banking services		-0.1		-0.3
Net change in fair value and gain/loss on foreign exchange and financial instruments	17	-2.8	3.8	2.0
Total other operating income		-2.8	3.8	1.8
Staff expenses				
Other operating expenses		-26.2	-21.7	-95.2
Total operating expenses excl. credit loss on loans, etc.		-26.2	-21.7	-95.4
Profit before credit loss on loans, etc.		37.0	39.8	171.0
Total credit loss on loans, guarantees and interest-bearing securities	9	0.8	0.6	-0.5
Profit before tax for continued operations		37.7	40.4	170.6
Tax on profit from continued operations	3	-8.3	-8.9	-37.5
Profit before other comprehensive income		29.4	31.5	133.0
Other comprehensive income				
Other income and expenses not to be reclassified to profit/loss				
Total other income and expenses not to be reclassified to profit/loss				
Other income and expenses that may be reclassified to profit/loss				
Total other income and expenses that may be reclassified to profit/loss				
Total other comprehensive income				
Total comprehensive income		29.4	31.5	133.0

Storebrand Boligkreditt AS

Statement of financial position

(NOK million)	note	31.03.2022	31.03.2021	31.12.2021
Loans to and deposits with credit institutions	6	13.6	4.5	6.1
Loans to customers	6, 10, 11, 12,13, 14, 15	26,855.9	22,259.4	26,430.0
Interest bearing securities	6	1,652.7	1,297.5	1,654.3
Derivatives	6			2.6
Other current assets		31.3	243.4	21.5
Total assets		28,553.4	23,804.8	28,114.4
Loans and deposits from credit institutions	4, 6	2,602.1	2,122.3	1,757.3
Debt securities issued	6, 7	24,126.5	20,024.5	24,570.8
Derivatives	6	30.2		
Other current liabilities		1.4	1.3	0.2
Tax payable		8.3	8.9	30.7
Deferred tax		13.4	6.6	13.4
Total liabilities		26,782.0	22,163.6	26,372.4
Share capital		490.0	490.0	490.0
Share premium		550.1	550.1	550.1
Other paid-in equity		630.2	521.4	521.4
Total paid-in equity		1,670.3	1,561.5	1,561.5
Other equity		101.2	79.1	180.6
Total retained earnings		101.2	79.1	180.6
Total equity	8	1,771.5	1,640.5	1,742.0
Total liabilities and equity		28,553.4	23,804.1	28,114.4

Lysaker, 3 May 2022
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 equity	Total paid in equity	Other equity	Total retained earnings	Total equity
Equity at 31.12.2020	490.0	550.1	467.0	1,507.0	102.0	102.0	1,609.0
Profit for the period					133.0	133.0	133.0
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	133.0	133.0	133.0
Equity transactions with the owner:							
Group contribution received			54.4	54.4			54.4
Group contribution paid					-54.4	-54.4	-54.4
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					29.4	29.4	29.4
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	29.4	29.4	29.4
Equity transactions with the owner:							
Group contribution received			108.8	108.8			108.8
Group contribution paid					-108.8	-108.8	-108.8
Equity at 31.03.2022	490.0	550.1	630.2	1,670.3	101.2	101.2	1,771.5
Equity at 31.12.2020	490.0	550.1	467.0	1,507.0	102.0	102.0	1,609.0
Profit for the period					31.5	31.5	31.5
Other comprehensive income							
Total comprehensive income for the period	0.0	0.0	0.0	0.0	31.5	31.5	31.5
Equity transactions with the owner:							
Group contribution received			54.4	54.4			54.4
Provision for group contribution					-54.4	-54.4	-54.4
Equity at 31.03.2021	490.0	550.1	521.4	1,561.5	79.1	79.1	1,640.5

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

Storebrand Boligkreditt AS

Statement of cash flow

(NOK million)	31.03.2022	31.03.2021
Cash flow from operating activities		
Net receipts of interest, commissions and fees from customers	138.4	96.8
Net disbursements/payments on customer loans	-434.7	-1,220.1
Net receipts/payments on securities	-2.9	2.9
Payments of operating costs	-24.0	-21.8
Net cash flow from operating activities	-323.2	-1,142.2
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-398.0	
Receipts - new loans and issuing of bond debt		780.0
Payments - interest on loans	-85.3	-35.9
Receipts - new loans from credit institutions	844.8	409.6
Receipts - group contribution	108.8	54.4
Payments - group contribution	-139.5	-69.8
Net cash flow from financing activities	330.8	1,138.4
Net cash flow in the period	7.6	-3.9
Cash and bank deposits at the start of the period	6.1	8.3
Cash and bank deposits at the end of the period	13.6	4.5

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 31.03.2022.

Storebrand Boligkreditt AS

Notes

Note 01 | Accounting principles

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 2021 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 1st quarter of 2022 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 2022 that are expected to have a significant effect on the company accounts.

Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2021 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.

Actual results may differ from these estimates.

Note 03 | 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 04 | Related Parties

Issued covered bonds

Storebrand Bank ASA has invested NOK 2.5 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 March 2022.

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 subsidised 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 6 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 2022 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 2021 annual report for Storebrand Boligkreditt AS.

Note 05

Financial risk

Notes 4 to 9 in the 2021 annual report provide a detailed overview of the company's financial risk. The descriptions are applicable at 31 March 2022, however, with the following amendments and further comments.

Credit Risk – credit exposure

There are no significant changes to PD, EAD and LGD estimates from 31 December 2021 to 31 March 2022. The LTVs are not significantly changed. There are no significant changes to loans in arrear and defaulted loans on 31 March 2022 compared to previous quarters.

The expected credit losses are unchanged during the first quarter. Both expected losses based on models and expected losses on individually assessed loans are unchanged. The level of expected credit losses is still above pre-pandemic level.

Loan-to-value ratio, secured loans

(NOK million)	31.03.2022			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	23.5 %	5,962.9	592.2	6,555.1
40% - 60%	37.3 %	10,047.1	347.9	10,395.0
60% - 80%	38.3 %	10,629.7	38.2	10,667.9
80% - 90%	0.5 %	133.8	7.7	141.5
90% - 100%	0.2 %	55.4	2.1	57.5
> 100%	0.1 %	30.1	1.9	32.0
Total secured loans	100.0 %	26,859.1	990.0	27,849.1
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		26,859.1	990.0	27,849.1

(NOK million)	31.12.2021			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	20.0 %	4,928.5	553.7	6,023.0
40% - 60%	35.7 %	9,445.5	335.4	7,075.8
60% - 80%	42.7 %	11,658.4	42.7	8,811.6
80% - 90%	1.0 %	255.7	14.4	139.8
90% - 100%	0.3 %	88.3	2.1	69.2
> 100%	0.2 %	57.4	1.7	40.7
Total secured loans	100.0 %	26,433.9	950.0	27,383.9
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		26,433.9	950.0	27,383.9

Risk related to secured loans

(NOK million)	31.03.2022			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	94.1 %	25,205.0	989.1	26,194.0
Medium risk	5.5 %	1,520.3	0.9	1,521.2
High risk	0.4 %	120.6		120.7
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.0 %	13.2		13.2
Total secured loans	100.0 %	26,859.1	990.0	27,849.1
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		26,859.1	990.0	27,849.1

(NOK million)	31.12.2021			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Medium risk	5.5 %	1,491.8	0.7	1,492.5
High risk	0.4 %	114.1		114.1
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	14.2		14.2
Total secured loans	100.0 %	26,433.9	950.0	27,383.9
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		26,433.9	950.0	27,383.9

Liquidity risk

Storebrand Boligkreditt AS has had solid liquidity buffers previous quarters, and the company still has substantial liquidity buffer at 31 March 2022. The LCR ratio for the bank is at 1 930 per cent, well above the requirement of 100 per cent. The funding structure is balanced with regards to maturity.

The long term counterparty rating of Storebrand Boligkreditt AS is "AA+" with a stable outlook from S&P Global. The covered bond programme is rated "AAA".

Market risk

The interest rate risk is not significantly changed in the quarter.

Note 06 | Valuation of financial instruments

The Storebrand group categorises financial instruments on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 9 in the 2021 annual report for Storebrand Boligkreditt AS.

The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Valuation of financial instruments at fair value through profit and loss

(NOK million)	Level 1	Level 2	Level 3	Book value	Book value
	Quoted prices	Observable assumptions	Non-observable assumptions	31.03.2022	31.12.2021
Mortgage and asset backed bonds		1,365.4		1,365.4	1,366.1
Total interest-bearing securities 31.03.2022	0.0	1365.4	0.0	1365.4	
Total interest-bearing securities 31.12.2021		1,366.1			
Interest rate derivatives		-30.2		-30.2	2.6
Total derivatives 31.03.2022	0.0	-30.2	0.0	-30.2	
Derivatives with a positive fair value					2.6
Derivatives with a negative fair value		-30.2		-30.2	
Total derivatives 31.12.2021					2.6

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 (FVOCI)

(NOK million)	Level 1	Level 2	Level 3	Book value	Book value
				31.03.2022	31.12.2021
Loans to customers - retail market			26,855.9	26,855.9	26,430.0
Total loans to customers			26,855.9	26,855.9	26,430.0

Financial instruments at fair value - level 3

(NOK million)	Loans to customers at fair value through other comprehensive income
Book value 01.01.2022	26,430.0
Net gains/losses on financial instruments	0.8
Supply / disposal	5,492.3
Sales / due settlements	-5,067.1
Book value 31.03.2022	26,855.9

(NOK million)	Loans to customers at fair value through other comprehensive income
Book value 01.01.2021	21,065.5
Net gains/losses on financial instruments	-0.6
Supply / disposal	11,502.2
Sales / due settlements	-6,137.2
Book value 31.12.2021	26,430.0

Sensitivity analysis

(NOK million)	Floating loans to customers Fair value through other comprehensive income Changes in market spread		Floating loans to customers Fair value through other comprehensive income Changes in market spread	
	+ 10 bp	- 10 bp	+ 25 bp	- 25 bp
Increase/reduction in fair value at 31.03.2022	-4.5	4.5	-11.3	11.3
Increase/reduction in fair value at 31.12.2021	-3.1	3.1	-7.7	7.7

Valuation of financial instruments at amortised cost

(NOK million)	Fair value 31.03.2022	Book value 31.03.2022	Fair value 31.12.2021	Book value 31.12.2021
Financial assets				
Loans to and deposits with credit institutions	13.6	13.6	6.1	6.1
Interest bearing securities	287.1	287.3	288.2	288.2
Financial liabilities				
Loans and deposits from credit institutions	2,602.1	2,602.1	1,757.3	1,757.3
Debt securities issued	24,133.6	24,126.5	24,628.9	24,570.8

Note 07

Debt securities issued

Covered bonds

(NOK million) ISIN Code	Nominal value	Currency	Interest	Maturity ¹⁾	Book value 31.03.2022
NO0010951528	480.0	NOK	Fixed	15.04.2031	452.0
NO0010786726	4,000.0	NOK	Floating	15.06.2022	3,606.2
NO0010813959	4,000.0	NOK	Floating	20.06.2023	4,003.3
NO0010873177	5,000.0	NOK	Floating	19.06.2024	5,000.0
NO0010894199	5,000.0	NOK	Floating	25.06.2025	5,122.1
NO0011073140	5,500.0	NOK	Floating	03.06.2026	5,629.8
NO0010936917	300.0	NOK	Floating	21.02.2031	313.1
Total debt securities issued ²⁾	24,280.0				24,126.5
Total debt securities issued as at 31.12.2021	24,280.0				24,570.8

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

2) For covered bonds (CBs) that are allocated to the company's security, regulatory requirements for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent apply for bonds issued prior to 21 June 2017. In 2022 all covenants are fulfilled. See note 15.

Capital Adequacy

Eligible capital

(NOK million)	31.03.2022	31.12.2021
Share capital	490.0	490.0
Other equity	1,281.5	1,252.0
Total equity	1,771.5	1,742.0
Deductions		
Profit not included in the calculation of eligible capital	-29.4	
AVA adjustments	-28.3	-27.3
Provision for group contribution		-108.8
Additions		
Group contribution received		108.8
Core Equity Tier 1 (CET1)	1,713.8	1,714.7
Additional Tier 1 capital		
Capital instruments eligible as Additional Tier 1 capital		
Additions		
Tier 1 capital	1,713.8	1,714.7
Tier 2 capital		
Subordinated loans		
Tier 2 capital deductions		
Eligible capital (Tier 1 capital + Tier 2 capital)	1,713.8	1,714.7

Minimum capital requirement

(NOK million)	31.03.2022	31.12.2021
Credit risk	786.7	773.4
Of which:		
Institutions	0.7	0.5
Loans secured against real estate	744.6	733.2
Loans past-due	1.0	0.5
Covered bonds	10.9	10.9
Other	29.5	28.3
Total minimum requirement for credit risk	786.7	773.4
Total minimum requirement for market risk	0.0	0.0
Operational risk	30.3	30.3
CVA risk ¹⁾	0.9	1.2
Deductions		
Minimum requirement for net primary capital	817.8	804.8

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

Capital adequacy

	31.03.2022	31.12.2021
Capital ratio	16.8 %	17.0 %
Tier 1 capital ratio	16.8 %	17.0 %
Core equity Tier 1 (CET1) capital ratio	16.8 %	17.0 %

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 11 per cent and 14.5 per cent.

Basis of calculation (risk-weighted volume)

(NOK million)	31.03.2022	31.12.2021
Credit risk	9,833.5	9,667.0
Of which:		
Institutions	9.0	6.1
Loans secured against real estate	9,307.2	9,164.6
Loans past-due	12.8	6.5
Covered bonds	136.4	136.5
Other	368.2	353.4
Total basis of calculation credit risk	9,833.5	9,667.0
Total basis of calculation market risk	0.0	0.0
Operational risk	378.5	378.5
CVA risk	10.8	14.9
Deductions		
Total basis of calculation of minimum requirements for capital base	10,222.8	10,060.4

Note 09

Losses on loans, guarantees and unused credits

(NOK million)	31.03.2022			31.03.2021		
	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	0.1		0.1	-0.3		-0.3
The periods change in impairment losses stage 2	0.6		0.6	0.7		0.7
The periods change in impairment losses stage 3				0.2		0.2
Realised losses						
Other changes						
Loss expense for the period	0.8	0.0	0.8	0.6	0.0	0.6

The company has no outstanding contractual amounts for realised losses during 1st quarter 2021 and 2022 that still are subject to enforcement activities.

Note 10

Loan portfolio and guarantees

Loan portfolio and guarantees

(NOK million)	Book Value 31.03.2022	Book Value 31.12.2021
Loans to customers at fair value through other comprehensive income (OCI)	26,859.8	26,434.7
Total gross loans to customers	26,859.8	26,434.7
Provision for expected loss stage 1	-1.0	-1.1
Provision for expected loss stage 2	-1.8	-2.5
Provision for expected loss stage 3	-1.1	-1.1
Net loans to customers	26,855.9	26,430.0

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

(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	179.0	-179.0		0.0
Transfer to stage 2	-279.6	280.8	-1.2	0.0
Transfer to stage 3				
New loans	5,228.3	260.8	3.1	5,492.3
Derecognition	-4,644.5	-232.5	-3.0	-4,880.0
Other changes	-177.8	-9.3	-0.1	-187.2
Gross loans 31.03.2022	25,604.3	1,241.7	13.9	26,859.8

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2021	19,211.8	1,817.1	40.9	21,069.7
Transfer to stage 1	824.5	-823.1	-1.4	0.0
Transfer to stage 2	-148.9	160.9	-12.0	0.0
Transfer to stage 3		-5.9	5.9	0.0
New loans	10,990.1	512.1		11,502.2
Derecognition	-5,250.1	-534.3	-18.2	-5,802.7
Other changes	-328.5	-5.8	-0.2	-334.5
Gross loans 31.12.2021	25,298.9	1,120.9	14.9	26,434.7

Change in maximum exposure for guarantees and unused credits

(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	0.3	-0.3		0.0
Transfer to stage 2	-3.1	3.1		0.0
Transfer to stage 3				
New loans	52.2			52.2
Derecognition	-28.5			-28.6
Other changes	14.2	2.2		16.3
Maximum exposure 31.03.2022	984.1	5.9	0.0	990.0

(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2021	1,073.3	17.4		1,090.7
Transfer to stage 1	15.6	-15.6		0.0
Transfer to stage 2	-0.6	0.6		0.0
Transfer to stage 3				
New loans	27.0			27.0
Derecognition	-196.1	-1.0		-197.1
Other changes	29.9	-0.5		29.3
Maximum exposure 31.12.2021	949.1	0.9	0.0	950.0

Loan loss provisions

Total loan loss provisions in the balance sheet

(NOK million)	Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
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		0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.1	0.1		0.0
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)				
Net remeasurement of loan losses	-0.4	0.4		0.0
New financial assets originated or purchased	0.4	0.6		1.0
Financial assets that have been derecognised	-0.2	-0.7		-1.0
ECL changes of balances on financial assets without changes in stage in the period	-0.2	-0.5		-0.8
Loan loan loss provisions 31.03.2022	1.0	1.8	1.1	3.9
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	1.0	1.8	1.1	3.9
Loan loss provisions on guarantees and unused credit limits				
Total loan loss provisions	1.0	1.8	1.1	3.9

(NOK million)	Stage 1 12-month ECL	Stage 2 Lifetime ECL - no objective evidence of impairment	Stage 3 Lifetime ECL - objective evidence of impairment	Total
Loan loss provisions 01.01.2021	0.8	2.0	1.4	4.1
Transfer to stage 1 (12-month ECL)	0.3	-0.3		0.0
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)				
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)				
Net remeasurement of loan losses	-0.3	0.1		-0.2
New financial assets originated or purchased	0.9	1.9		2.8
Financial assets that have been derecognised	-0.2	-1.0	-0.2	-1.5
ECL changes of balances on financial assets without changes in stage in the period	-0.4	-0.2		-0.6
Loan loan loss provisions 31.12.2021	1.1	2.5	1.1	4.7
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	1.1	2.5	1.1	4.7
Loan loss provisions on guarantees and unused credit limits				
Total loan loss provisions	1.1	2.5	1.1	4.7

Non-performing loans and loan losses

(NOK million)	31.03.2022	31.12.2021
Non-performing loans		
Non-performing loans without evidence of impairment	8.4	9.5
Loss-exposed loans with evidence of impairment	5.4	5.4
Gross non-performing and loss-exposed loans	13.9	14.9
Loan loss provisions on individual loans excl. statistical provisions (IFRS9)	-1.1	-1.1
Net non-performing and loss-exposed loans	12.7	13.8

Storebrand Boligkreditt AS has changed the definition of default in line with the recommendation given by European Banking Authority's (EBA's) guide to implementing the default definition in accordance with Article 178 (EU Regulation 575/2013). The definition of default is applied at debtor level with absolute and relative thresholds for arrears/overdrafts. Arrears/overdrafts for each individual commitment are measured in relation to the total debtor exposure. The absolute threshold is set at NOK 1,000 (per commitment), and the relative threshold is 1% of total debtor exposure. Joint commitments (commitments with several debtors) are defined as a separate risk point, and they are not included in the total exposure for the respective individual customers. Default occurs after 90 days with arrears/overdrafts above both absolute and relative thresholds. All debtor commitments are considered defaulted if default has occurred on at least one of them. In accordance with the guidelines, a probation period of 3 months is used. The probation period starts when default criteria are no longer in place. In order for the probation period to end, the arrears/overdrafts must be below the threshold values for the entire probation period.

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

(NOK million)	Gross amount	Loan loss provisions	31.03.2022		Type of collateral
			Net value	Value of collateral	
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	8.4		8.4	29.4	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	8.4	0.0	8.4		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	4.7	-0.6	4.1	19.2	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.7	-0.5	0.2		
Total loss-exposed loans with evidence of impairment	5.4	-1.1	4.3		

The company has loans of NOK 1.4 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

(NOK million)	31.12.2021			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	9.5		9.4	27.4	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
Gross non-performing loans without evidence of impairment	9.5	0.0	9.4		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	4.8	-0.6	4.2	18.1	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.7	-0.5	0.2		
Gross loss-exposed loans with evidence of impairment	5.4	-1.1	4.4		

The company has loans of NOK 4.8 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 retail exposures

Distribution of loan loss provisions

(NOK million)	31.03.2022			Total loan loss provisions
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	1.0	1.8	0.6	3.4
Other exposures including SME exposures			0.5	0.5
Total loan loss provisions	1.0	1.8	1.1	3.9

(NOK million)	31.12.2021			Total loan loss provisions
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	1.1	2.5	0.6	4.2
Other exposures including SME exposures			0.5	0.5
Total loan loss provisions	1.1	2.5	1.1	4.7

Distribution of exposure incl. unused credit facilities and guarantees

(NOK million)	31.03.2022			Total exposure
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	26,588.4	1,247.5	13.2	27,849.1
Other exposures including SME exposures			0.7	0.7
Total exposure	26,588.4	1,247.6	13.9	27,849.8

(NOK million)	31.12.2021			Total exposure
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	26,248.0	1,129.0	6.9	27,383.9
Other exposures including SME exposures			0.7	0.7
Total exposure	26,248.0	1,129.0	7.6	27,384.6

Note 14 | Off balance sheet liabilities and contingent liabilities

(NOK million)	31.03.2022	31.12.2021
Unused credit facilities	990.0	950.0
Total contingent liabilities	990.0	950.0

Unused credit facilities encompass unused flexible mortgage facilities.

Per 31 March 2022, the company has not pledged any collateral.

Note 15 | Loan to value ratios and collateral

(NOK million)	31.03.2022	31.12.2021
Gross loans ¹⁾	26,859.8	26,434.7
Average loan balance per customer	2.6	2.8
No. of loans	12,031	10,660
Weighted average seasoning (months)	34	34
Weighted average remaining term (months)	291	291
Average loan to value ratio	52 %	55 %
Over-collateralisation ²⁾	117 %	111 %
Cover pool:		
Residential mortgages ¹⁾	26,777.6	26,315.0
Supplementary security	1,365.9	865.2
Total	28,143.6	27,180.1

1) In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 75% of the value of collateral (i.e. value of properties pledged as collateral). As per 31 March 2022, the company had NOK 63 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 March 2022, the company has 6 non-performing loans without evidence of impairment, equivalent to NOK 8 million. There are 4 non-performing loans with evidence of impairment of NOK 5 million where the impairment is assessed to be NOK 1.2 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool.

2) Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 24.3 billion (nominal value).

Note
16

Net interest income

(NOK million)	Q1		Full Year
	2022	2021	2021
Interest on loans to credit institutions			0.1
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income	141.8	99.2	438.4
Interest on interest-bearing securities valued at amortised cost	0.6		0.7
Total interest income calculated by using the effective interest method	142.5	99.2	439.2
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	3.1	1.9	6.0
Interest on derivatives			5.2
Total other interest income	3.1	1.9	11.2
Total interest income	145.5	101.1	450.4
Interest on loans from credit institutions	-5.7	-4.3	-17.5
Interest on debt securities issued	-73.7	-38.6	-164.9
Total interest expenses calculated by using the effective interest method	-79.4	-42.9	-182.3
Interest on derivatives	0.7	0.4	0.0
Other interest expenses	-0.9	-0.9	-3.4
Total other interest expenses	-0.2	-0.5	-3.4
Total interest expenses	-79.6	-43.4	-185.7
Net interest income	66.0	57.7	264.7

Note
17

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

(NOK million)	Q1		Full Year
	2022	2021	2021
Unrealised gain/loss on loans and receivable	-0.1	0.3	0.2
Net change in value and gain/loss on loans and receivables	-0.1	0.3	0.2
Realised gain/loss on interest-bearing securities			1.8
Unrealised gain/loss on interest-bearing securities	0.3	1.0	-1.5
Net change in value and gain/loss on interest-bearing securities	0.3	1.0	0.2
Realised gain/loss on financial liabilities	-0.6		-0.2
Unrealised gain/loss on financial liabilities	32.3	3.6	5.2
Net change in value and gain/loss on financial liabilities (except financial derivatives)	31.7	3.6	5.1
Unrealised gain/loss on foreign exchange and financial derivatives	-34.7	-1.1	-3.5
Net change in value and gain/loss on foreign exchange and financial derivatives	-34.7	-1.1	-3.5
Total change in value and net gain/loss on financial assets and financial liabilities	-2.8	3.8	2.0

Quarterly income statement

	Q1	Q4	Q3	Q2	Q1
(NOK million)	2022	2021	2021	2021	2021
Interest income	145.5	132.5	114.0	102.8	101.1
Interest expense	-79.6	-61.8	-38.2	-42.3	-43.4
Net interest income	66.0	70.7	75.7	60.6	57.7
Net gains on financial instruments	-2.8	-0.8	-0.6	-0.4	3.8
Other income		-0.1		-0.1	
Total other operating income	-2.8	-0.9	-0.6	-0.5	3.8
Staff expenses		-0.1		-0.1	
General administration expenses	-26.2	-25.9	-24.7	-23.0	-21.7
Other operating expenses					
Total operating expenses	-26.2	-26.0	-24.7	-23.0	-21.7
Operating profit before loan losses	37.0	43.9	50.4	37.0	39.7
Loan losses for the period	0.8	-0.9	0.2	-0.4	0.6
Profit before tax	37.7	43.0	50.6	36.6	40.4
Tax	-8.3	-9.5	-11.1	-8.0	-8.9
Profit before other comprehensive income	29.4	33.5	39.5	28.5	31.5

Financial calendar 2022



14 July	Results Q2 2022
26 October	Results Q3 2022
February 2023	Results Q4 2022

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