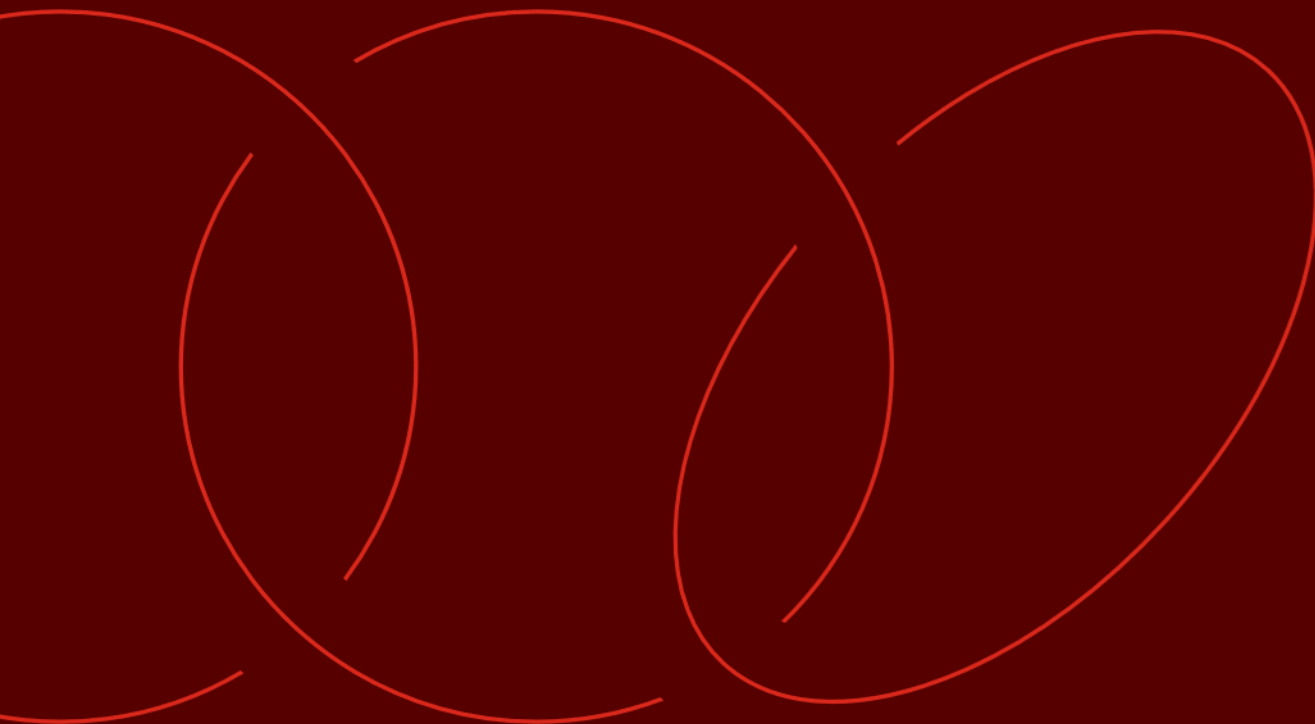


Interim report 1st quarter 2024

Storebrand Boligkreditt AS



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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/ir.

Storebrand Boligkreditt AS

- Interim report for the first quarter of 2024

(Profit figures for the corresponding period in 2023 are shown in brackets. Balance sheet figures in brackets are for the end of 2023)

- **Low, but increased interest margins**
- **Increased lending**

Financial performance

Pre-tax profit was NOK 67 million (NOK 27 million) for the first quarter.

Net interest income was NOK 118 million (NOK 77 million) in the first quarter. As a percentage of average total assets, net interest income was 1.03 per cent (0.77 per cent).

Other operating income amounted to minus NOK 5 (minus NOK 7) million and relate mainly to net loss on financial instruments.

Operating expenses totalled NOK 45 million (NOK 38 million) in the first quarter. The increase was due to increased lending volume.

Loan losses in the first quarter amounted to NOK 1 million (NOK 5 million).

Balance sheet development

The lending volume has increased by NOK 0.2 billion since the end of 2023 and amounted to NOK 45.2 billion (NOK 45.1 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 (59 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 (24 per cent).

Non-performing (defaulted) loans at the end of the first quarter amounted to NOK 224 million (NOK 220 million), equivalent to 0.49 per cent of gross loans in the company (0.49 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 20 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 2024, 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 1.268 billion, of which NOK 104 million is classified at amortised cost and NOK 1.164 billion is classified at fair value with changes in value through profit and loss.

The company's total assets as of 31 March 2024 were NOK 46.7 billion (NOK 46.6 billion), an increase of NOK 0.1 billion compared with the end of 2023.

At the end of the first quarter of 2024, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK 38 billion. All of these bonds have been placed in the market. The weighted average duration of the bonds placed in the market was 2,9 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 3.7 billion (NOK 3.6 billion), and own funds (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 3.6 billion (NOK 3.6 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 21.3 per cent (21.1 per cent) at the end of the quarter. The requirement for the capital base was 17.5 per cent as of 31 March 2024. 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 2024, the company's LCR was 148 per cent.

Credit risk

There are no significant changes to PD, EAD and LGD estimates from 31 December 2023 to 31 March 2024. The LTVs are not significantly changed, and the average LTV is 57 per cent. Defaulted loans have increased approximately by NOK 4 million from 220 million to 224 million in the first quarter. The expected credit losses increased by NOK 1.5 million in the quarter.

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, 23 April 2024

The Board of Directors of Storebrand Boligkreditt AS

Income statement

NOK million	Notes	01.01 - 31.03		Full year
		2024	2023	2023
<i>Interest income and similar income</i>				
Interest income calculated by using the effective interest method		640.7	406.4	1,928.0
Other interest income		14.8	7.0	33.7
Total interest income and similar income		655.5	413.4	1,961.7
<i>Interest expenses and similar expenses</i>				
Interest expenses calculated by using the effective interest method		-532.6	-332.9	-1,619.0
Other interest expenses		-4.6	-3.7	-16.1
Total interest expenses and similar expenses		-537.3	-336.6	-1,635.2
Net interest income		118.2	76.8	326.5
<i>Other operating income</i>				
Fee and commission income from banking services		0.2	0.1	0.6
Fee and commission expense for banking services		-0.7	-0.2	-0.3
Net change in fair value and gain/loss on foreign exchange and financial instruments		-4.4	-7.3	-6.0
Total other operating income		-4.9	-7.5	-5.6
<i>Operating expenses</i>				
Staff expenses				-0.2
Other operating expenses		-44.8	-37.7	-158.9
Total operating expenses excl. credit loss on loans, etc.		-44.8	-37.7	-159.1
Profit before credit loss on loans, etc.		68.5	31.6	161.8
Credit loss on loans, guarantees and interest-bearing securities		-1.5	-5.0	-9.3
Profit before tax for continued operations		67.0	26.6	152.5
Tax on profit from continued operations		-14.8	-5.9	-33.5
Profit before other comprehensive income		52.3	20.7	118.9
<i>Other comprehensive income</i>				
<i>Other income and expenses that may be reclassified to profit/loss</i>				
Change in unrealised gain/loss on loans valued at fair value through other comprehensive income (OCI)		-0.3		0.2
Tax				
Total other income and expenses that may be reclassified to profit/loss		-0.3		0.1
Total other comprehensive income		-0.3		0.1
Total comprehensive income		52.0	20.7	119.1

Statement of financial position

NOK million	Notes	31.03.2024	31.12.2023
Loans to and deposits with credit institutions	3	90.1	69.5
Loans to customers	3, 6, 8	45,246.7	45,069.4
Interest-bearing securities	3	1,268.3	1,413.1
Derivatives	3	74.9	53.1
Other current assets		65.3	44.8
Total assets		46,745.3	46,650.0
Loans and deposits from credit institutions	3	4,893.6	5,580.0
Debt securities issued	3, 4	37,985.0	37,287.2
Derivatives	3	52.8	42.8
Other current liabilities		76.0	55.7
Tax payable		14.8	13.2
Deferred tax		45.0	45.0
Total liabilities		43,067.3	43,023.9
Share capital		496.8	496.8
Share premium		1,993.3	1,993.3
Other paid in equity		952.0	905.3
Total paid in equity		3,442.1	3,395.3
Other equity		236.0	230.8
Total retained earnings		236.0	230.8
Total equity	5	3,678.0	3,626.1
Total liabilities and equity		46,745.3	46,650.0

Lysaker, 23 April 2024

The Board of Directors of 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 31.12.2022	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
Profit for the period					52.3	52.3	52.3
Other comprehensive income					-0.3	-0.3	-0.3
Total comprehensive income for the period					52.0	52.0	52.0
Equity transactions with the owner:							
Group contribution received			46.7	46.7			46.7
Group contribution paid					-46.7	-46.7	-46.7
Equity at 31.03.2024	496.8	1,993.3	952.0	3,442.1	236.0	236.0	3,678.0

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.

Statement of cash flow

NOK million	01.01 - 31.03	
	2024	2023
<i>Cash flow from operating activities</i>		
Net receipts of interest, commissions and fees from customers	635.3	393.0
Net disbursements/payments on customer loans	-195.7	-2,989.0
Net receipts/payments on securities	160.8	695.4
Payments of operating costs	-28.8	-2.7
Net cash flow from operating activities	571.5	-1,903.3
<i>Cash flow from financing activities</i>		
Payments - repayments of loans and issuing of bond debt	-3,295.7	-2,993.2
Receipts - new loans and issuing of bond debt	4,049.0	7,161.0
Payments - interest on loans	-604.5	-255.7
Payments - repayment of loans to credit institutions	-686.4	-1,955.4
Receipts - group contribution	46.7	
Payments - group contribution	-59.9	
Net cash flow from financing activities	-550.9	1,956.8
Net cash flow in the period	20.6	53.4
Cash and bank deposits at the start of the period	69.5	25.0
Cash and bank deposits at the end of the period	90.1	78.4

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 31.03.2024.

Notes to the interim accounts

Note 1 | Basis for preparation

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 2023 annual report, and the interim financial statements are prepared with respect to these accounting policies.

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.

Critical accounting estimates and judgements are described in the 2023 annual financial statements' note 2 and valuation of financial instruments at fair value are described in note 9.

There are no new or amended accounting standards that have not entered into force that are expected to have a material effect on Storebrand Boligkreditt AS's financial statements.

There have not been any substantial changes in the financial risk since 31.12.2023. Please see note 3 to 9 in the 2023 Annual report for more details.

Note 2 | Related parties

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.

Note 3 | 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 2023 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 Quoted prices	Level 2 Observable assump- tions	Level 3 Non- observable assump- tions	31.03.2024	31.12.2023
<i>Interest-bearing securities</i>					
Government and government guaranteed bonds		105.0		105.0	
Mortgage and asset backed bonds		1,059.5		1,059.5	1,309.2
Total interest-bearing securities 31.03.2024		1,164.5		1,164.5	
Total interest-bearing securities 31.12.2023		1,114.3			1,309.2
<i>Derivatives</i>					
Interest rate derivatives		22.1		22.1	10.3
Total derivatives 31.03.2024		22.1		22.1	
Derivatives with a positive fair value		74.9		74.9	53.1
Derivatives with a negative fair value		-52.8		-52.8	-42.8
Total derivatives 31.12.2023		-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 Quoted prices	Level 2 Observable assump- tions	Level 3 Non- observable assump- tions	31.03.2024	31.12.2023
Loans to customers - retail market			45,246.7	45,246.7	45,069.4
Total loans to customers			45,246.7	45,246.7	45,069.4

Financial instruments at fair value - level 3

NOK million	31.03.2024 Loans to customers at fair value through other comprehensive income
Book value 01.01.2024	45,069.4
Net gains/losses on financial instruments	-1.9
Supply / disposal	4,660.4
Sales / due settlements	-4,481.2
Book value 31.03.2024	45,246.7

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

Valuation of financial instruments at amortised cost

NOK million	Fair value 31.03.2024	Book value 31.03.2024	Fair value 31.12.2023	Book value 31.12.2023
<i>Financial assets</i>				
Loans to and deposits with credit institutions	90.1	90.1	69.5	69.5
Interest-bearing securities	103.1	103.7	103.4	103.9
Total financial assets 31.03.2024	193.3	193.9		
Total financial assets 31.12.2023			173.0	173.5
<i>Financial liabilities</i>				
Loans and deposits from credit institutions	4,893.6	4,893.6	5,580.0	5,580.0
Debt securities issued	38,064.2	37,985.0	37,276.9	37,287.2
Total financial liabilities 31.03.2024	42,957.8	42,878.6		
Total financial liabilities 31.12.2023			42,856.9	42,867.2

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 Fair value through other comprehensive income (OCI)		Floating loans to customers 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 31.03.2024	-5.2	5.2	-13.0	13.0
Increase/reduction in fair value at 31.12.2023	-5.2	5.2	-12.9	12.9

Note 4 | Debt securities issued

Change in debt securities issued

NOK million	Balance sheet 31.12.2023	Issued	Matured/ redeemed	Exchange movements	Other adjustments	Balance sheet 31.03.2024
Covered bonds	37,287.2	4,070.5	-3,408.1	22.0	13.4	37,985.0
Total debt securities issued	37,287.2	4,070.5	-3,408.1	22.0	13.4	37,985.0

Note 5 | 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	31.03.2024	31.12.2023
Share capital	496.8	496.8
Other equity	3,181.3	3,129.3
Total equity	3,678.0	3,626.1
Deductions		
Profit not included in the calculation of eligible capital		
AVA adjustments	-46.6	-46.5
Provision for group contribution		-46.7
Additions		
Group contribution received		46.7
Core Equity Tier 1 (CET1)	3,631.5	3,579.6
Additional Tier 1 capital		
Tier 1 capital	3,631.5	3,579.6
Tier 2 capital		
Eligible capital (Tier 1 capital + Tier 2 capital)	3,631.5	3,579.6

Minimum capital requirements

NOK million	31.03.2024	31.12.2023
Credit risk	1,316.3	1,313.7
Of which:		
Institutions	2.6	1.8
Loans secured against real estate	1,277.0	1,265.3
Loans past-due	17.0	17.7
Covered bonds	8.5	10.5
Other	11.2	18.4
Total minimum requirement for credit risk	1,316.3	1,313.7
Total minimum requirement for market risk		
Operational risk	39.7	39.7
CVA risk ¹⁾	4.9	0.7
Minimum requirement for net primary capital	1,361.0	1,354.1

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

Capital adequacy

	31.03.2024	31.12.2023
Capital ratio	21.3%	21.1%
Tier 1 capital ratio	21.3%	21.1%
Core equity Tier 1 (CET1) capital ratio	21.3%	21.1%

Basis of calculation (risk-weighted volume)

NOK million	31.03.2024	31.12.2023
Credit risk	16,453.5	16,421.0
Of which:		
Institutions	32.0	22.4
Loans secured against real estate	15,962.7	15,816.7
Loans past-due	212.7	220.9
Covered bonds	105.8	130.8
Other	140.3	230.2
Total basis of calculation credit risk	16,453.5	16,421.0
Total basis of calculation market risk		
Operational risk	496.5	496.5
CVA risk	61.8	9.1
Total basis of calculation of minimum requirements for capital base	17,011.9	16,926.6

Leverage ratio

NOK million	31.03.2024	31.12.2023
Tier 1 capital	3,579.2	3,579.6
Total Leverage ratio exposure measure	47,523.2	47,285.9
Leverage ratio	7.6%	7.6%

Leverage ratio requirement is 3.0 percentage points as per 31.03.2024.

Note 6 | Loan portfolio and guarantees

NOK million	31.03.2024 Book value	31.12.2023 Book value
Loans to customers at fair value through other comprehensive income (OCI)	45,268.7	45,089.5
Total gross loans to customers	45,268.7	45,089.5
Provision for expected loss stage 1	-1.5	-1.7
Provision for expected loss stage 2	-8.3	-6.5
Provision for expected loss stage 3	-12.2	-11.9
Net loans to customers	45,246.7	45,069.4

There are no significant changes to Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) estimates from 31 December 2023 to 31 March 2024. There are also no significant changes between stage 1, 2 and 3. The LTV's are not significantly changed, and the average LTV is 57 per cent and 59 per cent at the end of 2023. Defaulted loans have increased approximately by NOK 4 million from NOK 220 million to NOK 224 million in the first quarter.

Note 7 | Off balance sheet liabilities and contingent liabilities

NOK million	31.03.2024	31.12.2023
Unused credit facilities	2,847.9	2,398.6
Total contingent liabilities	2,847.9	2,398.6

Unused credit facilities encompass unused flexible mortgage facilities.

Per 31 March 2024, the company has not pledged any collateral.

Note 8 | Loans to value ratio and collateral

NOK million	31.03.2024	31.12.2023
Gross loans ¹⁾	45,268.7	45,089.5
Average loan balance per customer	3.4	3.4
No. of loans	16,452.0	16,506.0
Weighted average seasoning (months)	29.2	28.8
Weighted average remaining term (months)	283.2	281.1
Average loan to value ratio	57.1%	59.4%
Over-collateralisation ²⁾	22.4%	24.3%
<i>Cover pool:</i>		
Residential mortgages ¹⁾	44,817.0	44,568.8
Derivatives	18.2	8.3
Supplementary security ³⁾	1,161.5	1,307.0
Total	45,996.6	45,884.1

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 March 2024, the company had NOK 128 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 49 non-performing loans without evidence of impairment, equivalent to NOK 123.0 million. There are 21 non-performing loans with evidence of impairment of about NOK 100 million where the impairment is assessed to be about NOK 10.8 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool. A total of NOK 351 million are not included in the cover pool.

²⁾Over-collateralisation has been calculated based on total volume of issued covered bonds of NOK 37.6 billion (nominal value).

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

Financial calendar

24 April 2024	Results Q1 2024
12 July 2024	Results Q2 2024
23 October 2024	Results Q3 2024
February 2025	Results Q4 2024

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