

3rd Quarterly Report 2022

SpareBank 1 Boligkreditt

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14 BANKS. HUNDREDS OF YEARS OF EXPERIENCE:

The SpareBank Alliance

Early in the 19th century the savings banks were started all across Norway, by the communities themselves, to have a savings vehicle and to help grow local economies and infrastructure.

Our history begins in 1823, when SpareBank 1 SMN opened its doors in Trondheim.

More than 170 years later, in 1996, The SpareBank 1 Alliance was formed. The goal was to make the banks stronger by working together. Later, several opportunities for offering the public other financial services than lending were integrated. At the same time the SpareBank 1 brand was born. Today it is a household brand name all over Norway.

The Alliance strengthens each of the 14 local bank's competitiveness and profitability and it ensures each bank's future independence and regional ties. The shares of SpareBank 1 banks listed on the Oslo stock exchange have provided strong investment returns since the Alliance was formed, through the financial crisis and the corona pandemic, as well as business cycles in between.

A key contributing reason is sound lending. Part of the core strategy for the banks is a regional banking principle, intimate knowledge of the customer base, and in the last couple of years, a strong focus on sustainability.

SpareBank 1 is Norway's second largest finance group in terms of assets. It plays a key role in the country's residential mortgage market.

Big or small, two hundred years old or established in the 20th century: All the banks in the SpareBank 1 Alliance have made a difference for Norwegians and their daily lives, businesses and local initiatives all over the country – and they still do. Today the old saving bank of the 19th century is, as a SpareBank 1 Alliance member, a fully fledged universal bank which shares a part of its profits with the society in which it operates.

SpareBank 1 Østlandet is the biggest bank measured in share capital in Boligkreditt. SpareBank 1 Østlandet has 36 branches and approximately 370 000 customers in the regions of Innlandet, Oslo and Akershus.

And today approximately 80 000 Norwegian homes and recreational properties are financed by Sparebank 1 Østlandet.



The banks in the SpareBank 1 Alliance have made a difference for Norwegians and their daily lives, businesses and local initiatives all over the country – and they still do.

Statement of the Board of Directors of SpareBank 1 Boligkreditt AS, September 30, 2022

SpareBank 1 Boligkreditt's purpose

SpareBank 1 Boligkreditt AS ('Boligkreditt', 'SpaBol', or 'The Company') is a specialized covered bond issuer. It is regulated as a credit institution and licensed by the Norwegian Financial Supervisory Authority (Finanstilsynet) and is operating according to the legislation for covered bonds in Norway¹.

The purpose of the Company is solely to provide funding for its owner banks by buying qualifying residential mortgage loans from them with a loan-to-value ("LTV") of up to 75 per cent and financing these through the issuance of covered bonds².

The Company, which is based in Stavanger, Norway, is owned by banks throughout Norway and which are all members of the SpareBank 1 Alliance. The Company pays the net interest margin earned on mortgages to its owner banks, with deductions for its funding and operating costs. This margin is accounted for as commissions to owner banks, which are obligated to maintain the Company's equity capitalization at or above regulatory requirements.

The Company's issuances of covered bonds mainly take place under the EUR 35 billion Global Medium Term Covered Note Programme (GMTCN Programme). This Programme was updated on April 26, 2022 and is available on the Company's home page: <https://spabol.sparebank1.no>.

Moody's Ratings Service evaluate the credit quality of the issuances under the GMTCN Programme. The covered bonds are rated AAA.

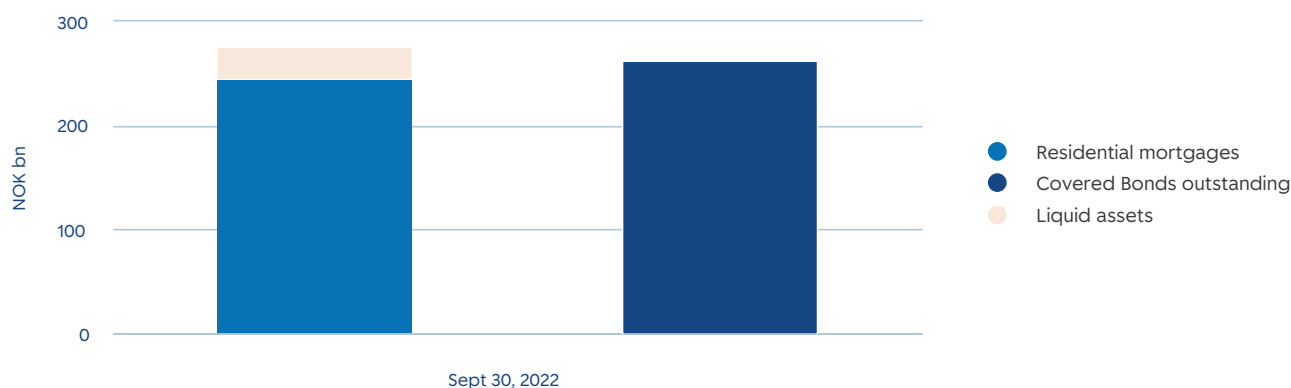
Cover pool and outstanding covered bonds³

SpareBank 1 Boligkreditt's cover pool consists of residential mortgages and liquid, highly rated assets as well as derivatives hedging liabilities in a foreign currency and/or at fixed rates. The chart below illustrates the balances as of September 30, 2022. The balances are based on a new nominal principle introduced from the 3rd quarter 2022 where bonds (covered bonds issued as well as bonds held within liquid assets) are presented at par. This means that derivatives hedging these instruments at the time of issuance or acquisition (to a NOK 3-month floating rate basis) are effectively incorporated within the nominal values of the bonds.

¹ The covered bond legislation in Norway is from July 2022 and incorporates the Directive (EU) 2019/2162

² The limit for instalment mortgages is 75 per cent, while mortgages which have no scheduled repayment structure are limited to 60 per cent. There is a regulatory minimum amortization requirement of 2.5 per cent annually for new mortgages with a LTV at 60 per cent or above.

³ The source is the cover pool asset liability test for overcollateralization as of September 30, 2022 (part of the notes to the financial statements).



The amount of **liquid assets** varies over time and the variation is solely a result of the Issuer's liquidity risk management (and regulatory requirements), whereby upcoming redemptions are refinanced prior to the maturity of outstanding bonds (minimum 180 days) with bond proceeds invested as liquid assets. Liquid assets are covered bonds with a triple-A rating, SSA or government bonds with a triple-A rating, or short-term cash deposits and repos (please see the cover pool statistical reports on spabol.no for details on the composition of liquid assets).

Derivatives are used solely to hedge currency and interest rate risk. They are tailored to exactly match the cash flows related to the bonds they hedge, for the full duration of the bond. Swap counterparties are subject to certain rating criteria and are in all cases banks other than the Company's owner banks. Counterparties post collateral to Boligkreditt for its swap exposures.

The table below provides an overview of the **residential mortgages** in the cover pool, as well as the overcollateralization.

Residential mortgages key figures

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Weighted Average Current LTV (%)	48.3 %	48.3 %	50.0 %	51.0 %	48.3 %
Weighted Average Original LTV (%)	60.2 %	60.2 %	60.1 %	59.9 %	59.9 %
Average Loan Balance (NOK)	1,680,036	1,646,872	1,624,097	1,593,078	1,564,121
Number of Mortgages in Pool	145,739	144,086	141,872	139,495	138,755
Pct. of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	5.3 %	5.4 %	5.6 %	5.7 %	6.0 %

Key developments in the first three quarters 2022

NOK issuance of 22.2 and EUR 3.5 billion has taken place so far in 2022, in addition to an inaugural CHF 210 million covered bond. New benchmarks in NOK and EUR were both issued during the third quarter. Credit spreads on covered bonds have generally widened over the period, along with the broader market, and are higher at the end of the 3rd quarter than at the time of issuance during the period.

The residential mortgage lending volume which SpaBol finances grew by 10 per cent during the first three quarters of 2022, which is relatively strong growth. The financed mortgage volume stands at NOK 245 billion at the end of the third quarter.

Norway has implemented the EU's harmonization directive for covered bonds, as well as changes to Article 129 in CRR (Capital Requirement Regulation). These changes became effective in July 2022. SpaBol will issue European Covered Bonds (Premium) forthwith. Of note is an increase in the regulatory overcollateralization requirement for cover pools to 5 per cent from 2.5 per cent prior. The Issuer has a 5.25 per cent overcollateralization as of September 30, 2022.

Quarterly accounts

The accounts have been prepared in accordance with the International Reporting Standards (IFRS) as adopted by the EU and published by the International Reporting Standards Board (IASB).

The Board views the accounts as presented to be a true representation of SpareBank 1 Boligkreditt's operations and financial position as of the end of Q3 2022. Numbers in brackets refer to the corresponding period last year for comparison.

The total balance sheet at September 30, 2022 amounted to 284 (258) billion kroner. The main reason behind this increase is growth in the financed volume of mortgages of NOK 245 billion vs. NOK 217 billion a year earlier.

The Company had in the first half of 2022 net interest income of NOK 1.350 (1.790) million, which includes both mortgage interest and interest income from liquid assets. The decrease, despite a higher volume of mortgages on the balance sheet, is mainly due to a reduced mortgage net lending margin. This happens because the 3-month NIBOR rate has increased faster than the variable mortgage rate. Mortgage rate increases must by law be delayed by 6 weeks before becoming effective after announcement. Mortgage rates may also be changed by less or more than the NIBOR rate change. All of the Company's mortgages are at a variable rate and Boligkreditt has the formal right to set the variable rate on its loans, but will in practice always defer to the originating SpareBank 1 bank for this decision.

The cost of operations for the first half of 2022 was NOK 30.4 (31.6) million. The majority of operating costs are for expenses related to the Company's bond issuances, IT operations as well as personnel related expense.

IFRS 9 expected loan losses increased by NOK 7.8 million (decreased by 13.3) to NOK 23 million. No actual loan losses have occurred. Credit spread widening on the Company's bonds held in its liquidity portfolio produced unrealized valuation losses during the period, mainly during the first half of the year. This, and funding costs associated with an increased liquidity portfolio, is the main reason for a reduced operating result of NOK 40.6 million (positive 133.9) before tax. The operating result includes no deduction for scheduled interest payments to Additional Tier 1 bondholders, which are classified as distribution to equity capital.

The Company's own liquid assets were approximately NOK 32 (26) billion as of the end of the third quarter 2022. The volume of Boligkreditt's liquid assets is rules driven. Liquid assets are cash and highly rated, highly liquid bonds being held as a function of refinancing the Company's upcoming bond maturities at least six months ahead of expected maturities. The volume of liquid assets is, at a minimum, managed to meet the 180-day minimum liquidity rule in the EU covered bond harmonization directive.

Risk Aspects

SpareBank 1 Boligkreditt, as a licensed and regulated covered bond issuer, is subject to strict rules regarding its exposure to credit, market, and liquidity risks. This fact, and the aim of the maintenance of the Moody's AAA rating, means that the Company is subject to low levels of risk and places strong emphasis on risk control.

Credit Risk is defined as the risk that losses can occur as a consequence of that customers and others not having the ability or willingness to meet their obligations to SpareBank 1 Boligkreditt. Because the Company buys residential mortgages within 75 % of the value of the objects on which the mortgages are secured, the Board of Directors concludes that the credit risk is lower than for Norwegian banks in general.

Market risk is defined as the risk of losses due to changes in market rates, i.e. interest rates, exchange rates and the prices of financial instruments. SpareBank 1 Boligkreditt issues a materially larger share of covered bonds in currencies other than its operational currency NOK. However, all borrowing and investments in a foreign currency, as well as such with a fixed rate, have been hedged by financial currency- and/or interest rate swap agreements. Some natural hedging may occur with EUR assets matching EUR liabilities. The collective cash flow therefore matches borrowing in Norwegian kroner with floating rate conditions (NIBOR 3 months). The Company receives cash collateral from its counterparties in derivative agreements.

The bonds held in the Company's liquidity portfolio are mainly Nordic covered bonds and German supra sovereign and agencies (agencies guaranteed by the German government) with a triple-A rating from Fitch, Moody's or S&P. These bonds are held on a 3 month basis either as FRNs or as swapped fixed rate bonds. Deposits are placed in banks with a minimum rating of A/A2. Cash is also placed in reverse repos with approved counterparty banks, with AAA rated securities as collateral.

The Company had as of September 30, 2022 only moderate interest rate risk, and small amounts of currency risk.

Liquidity risk is defined as the risk that the Company is not able to meet its obligations at maturity or to finance the purchase of loans at normal terms and conditions. Liquidity risk is managed based upon a liquidity strategy approved by the Board of Directors. According to the strategy, SpareBank 1 Boligkreditt AS shall maintain a liquidity reserve with a minimum size equal to or more than all debt maturities within the next 6 months. The Board of Directors views SpareBank 1 Boligkreditt AS's liquidity situation as good.

Operational risk is defined as risk of loss due to error or neglect in transaction execution, weakness in the internal control, or information technology systems breakdowns or malfunction. Reputational, legal, ethical and competency risks are also elements of operational risk. The risk is assessed by the Board of Directors to be moderate.

The Company spends much time identifying, measuring, managing and following up on central areas of risk in such a way that this contributes to meeting its strategic goals. The notes 24 through 28 in the 2021 annual accounts provide further information.

Macroeconomic development and outlook⁴

The labour market is currently on the tight side of normal and economic growth is strong after the pandemic. With high energy prices, Norway's current account surplus to GDP is particularly high as an energy exporter. However, due to the increase in interest rates (and mortgages rates) as well as high energy prices and a relatively strong inflation at 6.9 per cent total and 5.3 per cent core rate for the twelve-month period to September 2022, expected GDP growth has been revised down (as reflected in the table below). This affects both 2022 and 2023 compared to previous assessments in June 2022.

Unemployment is expected a little higher in 2022 and 2023, while there is a relatively strong negative real wage growth outlook for 2022. Investment growth in 2022 is now also revised down for 2022, mainly due to higher interest rates and reduced residential real estate investments, while other sectors (business and public sector) contribute. Oil and gas investments are expected to increase significantly from 2023 onwards, due to the increased demand from Europe.

Housing investment has delivered negative GDP contributions from 2018 through 2020, has been fairly flat in 2021, and relatively low investment growth levels are now expected to continue through 2024, as mortgage rates increase. The housing market has been appreciating in 2022 with an index growth of 4.3 per cent year to date, but with September providing a negative 2.2 per cent contribution, which is widely expected to the start of a moderate contracting trend.

Summarized for a few macroeconomic indicators, the recent data and forecast for the next period are as follows:

Recent data and forecast (per cent)	2019	2020	2021	2022	2023
Mainland GDP growth	2.0	-2.3	4.1	3.2	1.5
Private consumption growth	1.1	-6.6	4.9	6.7	1.0
Investments growth	9.5	-5.6	-0.9	0.6	4.7
Unemployment rate	3.9	4.7	4.4	3.3	3.6
CPI growth	2.2	1.3	3.5	5.7	3.5
Annual wage growth	3.5	3.1	3.5	3.8	4.4
Current account surplus to GDP	2.9	1.1	15.0	24.5	18.5

Source: Statistics Norway (SSB) September 9, 2022

⁴ Macroeconomic projections have been sourced from Statistics Norway as of September 9, 2022.

Future prospects of the Company

The Company has a portfolio of residential mortgage loans with an average loan to value (LTV) around 50 per cent, and no loans are in default. The maximum allowable level for a mortgage in a cover pool is 75 per cent LTV, with amounts above that level not being eligible as a cover pool asset.

SpareBank 1 Boligkreditt's residential mortgage portfolio is well diversified, albeit weighted towards the eastern, central and northern regions in Norway. Mortgage loans in the cover pool are very granular (average size of 1.6 million kroner). The banks in the SpareBank 1 Alliance are required to keep reserves of eligible (i.e. cover pool pre-qualified) mortgages in order to provide replacement assets should this become necessary (i.e. if residential price declines increase LTVs above the eligibility limit for mortgages in the pool). Such reserves in the banks are tested regularly to verify that a 30 per cent decline in market real estate prices leaves each member bank with sufficient qualifying reserves for replenishing the cover pool.

The Board of Directors views Boligkreditt as well capitalized with a capital coverage ratio of 23.7 per cent against a total requirement, including all buffers, of 16.9 per cent (Pillar 1) plus 0.9 per cent (Pillar 2). The countercyclical buffer capital requirement increased to 1.5 per cent as of June 30, 2022 and will further increase to 2.0 per cent as of December 31, 2022 and 2.5 per cent as of March 31, 2023.

Total equity Tier 1 capital is 21.3 per cent against a requirement, including buffers, of 15.4 per cent. Common equity capital was 19.8 per cent against a requirement, including all buffers, of 13.9 per cent. It is the Company's policy to maintain capital ratios slightly above the regulatory requirements (a management buffer). When required, additional common equity is paid in by the owner banks in the regular course of business, usually in connection with increases in transferred mortgage volume. Additional Tier 1 and Tier 2 capital is raised in the Norwegian domestic capital market.

The Board of Directors views prospects for the Company to continue to be good and stable, despite the changed macroeconomic forecasts towards lower growth ahead. This is based on several elements: a strict qualifying process for loans to become part of the cover pool (bank lending practices, mortgage regulations and cover pool qualification requirements), a high degree of diversification and granularity of the mortgages in the pool, as well as the robustness of the Norwegian economy, including the strong financial resources available to the Norwegian state. The Board also bases this conclusion on the low average LTV of the mortgage portfolio, no defaults or loans in arrears, and a strong history and institutional framework in Norway for mortgage loan performance.

* * *

The Board of Directors affirms its conviction that the financial accounts present a correct and complete picture of the Company's operations and financial position at the end of the third quarter 2022. The financial accounts including notes are produced under the assumption of a going concern.

Stavanger, October 25, 2022
The Board of Directors of SpareBank 1 Boligkreditt AS



/s/ Bengt Olsen
Chair



/s/ Geir-Egil Bolstad



/s/ Trond Søråas



/s/ Steinar Enge



/s/ Heidi Aas Larsen



/s/ Merete N. Kristiansen



/s/ Knut Oscar Fleten

SpareBank 1 Boligkreditt AS

Statement of the members of the board and the chief executive officer

The Board and the chief executive officer have today reviewed and approved the financial accounts as of September 30, 2022 for SpareBank 1 Boligkreditt AS. The accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

To the best knowledge of the Board and the chief executive officer the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole as of September 30, 2022.

The Board of Directors and the chief executive officer declare to the best of their knowledge that the annual report gives a true and fair view of the development and performance of the business of the Company, as well as a description of the principal risks and uncertainties facing the Company.

Stavanger, October 25, 2022

/s/ Bengt Olsen
Chair

/s/ Geir-Egil Bolstad

/s/ Trond Søråas

/s/ Heidi Aas Larsen

/s/ Merete N. Kristiansen

/s/ Knut Oscar Fleten

/s/Steinar Enge

/s/Arve Austestad
CEO

Financial statements 3rd quarter 2022

Income Statement

NOK 1 000	Note	3. quarter 2022	3. quarter 2021	01.01.2022 30.09.2022	01.01.2021 30.09.2021	2021
Total interest income	2	1,820,052	1,065,145	4,654,929	3,208,897	4,360,791
Total interest expenses	2	-1,436,847	-433,250	-3,304,662	-1,419,148	-2,016,385
Net interest income		383,205	631,895	1,350,267	1,789,748	2,344,406
Commissions to SpareBank 1 banks	3	-296,817	-584,100	-1,078,093	-1,606,495	-2,097,594
Net commission income		-296,817	-584,100	-1,078,093	-1,606,495	-2,097,594
Net gains/losses from financial instruments	4	6,439	36,470	-193,345	-31,151	-91,327
Net other operating income		6,439	36,470	-193,345	-31,151	-91,327
Total operating income		92,827	84,265	78,829	152,102	155,485
Salaries and other ordinary personnel expenses	5	-3,557	-3,738	-10,274	-9,552	-10,701
Other operating expenses	6	-7,712	-6,329	-20,135	-22,007	-28,205
Total operating expenses		-11,269	-10,067	-30,409	-31,559	-38,906
Operating result before loan loss provisions		81,558	74,198	48,420	120,542	116,579
Loan loss provisions		-6,665	106	-7,799	13,314	14,960
Pre-tax operating result		74,894	74,304	40,621	133,857	131,539
Taxes		-16,260	-16,682	-3,201	-27,035	-24,514
Profit/(loss) for the period		58,633	57,622	37,420	106,822	107,026
Portion attributable to shareholders		48,781	50,046	9,602	81,105	73,541
Portion attributable to additional Tier 1 capital holders		9,852	7,576	27,818	25,717	33,484
Profit/(loss) for the period		58,633	57,622	37,420	106,822	107,026

Overview of Comprehensive Income

NOK 1 000	3. quarter 2022	3. quarter 2021	01.01.2022 30.09.2022	01.01.2021 30.09.2021	2021
Profit/loss for the year	58,633	57,622	37,420	106,822	107,026
Items which will not impact the income statement in future periods:	-	-	-	-	
Change due to basis swap spread adjustment	887,362	136,618	1,435,409	-135,290	85,082
Tax effect of basis swap spread adjustment	-221,841	-34,155	-358,852	33,822	-21,271
Estimate deviation for pensions	-	-	-	-	-459
Tax effect of the estimate deviation	-	-	-	-	115
Other comprehensive income for the period	665,522	102,464	1,076,557	-101,467	63,467
Comprehensive income for the period	724,155	160,086	1,113,977	5,355	170,493

Balance Sheet

NOK 1 000	Note	30.09.2022	30.09.2021	2021
Assets				
Lending to and deposits with credit institutions	13	4,816,899	3,119,248	1,434,091
Certificates and bonds	13,14	27,625,296	22,504,403	26,195,602
Residential mortgage loans	8,13	245,162,243	217,216,218	222,812,873
Financial derivatives	12,13,14	5,976,104	11,275,359	7,586,258
Deferred tax asset		0	285,583	205,886
Other assets	7	602,519	4,084,584	4,111
Total assets		284,183,060	258,485,395	258,238,820
Liabilities and equity				
Liabilities				
Debt incurred by issuing securities	10,14	256,447,029	227,144,279	237,522,824
Collateral received under derivatives contracts	13,19	1,122,032	5,206,247	3,892,723
Repurchase agreement		-	9,568,306	
Financial derivatives	12,13,14	11,024,074	1,772,856	2,766,866
Deferred tax		152,966	0	-
Tax payable		33,282	100,231	30,081
Subordinated debt	11,13	1,433,996	1,429,845	1,430,860
Other Liabilities	15	537,968	1,001,948	176,618
Total Liabilities		270,751,347	246,223,712	245,819,972
Equity				
Share capital	9	7,797,215	11,698,470	7,797,215
Share premium		3,901,255		3,901,255
Hybrid capital	9,13	900,000	900,000	900,000
Other equity		795,823	-443,609	-252,916
Net profit		37,420	106,822	
Declared dividends		-	-	73,294
Total equity		13,431,713	12,261,683	12,418,848
Total liabilities and equity		284,183,060	258,485,395	258,238,820

Stavanger, October 25, 2022

/s/ Bengt Olsen
Chair

/s/ Geir-Egil Bolstad

/s/ Trond Søråas

/s/ Heidi Aas Larsen

/s/ Merete N. Kristiansen

/s/ Knut Oscar Fleten

/s/ Steinar Enge

/s/Arve Austestad
CEO

Changes in Equity

NOK 1 000	Share capital	Share premium	Dividend	Other Equity	Hybrid capital	Total Equity
Balance as of 31 December, 2020	7,797,215	3,901,255	85,769	-316,425	900,000	12,367,815
Dividend 2020	-	-	-85,769	-	-	-85,769
Profit/(loss) for the period	-	-	73,294	248	-33,484	40,058
Paid interest on hybrid capital - directly against equity	-	-	-	-	33,484	33,484
OCI - basisswapsread	-	-	-	63,812	-	63,812
OCI - pension - annual estimate deviation	-	-	-	-345	-	-345
Other	-	-	-	-205	-	-205
Balance as of 31 December, 2021	7,797,215	3,901,255	73,294	-252,916	900,000	12,418,848
Dividend 2021	-	-	-73,294	-	-	-73,294
Profit/(loss) for the period	-	-	-	37,420	-27,818	9,602
Paid interest on hybrid capital - directly against equity	-	-	-	-27,818	27,818	-
OCI -basisswapsread	-	-	-	1,076,557	-	1,076,557
Balance as of 30 September, 2022	7,797,215	3,901,255	-	833,243	900,000	13,431,713

Equity is paid in by the Company's parent banks when a requirement arises. The requirement arises regularly when the Company acquires larger portfolios of mortgage loans, and otherwise according to changes in capitalization rules because SpareBank 1 Boligkreditt is subject to the same capital adequacy rules under Pillar 1 as banks in general. Each parent bank has also signed a Shareholders agreement with the Company, which amongst other things stipulates when additional capital must be contributed.

Cash Flow Statement

NOK 1 000	30.09.2022	30.09.2021	2021
Cash flows from operations			
Interest received	4,529,510	3,267,984	4,364,213
Paid commissions to SpareBank 1 banks	-1,181,710	-1,606,748	-2,124,745
Paid expenses, operations	-68,559	379	-42,105
Paid tax	0	-123,196	-93,081
Net cash flow relating to operations	3,279,241	1,538,420	2,104,283
Cash flows from investments			
Net purchase of loan portfolio	-22,272,613	-8,597,783	-14,162,127
Net payments on the acquisition of government certificates	4,402,153	-159,312	-1,420,376
Net payments on the acquisition of bonds	-6,287,238	8,126,560	8,597,611
Net investments in intangible assets	0	0	0
Net investments in fixed assets	0	0	0
Net cash flows relating to investments	-24,157,698	-630,535	-6,984,891
Cash flows from funding activities			
Net receipt/payment from the issuance of securities	29,651,858	-1,147,671	14,106,168
Net receipt/payment from the issuance of subordinated debt	0	0	0
Net receipt/payment of loans to credit institutions	-2,424,052	-1,596,521	-12,312,780
Equity capital subscription	0	0	-550
Paid additional Tier 1 capital	-27,818	-25,717	-33,484
Paid dividend	-73,294	-85,769	-85,769
Net interest payments on funding activity	-2,865,430	-1,406,834	-1,832,760
Net cash flow relating to funding activities	24,261,264	-4,262,513	-159,176
Net cash flow in the period	3,382,808	-3,354,628	-5,039,785
Balance of cash and cash equivalents at beginning of period	1,434,092	6,473,877	6,473,877
Net receipt/payments on cash	3,382,808	-3,354,628	-5,039,785
Balance of cash and cash equivalents at end of period	4,816,899	3,119,248	1,434,092

Quarterly Financial Statements

These quarterly statements are not individually audited and are included as additional information to these accounts.

Income Statement

NOK 1 000	3. quarter 2022	2. quarter 2022	1. quarter 2021	4. quarter 2021	3. quarter 2021
Total interest income	1,820,052	1,526,422	1,308,454	1,151,894	1,065,145
Total interest expenses	-1,436,847	-1,059,989	-807,825	-597,236	-433,250
Net interest income	383,205	466,433	500,629	554,658	631,895
Commissions to SpareBank 1 banks	-296,817	-365,648	-415,628	-491,099	-584,100
Net commission income	-296,817	-365,648	-415,628	-491,099	-584,100
Net gains/losses from financial instruments	6,439	-105,910	-93,874	-60,177	36,470
Net other operating income	6,439	-105,910	-93,874	-60,177	36,470
Total operating income	92,827	-5,124	-8,874	3,383	84,265
Salaries and other ordinary personnel expenses	-3,557	-2,830	-3,887	-1,149	-3,738
Other operating expenses	-7,712	-5,925	-6,498	-6,198	-6,329
Total operating expenses	-11,269	-8,755	-10,385	-7,346	-10,067
Operating result before losses	-3,557	-13,880	-19,259	-3,964	74,198
Mortgages IFRS 9 ECL	-6,665	226	-1,360	1,646	106
Pre-tax operating result	74,894	-13,654	-20,619	-2,317	74,304
Taxes	-16,260	5,700	7,359	2,521	-16,682
Profit/loss for the year	58,633	-7,954	-13,260	204	57,622
Other income and expense	665,522	73,027	338,008	164,934	102,464
Total Profit/Loss	724,155	65,074	324,748	165,138	160,086

Balance Sheet

NOK 1 000	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
Assets					
Lending to and deposits with credit institutions	4,816,899	2,518,479	4,026,358	1,434,091	3,119,248
Certificates and bonds	27,625,296	30,451,050	27,784,216	26,195,602	22,504,403
Residential mortgage loans	245,162,243	237,573,557	230,689,401	222,812,873	217,216,218
Financial derivatives	5,976,104	6,375,186	2,397,900	7,586,258	11,275,359
Deferred tax asset	0	68,874	93,217	205,886	285,583
Other assets	602,519	1,636,995	1,976,628	4,111	4,084,584
Total assets	284,183,060	278,624,141	266,967,719	258,238,820	258,485,395
Liabilities and equity					
Liabilities					
Debt incurred by issuing securities	256,447,029	253,916,041	243,627,664	237,522,824	227,144,279
Collateral received under derivatives contracts	1,122,032	2,113,394	340,877	3,892,723	5,206,247
Repurchase agreement	0	250,021	0	0	9,568,306
Financial derivatives	11,024,074	7,508,626	8,291,753	2,766,866	1,772,856
Deferred tax	152,966	0	0	0	0
Tax payable	33,282	17,021	22,722	30,081	100,231
Subordinated debt	1,433,996	1,432,116	1,431,504	1,430,860	1,429,845
Other Liabilities	537,968	669,512	591,714	176,618	1,001,948
Total Liabilities	270,751,347	265,906,730	254,306,235	245,819,972	246,223,712
Equity					
Share capital	7,797,215	7,797,215	7,797,215	7,797,215	7,797,215
Share premium	3,901,255	3,901,255	3,901,255	3,901,255	3,901,255
Hybrid capital	900,000	900,000	900,000	900,000	900,000
Accrued equity	795,823	140,154	76,274	-252,916	-443,609
Net profit	37,420	-21,213	-13,260	0	106,822
Declared dividends	0	0	0	73,294	0
Total equity	13,431,713	12,717,411	12,661,484	12,418,848	12,261,683
Total liabilities and equity	284,183,060	278,624,141	266,967,719	258,238,820	258,485,395

Notes to the Accounts

Note 1 General information

1.1 Basis for preparation

SpareBank1 Boligkreditt AS quarterly accounts have been prepared in accordance with the International Financial Standards (IFRS). The accounts have been produced in accordance with IAS 34 reporting for a partial year.

The presentation currency is Norwegian Kroner (NOK), which is also the Company's functional currency. All amounts are given in NOK thousand unless otherwise stated.

The interim financial statements are not audited.

1.2 Segments

The Company has only one segment, which is the mortgage lending to real customers. The segment consists of lending to private individuals and all loans have been acquired from the member banks of the SpareBank 1 alliance.

1.3 Estimates and assessments regarding the use of accounting principles

The preparation of the financial information involves management's estimates which affect the implementation of accounting principles and thereby accounting values for assets, liabilities, revenue and costs. These estimates have been described in the notes.

Note 2 Net Interest Income

NOK 1 000	30.09.2022	30.09.2021	2021
Interest income			
Interest income from certificates, bonds and deposits	322,266	106,721	146,460
Interest income from residential mortgage loans	4,332,663	3,102,176	4,214,331
Total interest income	4,654,929	3,208,897	4,360,791
Interest expense			
Interest expense and similar expenses to credit institutions	19,774	-13	2,920
Interest expense and similar expenses on issued bonds	3,208,288	1,353,497	1,925,289
Interest expense and similar expenses on subordinated debt	33,153	22,618	31,078
Recovery and Resolution Fund *	39,194	36,146	48,195
Other interest expenses	4,254	6,901	8,903
Total interest expense	3,304,662	1,419,148	2,016,385
Net interest income	1,350,266	1,789,747	2,344,405

* From 2019, SPB1 Boligkreditt has been incorporated into the Norwegian Bank Recovery and Resolution Fund.

Note 3 Commissions to Sparebank 1 banks

NOK 1 000	30.09.2022	30.09.2021	2021
Commission expense			
Commission expense to SpareBank 1 banks	1,078,093	1,606,495	2,097,594
Total commission expense	1,078,093	1,606,495	2,097,594

These amounts represent Boligkreditt's expenses in form of commissions to its owner banks, which originate the mortgage loans transferred to the Company. The amounts are calculated by subtracting all of the Company's funding costs and estimated operational costs, including costs for additional Tier 1 bonds outstanding, from each mortgage interest income.

Note 4 Net Gains from Financial Instruments

NOK 100	30.09.2022	30.09.2021	2021
Net gains (losses) from financial liabilities	9,247,069	6,272,065	11,065,296
Net gains (losses) from financial derivatives at fair value, hedging liabilities (hedging instrument)	-9,501,143	-5,671,329	-10,762,189
Net gains (losses) from financial assets	-259,557	-705,606	-498,643
Net gains (losses) from financial derivatives at fair value, hedging assets (hedging instrument)	320,286	73,719	104,209
Net gains (losses)	-193,345	-31,151	-91,327

The Company utilizes hedge accounting as defined in IFRS for issued fixed rate bonds (covered bonds) with derivatives (swaps) which hedges fixed rates to floating and foreign currencies to Norwegian kroner. The hedges are individually tailored to each issued bond and exactly matches the cash flows and duration of the issued bonds. Some liabilities in foreign currency are hedged with natural hedges (corresponding assets in the same currency) and this may cause the valuation differences between assets and liabilities. There may also be valuation differences between liabilities and hedges due to the the amortization of issuance costs and bonds issued at or below par value.

SpareBank 1 Boligkreditt AS manages its liquidity risk by refinancing its outstanding bonds ahead of expected maturities and keeping proceeds as a liquidity portfolio. Fixed rate bonds and bonds in other currencies than Norwegian kroner are hedged using swaps, unless forming part of a natural hedge. These positions are valued at fair value though differences may occur because the valuation of the bonds include a credit risk/spread element which the swaps do not contain. Included in assets in the table are also investments in short term, highly rated bonds from funds received from swap counterparties for collateral purposes, with a corresponding collateral liability. Such investments do not have swap hedges.

All derivatives are valued at fair value according to changes in market interest rates and foreign exchange rates. Changes in valuations from the previous period is accounted for in profit and loss.

Note 5 Salaries and Remuneration

NOK 1 000	30.09.2022	30.09.2021	2021
Salaries	8,026	8,148	10,650
Salaries re invoiced to SpareBank1 Næringskreditt*	-2,451	-2,274	-2,524
Pension expenses	2,161	1,563	-1,219
Social insurance fees	2,099	1,915	3,379
Other personnel expenses	440	200	415
Total salary expenses	10,274	9,552	10,701

Average number of full time equivalents (FTEs)	7	8	7
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* The company's employees have shared employment between SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt. All remuneration is effectuated through SpareBank 1 Boligkreditt and a portion is re invoiced to SpareBank 1 Næringskreditt. The company also buys administrative services from SpareBank 1 SMN and SpareBank 1 Gruppen.

Note 6 Other Operating Expenses

NOK 1 000	30.09.2022	30.09.2021	2021
IT and IT operations	8,444	9,830	12,545
Purchased services other than IT	9,661	10,909	13,676
Other Operating Expenses	1,972	1,125	1,821
Depreciation on fixed assets and other intangible assets	59	144	163
Total	20,135	22,007	28,205

Note 7 Other Assets

NOK 1 000	30.09.2022	30.09.2021	2021
Leases	2,244	3,180	2,947
Fixed assets	183	261	241
Intangible assets	180	0	-
Accounts receivables from SpareBank 1 Næringskreditt AS	365	404	602
Accounts receivable, securities	585,246	4,068,288	-
Other	14,302	12,451	321
Total	602,519	4,084,584	4,111

Note 8 Residential mortgage loans

Lending to customers are residential mortgages only. The mortgages generally have a low loan-to-value. The total amount of lending to customers at the end of 30.09.2022 were NOK 245 billion. All mortgages carry a variable interest rate.

NOK 1 000	30.09.2022	30.09.2021	2021
Revolving loans - retail market	41,129,188	38,598,699	38,368,426
Amortising loans - retail market	203,793,253	178,486,786	184,281,403
Accrued interest	262,787	147,609	178,226
Total loans before specified and unspecified loss provisions	245,185,229	217,233,094	222,828,055
Stage 1	242,904,914	209,985,992	214,879,504
Stage 2	2,280,314	7,247,103	7,948,551
Stage 3	-	-	-
Gross loans	245,185,229	217,233,094	222,828,055
Impairments on groups of loans			
Expected credit loss, stage 1	7,226	1,119	3,726
Expected credit loss, stage 2, no objective proof of loss	15,760	15,758	11,456
Expected credit loss, stage 3, objective proof of loss	-	-	-
Total net loans and claims with customers	245,162,243	217,216,218	222,812,873
Liability			
Unused balances under customer revolving credit lines (flexible loans)	13,554,593	12,599,299	12,829,529
Total	13,554,593	12,599,299	12,829,529
Defaulted loans			
Defaults*	0.0 %	0.0 %	0.0 %
Specified loan loss provisions	0.0 %	0.0 %	0.0 %
Net defaulted loans	0.0 %	0.0 %	0.0 %
Loans at risk of loss			
Loans not defaulted but at risk of loss	0.0 %	0.0 %	0.0 %
- Write downs on loans at risk of loss	0.0 %	0.0 %	0.0 %
Net other loans at risk of loss	0.0 %	0.0 %	0.0 %

*The entire customer loan balance is considered to be in default and will be included in overviews of defaulted loans when overdue instalments and interest payments are not received within 90 days or if credit limits on revolving loans are exceeded for 90 days or more.

Note 9 Share Capital and Shareholder Information

List of shareholders as of 2022

	No of Shares	in per cent	Share og votes
SpareBank 1 Østlandet	18,048,408	23.15 %	23.15 %
SpareBank 1 SMN	16,325,637	20.94 %	20.94 %
SpareBank 1 Nord-Norge	12,414,801	15.92 %	15.92 %
SpareBank 1 Sørøst-Norge	8,325,220	10.68 %	10.68 %
BN Bank ASA	5,612,985	7.20 %	7.20 %
SpareBank 1 Ringerike Hadeland	3,800,946	4.87 %	4.87 %
SpareBank 1 Østfold Akershus	3,877,452	4.97 %	4.97 %
SpareBank 1 Modum	1,738,768	2.23 %	2.23 %
SpareBank1 Helgeland	1,599,666	2.05 %	2.05 %
SpareBank 1 Nordmøre	2,086,521	2.68 %	2.68 %
SpareBank 1 Søre Sunnmøre	1,236,264	1.59 %	1.59 %
SpareBank 1 Gudbrandsdal	1,243,219	1.59 %	1.59 %
SpareBank 1 Hallingdal Valdres	991,098	1.27 %	1.27 %
SpareBank 1 Lom og Skjåk	671,164	0.86 %	0.86 %
Total	77,972,149	100 %	100 %

The share capital consists of 77,972,149 shares with a nominal value of NOK 100.
The per cent share allocation and share of vote are identical.

Hybrid capital

NOK 1000	ISIN	Interest rate	Issued year	Call option	30.09.2022	30.09.2021	2021
Perpetual							
Hybrid (Tier 1 capital instrument)	NO0010767643	3M Nibor + 360 bp	2016	22.06.2021			
Hybrid (Tier 1 capital instrument)	NO0010811318	3M Nibor + 310 bp	2017	01.12.2022	100,000	100,000	100,000
Hybrid (Tier 1 capital instrument)	NO0010850621	3M Nibor + 340 bp	2019	30.04.2024	350,000	350,000	350,000
Hybrid (Tier 1 capital instrument)	NO0010890825	3M Nibor + 300 bp	2020	26.08.2025	200,000	200,000	200,000
Hybrid (Tier 1 capital instrument)	NO0010993009	3M Nibor + 250 bp	2021	06.05.2026	250,000	250,000	250,000
Book value					900,000	900,000	900,000

The issued bonds listed in the table above have status as Tier 1 capital instruments in the Company's capital coverage ratio.

Note 10 Liabilities incurred by issuing securities

	Nominal value*	Nominal value*	Nominal value*
NOK 1 000	30.09.2022	30.09.2021	2021
Senior unsecured bonds	-	-	-
Repurchased senior unsecured bonds	-	-	-
Covered bonds	262,169,080	216,704,416	231,799,097
Repurchased Covered bonds	-	-	-
Total debt incurred by issuing securities	262,169,080	216,704,416	231,799,097

* Nominal value is incurred debt at exchange rates (EUR/NOK and USD/NOK) at the time of issuance

	Book value	Book value	Book value
NOK 1 000	30.09.2022	30.09.2021	2021
Senior unsecured bonds	-	-	-
Repurchased senior unsecured bonds	-	-	-
Covered bonds	255,763,423	226,670,509	237,100,545
Repurchased covered bonds	-	-	-
Activated costs incurred by issuing debt	-234,679	-193,079	-201,573
Accrued interest	918,284	666,849	623,851
Total debt incurred by issuing securities	256,447,029	227,144,279	237,522,824

Covered bonds

Due in	30.09.2022	30.09.2021	2021
2021			-
2022	5,346,000	38,749,200	33,760,002
2023	29,958,750	30,568,200	30,525,750
2024	28,165,055	28,115,456	28,068,195
2025	37,713,750	31,713,750	37,713,750
2026	42,510,000	24,010,000	26,010,000
2027	32,552,675	25,546,710	28,041,050
2028	39,022,800	2,712,800	12,462,800
2029	25,467,050	24,042,800	23,972,050
2031	11,003,000	10,003,000	11,003,000
2032	9,937,500	1,000,000	
2034	250,000		
2038	242,500	242,500	242,500
Total	262,169,080	216,704,416	231,799,097

* Nominal value is incurred debt at exchange rates (EUR/NOK, USD/NOK, SEK/NOK and GBP/NOK) at the time of issuance

Debt incurred by currency (book values at the end of the period)

NOK 1 000	30.09.2022	30.09.2021	2021
NOK	92,723,184	76,844,559	83,164,332
EUR	144,398,367	132,513,334	136,864,324
GBP	8,905,918	8,967,115	8,934,297
SEK	8,236,282	8,819,270	8,559,871
CHF	2,183,278		
Total	256,447,029	227,144,279	237,522,824

Note 11 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option from	Maturity	Nominal amount	30.09.2022	30.09.2021	2021
With maturity									
Subordinated debt (Tier 2 capital instrument)	NO0010826696	3M Nibor + 153 bp	2018	22.06.2023	22.06.2028	250,000	250,000	250,000	250,000
Subordinated debt (Tier 2 capital instrument)	NO0010833908	3M Nibor + 180 bp	2018	08.10.2025	08.10.2030	400,000	400,000	400,000	400,000
Subordinated debt (Tier 2 capital instrument)	NO0010835408	3M Nibor + 167 bp	2018	02.11.2023	02.11.2028	475,000	475,000	475,000	475,000
Subordinated debt (Tier 2 capital instrument)	NO0010842222	3M Nibor + 192 bp	2019	24.01.2024	24.01.2029	300,000	300,000	300,000	300,000
Accrued interest							8,996	4,845	5,860
Book value							1,433,996	1,429,845	1,430,860

The issued bonds listed in the table above have status as Tier 2 capital instruments in the Company's capital coverage ratio.

Note 12 Financial Derivatives

NOK 1 000	30.09.2022	30.09.2021	2021
Interest rate derivative contracts			
Interest rate swaps			
Nominal amount	32,608,426	34,074,921	33,293,120
Asset	414,642	1,130,019	803,181
Liability	-1,729,383	-107,439	-90,305
Currency derivative contracts			
Currency swaps			
Nominal amount	159,908,100	134,751,775	143,520,577
Asset	4,465,912	10,145,340	6,783,076
Liability	-9,294,692	-1,105,186	-2,336,702
Total financial derivative contracts			
Nominal amount	192,516,526	168,826,696	176,813,697
Asset	4,880,554	11,275,359	7,586,258
Liability	-11,024,074	-1,212,626	-2,427,007

All derivative contracts exist for the purpose of hedging changes in interest rates and currency exchange rates.

* Change due to basis swap spread adjustment	30.09.2022	30.09.2021	2021
Total asset(+)/liability(-) derivatives	4,880,554	-1,212,626	-2,427,007
Net gain (loss) on valuation adjustment of basisswap spreads	1,095,550	-560,231	-339,859
Net asset(+)/liability(-) derivatives	5,976,104	-1,772,856	-2,766,866

Basis swaps are currency swaps and are entered into at a certain cost (basis swap spread) between SpareBank 1 Boligkreditt and banks which offer such swaps and which have signed an ISDA agreement with the Company. Changes in the cost are valued each quarter across all of the Company's swaps in accordance with the IFRS rules. The effect may be material from quarter to quarter because the Company's portfolio of swaps is extensive. All basisswap value changes will reverse over time towards the point of termination of the swaps. Changes in basis swap valuations are not included in net income, but is included in other comprehensive income and in equity.

Note 13 Classification of Financial Instruments

NOK 1 000	Financial instru- ments accounted for at fair value	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	30.06.2022
Assets				
Lending to and deposits with credit institutions	-	4,816,899	-	4,816,899
Certificates and bonds	27,625,296	-	-	27,625,296
Residential mortgage loans	-	245,162,243	-	245,162,243
Financial derivatives	5,976,104	-	-	5,976,104
Other assets	-	-	602,519	602,519
Total Assets	33,601,400	249,979,141	602,519	284,183,060
Liabilities				
Debt incurred by issuing securities*	-	256,447,029	-	256,447,029
Collateral received in relation to financial derivatives	-	1,122,032	-	1,122,032
Financial derivatives	11,024,074	-	-	11,024,074
Deferred taxes	-	-	152,966	152,966
Taxes payable	-	-	33,282	33,282
Subordinated debt	-	1,433,996	-	1,433,996
Other liabilities	-	-	537,968	537,968
Total Liabilities	11,024,074	259,003,056	724,216	270,751,347
Total Equity	-	900,000		900,000
Total Liabilities and Equity	11,024,074	259,903,056		271,651,347

* For issued securities, 181 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

NOK 1 000	Financial instru- ments accounted for at fair value	Financial assets and debt accounted for at amortised cost	Non-financial assets and liabilities	30.09.2021
Assets				
Lending to and deposits with credit institutions	-	3,119,248		3,119,248
Certificates and bonds	22,504,403	-		22,504,403
Residential mortgage loans	-	217,216,218		217,216,218
Financial derivatives	11,275,359	-		11,275,359
Deferred tax asset	-	-	285,583	285,583
Other assets	-	-	4,084,584	4,084,584
Total Assets	33,779,762	220,335,466	4,370,167	258,485,395
Liabilities				
Debt incurred by issuing securities*		227,144,279	-	227,144,279
Collateral received in relation to financial derivatives	-	5,206,247	-	5,206,247
Repurchase agreement	-	9,568,306	-	9,568,306
Financial derivatives	1,772,856	-	-	1,772,856
Taxes payable	-	-	100,231	100,231
Subordinated debt	-	1,429,845	-	1,429,845
Other liabilities	-	-	1,001,948	1,001,948
Total Liabilities	1,772,856	243,348,676	1,102,179	246,223,712
Total Equity	-	900,000	11,361,683	12,261,683
Total Liabilities and Equity	1,772,856	244,248,676	12,463,862	258,485,395

* For issued securities, 170 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

Note 14 Financial Instruments at Fair Value

Methods in order to determine fair value

General

The interest rate curve that is used as input for fair value valuations of hedging instruments and hedging objects consists of the NIBOR-curve for maturities less than one year. The swap-curve is used for maturities exceeding one year.

Interest rate and currency swaps

Valuation of interest rate swaps at fair value is done through discounting future cash flows to their present values. Valuation of currency swaps will also include the element of foreign exchange rates.

Bonds

Valuation of bonds at fair value is done through discounting future cash flows to present value.

With effect from 2009 SpareBank 1 Boligkreditt AS has implemented the changes in IFRS 7 in relation to the valuation of financial instruments as of the date of the financial accounts. The changes require a presentation of the fair value measurement for each Level. We have the following three Levels for the fair value measurement:

Level 1: Quoted price in an active market. Fair value of financial instruments which are traded in active markets are based on the market price at the balance sheet date. A market is considered to be active if the market prices are easily and readily available from an exchange, dealer, broker, industry group, pricing service or regulating authority and that these prices represent actual and regular market transactions on an arm's length basis.

Level 2: Valuation based on observable factors. Level 2 consist of instruments which are not valued based on listed prices, but where prices are indirectly observable for assets or liabilities, but also includes listed prices in not active markets.

Level 3: The valuation is based on factors that are not found in observable markets (non-observable assumptions). If valuations according to Level 1 or Level 2 are not available, valuations are based on not-observable information. The Company has a matter of principle neither assets nor liabilities which are valued at this level.

The following table presents the company's assets and liabilities at fair value as of 30.09.2022

NOK 1 000				
	Level 1	Level 2	Level 3	Total
Certificates and bonds	27,625,296	-	-	27,625,296
Financial Derivatives	-	5,976,104	-	5,976,104
Total Assets	27,625,296	5,976,104	-	33,601,400
Financial Derivatives	-	11,024,074	-	11,024,074
Total Liabilities	-	11,024,074	-	11,024,074

Issued debt is formally accounted for at amortized cost, and is therefore not listed in the table above. However, when issued debt is hedged with derivatives it is in effect accounted for using hedge accounting and fair value option. This means that approximately NOK 181 billion of issued debt are also accounted for according to Level 2 above, while the remaining debt are accounted for at amortized cost.

The following table presents the company's assets and liabilities at fair value as of 30.09.2021

NOK 1 000				
	Level 1	Level 2	Level 3	Total
Certificates and bonds	22,504,403	-	-	22,504,403
Financial Derivatives	-	11,275,359	-	11,275,359
Total Assets	22,504,403	11,275,359	-	33,779,762
Financial Derivatives	-	1,772,856	-	1,772,856
Total Liabilities	-	1,772,856	-	1,772,856

Issued debt is formally accounted for at amortized cost, and is therefore not listed in the table above. However, when issued debt is hedged with derivatives it is in effect accounted for using hedge accounting and fair value option. This means that approximately NOK 170 billion of issued debt are also accounted for according to Level 2 above, while the remaining debt are accounted for at amortized cost.

Note 15 Other Liabilities

NOK 1 000	30.09.2022	30.09.2021	2021
Employees tax deductions and other deductions	425	452	2,475
Employers national insurance contribution	678	604	1,617
Accrued holiday allowance	885	791	1,120
Commission payable to shareholder banks	53,259	183,776	156,877
Deposits*	352	3,047	2,134
Pension liabilities	4,181	10,898	4,181
Expected credit loss unused credit lines (flexible loans)	79	35	84
Accounts payable, securities	474,528	796,572	2,387
Other accrued costs	3,582	5,772	5,744
Total	537,968	1,001,948	176,618

The Company does not have an overdraft facility or a revolving credit facility as of 30.09.2022.

* Deposits represents temporary balances paid in by customers in excess of the original loan amount.

Accounts payable, securities, are such amounts that have been transacted, but not yet settled.

Note 16 Asset Coverage Test

The asset coverage is calculated according to the Norwegian Covered Bond Legislation, in which the Directive (EU) 2019/2162 has been incorporated and implemented. The asset coverage test excludes as a cover pool asset any shares of mortgages representing loan to value above the legal maximum of 75 per cent.

In addition any defaulted loans, i.e. loans in arrears at or beyond 90 days, are excluded from the asset coverage. Substitute (liquid) assets are included at market values.

The Asset Coverage Test has been changed as of 30.09.2022 to a nominal principle. This means that both issued covered bonds, mortgages and liquid assets are shown at nominal values, or at 100 per cent of par. Mortgages in SpareBank 1 Boligkreditt are all at variable rates, thus there is no actual change in the valuation principle of mortgages from earlier periods. Because the value of the issued covered bonds are now shown at par, this nominal bond value incorporates the value of hedging derivatives (FX and interest swaps) and reflect the FX rate at the time of bond issuance in case of non-NOK bonds.

NOK 1 000	30.09.2022	30.09.2021	2021
Covered Bonds	262,539,333	227,365,134	237,717,451
Total Covered Bonds	262,539,333	227,365,134	237,717,451
Residential mortgage loans	244,687,378	216,693,944	222,306,176
Public sector, SSA bond exposure	6,025,100	0	-
Reverse repo/ depo less than 100 days	3,690,100	-2,112,142	540,495
Exposure to credit institutions (covered bonds)	21,928,215	9,713,442	14,664,991
Derivatives	-	10,062,734	5,156,863
Total Cover Pool	276,330,792	234,357,978	242,668,525
Asset-coverage	105.25 %	103.08 %	102.08 %

Liquidity Coverage Ratio (LCR)	30.09.2022	30.09.2021	2021
Liquid assets	2,131,371	12,119,952	11,528,387
Cash outflow next 30 days	2,087,175	5,443,682	11,244,655
LCR ratio	166.89 %	222.64 %	102.52 %

Net Stable Funding Ratio (NSFR)	30.09.2022	30.09.2021	2021
Available amount of stable funding	244,639,830	217,513,161	224,551,972
Required amount of stable funding	211,666,788	226,210,365	228,545,479
NSFR ratio	115.58 %	96.16 %	98.25 %

Note 17 Capital Adequacy

The primary goal for the Company's management of capital reserves is to ensure compliance with laws and regulatory requirements. The company's owner banks pay in additional core capital on an as-needed basis, according to the covered bond funding function that Boligkreditt delivers to its banks.

As of December 31, 2020 the Norwegian national implementation of the EU's CRR/CRD IV was amended, which means that the average risk weight on lending secured by residential property in Norway cannot be lower than 20 per cent.

The European Union has approved new regulatory requirements, CRD IV, which is implemented in Norway. The requirement of 16.0 per cent total capital for SpareBank 1 Boligkreditt includes:

- Minimum core equity Pillar 1: 4.5 per cent.
- Additional Tier 1 equity capital 1.5 per cent and additional Tier 2 capital 2.0 per cent (can be held as Tier 1 and Tier 2, alternatively as core equity capital).
- Conservation buffer: 2.5 per cent core capital.
- Systemic risk buffer: 4.5 per cent core equity for exposures in Norway.
- Countercyclical buffer: 1.5 per cent core equity.

The Issuer has an additional Pillar 2 requirement which is 0.9 per cent core equity capital. The total requirement for the Issuer is therefore to have capital of minimum 17.4 per cent of risk weighted assets. With a management buffer added, the target for capital coverage is 17.8 per cent as of September 30, 2022.

The Company's parent banks have committed themselves to keep the Company's Equity Tier 1 capital at the minimum regulatory level (in the Shareholders Agreement). Primarily this commitment is pro rata according to the ownership stakes in the Company, but it is a joint undertaking if one or more ownership banks are unable to comply up to the maximum of twice the initial pro rata amount.

Capital. NOK 1 000	30.09.2022	30.09.2021	2021
Share capital	7,797,215	7,797,215	7,797,215
Premium share fund	3,901,255	3,901,255	3,901,255
Other equity capital	795,823	-417,892	-179,622
Common equity	12,494,293	11,280,578	11,518,848
Intangible assets	-	-	-
Declared share dividend	-	-	-73,294
100 % deduction of expected losses exceeding loss provisions IRB (CRD IV)	-439,539	-399,728	-427,206
Prudent valuation adjustment (AVA)	-27,625	-13,437	-23,150
Deferred taxes	-33,970	-	-33,970
Core equity capital	11,993,159	10,867,413	10,961,228
Hybrid bond	900,000	900,000	900,000
Tier 1 equity capital	12,893,159	11,767,413	11,861,228
Supplementary capital (Tier 2)	1,425,000	1,425,000	1,425,000
Total capital	14,318,159	13,192,413	13,286,228

Risk-weighted assets. NOK 1 000	30.09.2022	30.09.2021	2021
Credit risk IRB			
First lien residential mortgages	51,877,829	46,051,875	47,307,890
Total credit risk IRB	51,877,829	46,051,875	47,307,890
Credit risk standardised approach			
Derivatives and exposures to credit institutions	2,704,464	4,442,391	2,855,157
Covered bonds	2,161,261	2,193,959	1,466,499
Other items	148,666	90,100	525,559
Total credit risk standardised approach	5,014,391	6,726,451	4,847,215
Market risk	-	-	-
Operational risk	310,416	709,045	659,432
CVA Risk	3,237,266	4,961,532	3,231,217
Total risk-weighted assets	60,439,901	58,448,903	56,045,754

Capital Coverage	30.09.2022	30.09.2021	2021
Capital coverage (requirement w/all buffers, 17.4%)	23.69 %	22.57 %	23.71 %
Tier 1 capital coverage (requirement w/all buffers, 15.4%)	21.33 %	20.13 %	21.16 %
Core capital coverage (requirement w/all buffers, 14.4%)	19.84 %	18.59 %	19.56 %
Leverage ratio (requirement 3.0%)	4.33 %	4.53 %	4.57 %

Note 18 Related parties

The Company has 245.162 MNOK loans to customers. These are loans acquired from shareholder banks at market values (i.e. nominal value).

SpareBank 1 SMN

The Company acquires significant support services, including accounting services, back-office and other banking services from SpareBank 1 SMN. These services were previously purchased from SpareBank SR Bank. A complete SLA is established between the Company and SpareBank 1 SMN.

SpareBank 1 - Alliance

In addition the Company has a Transfer and Servicing agreement in place with each individual shareholder bank regulating amongst other things the servicing of mortgage loans.

SpareBank 1 Næringskreditt AS

All employees within SpareBank 1 Boligkreditt AS are also to various degrees working for SpareBank 1 Næringskreditt AS. Twenty per cent of the administrative expenses in SpareBank 1 Boligkreditt AS to be charged to SpareBank 1 Næringskreditt AS. This division of administrative expenses between the two companies reflect the actual resources utilisation in SpareBank 1 Boligkreditt AS.

Note 19 Collateral received

NOK 1 000	30.09.2022	30.09.2021	2021
Collateral	1,122,032	5,206,247	3,892,723
Total	1,122,032	5,206,247	3,892,723

SpareBank 1 Boligkreditt has signed ISDA-agreements including CSAs (Credit Support Annexes) with a number of financial institutions that are counterparties in interest rate and currency swaps. These institutions post collateral in the form of cash deposits to SpareBank 1 Boligkreditt. The amount is included in the balance sheet, but represents restricted cash.

Note 20 Contingencies and events after balance sheet date

SpareBank 1 Boligkreditt AS is not a party to any ongoing legal proceedings.

No events have taken place after the balance sheet date which are expected to have any material impact on the financial statements as of the end of the period 30.09.2022.

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