



4th Quarterly Report 2023

SpareBank 1 Boligkreditt

Table of contents

The SpareBank Alliance.....3

Statement of the Board of Directors.....5

 Cover pool.....6

 Key developments in 20237

 Accounts as per 31.12.20237

 Risk aspects.....8

 Macroeconomic development and outlook.....9

 Future prospects.....10

Financial statements.....13

Notes to the accounts.....20

Contact information.....35

12 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 exactly 200 years ago, in 1823, when SpareBank 1 SMN opened its doors in Trondhjem.

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 12 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.

When the covered bond legislation was enacted in Norway in 2007 (and since updated in 2022), the SpareBank 1 banks' joint subsidiary SpareBank 1 Boligkreditt stood ready to fund residential mortgages with covered bonds on behalf of the SpareBank 1 banks. The opportunity to issue sought-after and triple-A rated larger series of covered bonds was embraced and SpaBol became an established name on the EUR covered bond market. SpaBol comes regularly to both the EUR and NOK covered bond markets in public benchmark format. Its Norwegian national champion size, as the issuer for almost all SpareBank 1 banks (the exception is SpareBank 1 SR Bank which issues its own covered bonds separately) makes it a consequential covered bond brand name.

Even though a successful alliance is dependent on all its members, we highlight and congratulate SpareBank 1 SMN, the oldest bank in the alliance, celebrating 200 years in 2023. Its story featured in the 2022 annual report. The cover picture of this quarterly report is from the coastal town of Ålesund, which is within SpareBank 1 SMN's home market region.



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, as of 31 December 2023

SpareBank 1 Boligkreditt

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 Company, which is based in Stavanger, Norway, is owned by the SpareBank 1 banks throughout Norway (the SpareBank 1 Alliance banks), which are contractually obligated to maintain the Company's equity capitalization at or above regulatory requirements.

The sole purpose of the Company is to provide funding via covered bonds for the owner banks in the SpareBank 1 Alliance. To this purpose, the owner banks transfer qualifying mortgage loans (mortgages that follow from a specific rule set) with a loan-to-value ("LTV") of up to 75 per cent². The Company pays the net interest margin earned on mortgages to the banks, after deductions for its funding and operating costs. This net interest margin is accounted for as commissions to the owner banks in the Company's financial statement. The Company is thus an integrated part of the financing operations of its owner banks. All customer aspects for the residential mortgages transferred remain with the originating bank.

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 last updated on May 8, 2023. The programme is available on the Company's home page: <https://spabol.sparebank1.no/programme-documents>

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

Cover pool and outstanding covered bonds³

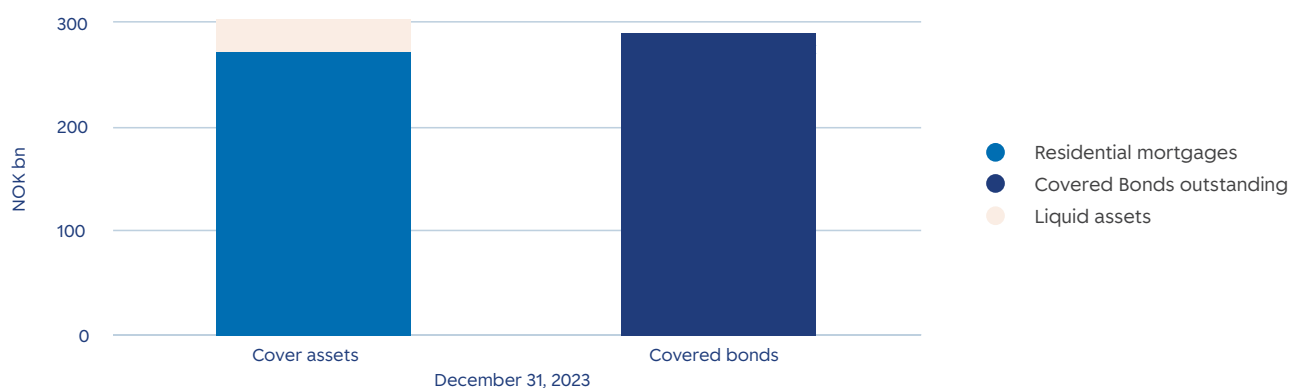
SpareBank 1 Boligkreditt's cover pool consists of residential mortgages and liquid, highly rated assets as well as derivatives hedging liabilities in a foreign currency and/or at fixed rates. The chart below illustrates the balances as of December 31, 2023. The balances are based on a nominal principle where bonds (covered bonds issued as well as bonds held within liquid assets) are presented at par. This means that derivatives hedging these instruments are effectively incorporated within the nominal values of the bonds in the illustration. A swap exactly converts each fixed coupon payment in any currency to a NOK 3-month floating rate basis over the tenor of a bond.

¹ The covered bond legislation in Norway is updated 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, 2023 (note 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).

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

Residential mortgages key figures

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Weighted Average Current LTV (%)	53.3 %	51.2 %	51.1 %	51.9 %	49.2 %
Weighted Average Original LTV (%)	59.9 %	60.3 %	60.1 %	60.1 %	60.1 %
Average Loan Balance (NOK)	1,811,759	1,787,257	1,761,198	1,741,462	1,702,210
Number of Mortgages in Pool	152,420	151,623	150,818	151,075	148,328
Pct. of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	5.3 %	5.4 %	5.4 %	5.3 %	5.3 %

Key developments in 2023

The domestic NOK covered bond market was important for the Company also in 2023 and SpaBol has issued a total of NOK 32.4 billion, of which approximately 10 per cent was in longer dated fixed rate covered bonds, and the remainder in FRN format. Two fixed EUR covered bond benchmarks were placed, a green, 7-year, EUR 750 million in May 2023 and a EUR 1 bn in October 2024. Boligkreditt called and issued new Subordinated debt (T2 capital bonds) of NOK 300 million in the 3rd quarter.

The Norwegian authorities presented the Near Zero Emissions Buildings Standard (NZEB) in early 2023. This definition is a requirement in the Energy Performance Buildings Directive 2010/31/EU and is a baseline for the green buildings definition under the EU Taxonomy for buildings constructed after 2020. A new threshold definition has just been proposed by the government, according to the EU Taxonomy, of the most energy efficient 15 per cent residential properties. This definition has not yet been finalized. SpaBol, which has operated with a top 15 per cent green mortgage definition since 2018, has updated its Green Bond Framework (GBF) to meet the EU Taxonomy criteria. The new GBF with an SPO paper will be published shortly on the Company's green bond webpage: <https://spabol.sparebank1.no/green-bonds>

A new Board member, Allan Troelsen, has replaced Knut Oscar Fleten in 2023. Mr. Troelsen is the CEO in SpareBank 1 Nordmøre. A presentation of the whole Boligkreditt board of directors is found here: <https://spabol.sparebank1.no/about>.

Accounts as per 31.12.2023

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

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 2023. Numbers in brackets refer to the corresponding period last year for comparison.

The total balance sheet at December 31, 2023 amounted to 320 (288) billion kroner. The main reason behind this increase is the growth in the financed volume of mortgages of NOK 277 billion vs. NOK 253 billion a year earlier. The pre-tax result for the year 2023 of 479 (45) million is driven by the following⁴:

- The Company had net interest income of NOK 1,464 (1,644) million, which includes both mortgage interest and interest income from the portfolio of 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, which is the funding basis for covered bonds, has increased faster and by more than the variable mortgage rate charged to customers. Variable mortgage rate increases must by law be delayed by 8 weeks after announcement before becoming effective. All of the Company's mortgages are at a variable rate, and Boligkreditt has the right to set and change the variable rate on its mortgage loans. However, for the interest rate decisions, Boligkreditt in practice defers to the SpareBank 1 bank which originated the loan. These banks set and change their variable mortgage rates in competition with other banks and choose to be guided by changes in the central bank policy rate when doing so.
- Commission expense to SpareBank 1 banks were 788 (1,249) million, which are the payments of the mortgages' net interest margin to the Issuer's loan originating owner banks. The reduction of these commissions, despite a growing loan book, is due to the reasons described above. Most of the difference between the Company's net interest income and the commissions to SpareBank 1 banks is interest income on the Company's liquidity portfolio, which has increased substantially in 2023 compared to 2022 due to higher market rates.

⁴ The result exclude interest paid on the Company's AT1 bonds of NOK 900 million in total. This interest is accounted for as an equity distribution. The result also does not take into account the changes in basis swap spreads and valuation thereof for currency swaps, which only effect other comprehensive income and equity.

- The net gain from financial instruments was NOK 3,6 (-288) million. This figure incorporates all valuation changes in the Company's liquid assets (covered bonds and SSA) as well as issued debt hedged with derivatives. The aggregated figure can be volatile, as can be seen in the difference between 2023 and 2022. Changing NIBOR rates can drive temporary valuation changes on the asset and debt side, which are otherwise observed within liquid assets when market credit spreads change materially. EUR-NOK basis swaps valuation changes are not accounted for in the Company's ordinary result, but is included in Other Comprehensive Income (OCI)
- The cost of operations for 2023 was NOK 45,1 (44,3) 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 loan loss provisions increased by NOK 16 (16.5) million to NOK 47.4 million. These are modelled losses under assumption about future developments. No actual loan losses have ever occurred in the Company's portfolio of mortgage assets.

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 general⁵.

Market risk is defined as the risk of losses due to changes in market rates, ie. 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 December 31, 2023 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.

⁵ The EU harmonized covered bond regulations, implemented in Norway, allow for LTV of up to 80 per cent. For mortgages in the cover pool. The Company has chosen to continue with a 75 per cent LTV maximum.

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 2023 annual accounts provide further information.

Macroeconomic development and outlook⁶

After the interest rate increases, the outlook for the Norwegian economy is low growth for 2023 and 2024. Inflation is not expected back at the central bank's target of 2 per cent in 2024 as shown in the forecast in the table below. That means that interest rates probably will stay at a higher-than-normal level. The policy rate is currently 4.5 per cent. Reduced household consumption and investments in housing are outcomes of the higher rate. Norwegian households have a variable mortgage rate to a dominant degree, which transmits the higher rate directly and quickly. The economy-wide investment growth is negative from 2023 and the following two years in the forecast, but while housing and mainland business investment is expected to decline substantially in 2024, especially new housing construction, oil and gas investments are increasing materially (as they did in 2023).

Norway's current account surplus to GDP, due to energy export, is particularly high, at a record level of nearly 30 per cent in 2022, and stays elevated in the forecast below. Oil and gas investments are increasing, and this, alongside the export of energy, are drivers of GDP growth.

The variable mortgage interest rate, which most mortgage holders pay, is now above 5.5 per cent. The housing market price index appreciated by 0.5 for 2023, but declined 5.6 per cent over the last 6 months of the year. The house price index is expected to remain fairly flat in 2024, if not increase some. This is due to population growth, low levels of new construction as well as real income growth above inflation in 2024 (and 2025) for household (see table below).

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

Recent data and forecast (per cent)	2021	2022	2023	2024	2025
Mainland GDP growth	4.5	3.8	0.7	0.9	1.7
Private consumption growth	5.1	6.2	-1.1	0.1	2.4
Investments growth	0.7	5.2	-1.0	-3.4	-0.6
Unemployment rate	4.4	3.2	3.6	3.9	4.1
CPI growth	3.5	5.8	5.6	4.5	2.5
Annual wage growth	3.5	4.3	5.6	5.4	4.3
Current account surplus to GDP	13.3	29.5	17.5	19.1	19.3

Source: Statistics Norway (SSB) December 8, 2023

⁶ Macroeconomic projections have been sourced from Statistics Norway as of December 8, 2023.

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.

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 NOK 1.8 million). 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 broad and general 30 per cent decline in real estate prices leaves each member bank with sufficient qualifying reserves for replenishing the cover pool.

The Board of Directors views Boligkreditt as sufficiently capitalized with a capital coverage ratio of 18.84 per cent against a total requirement, including all regulatory buffers, of 18.04 per cent. However, including the estimated dividend for 2023, which the Board will consider later with the approval of the 2023 annual accounts, total capitalization declines to 18.27 per cent.

It is the Company's policy to maintain capital ratios slightly above the regulatory requirements (with a management buffer of currently 0.8 per cent). 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. Because of the recent growth of financed mortgages, and for the capitalization to remain above the requirement including also the management buffer, it is expected that an additional NOK 1 bn will be called in from the owner banks during the first quarter 2024.

The Board of Directors views prospects for the Company to continue to be good and stable, despite the changed macroeconomic forecasts towards lower growth and more uncertainty ahead. This is based on several elements: a strict qualifying process for loans to become part of the cover pool (bank lending practices, mortgage lending regulations and cover pool qualification requirements), a high degree of diversification and granularity of the mortgages in the pool, as well as the robustness and financial position of the Norwegian economy. 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 December 2023. The financial accounts including notes are produced under the assumption of a going concern.

Stavanger, February 6, 2024
The Board of Directors of SpareBank 1 Boligkreditt AS



/s/ Bengt Olsen
Chairman of the board



/s/ Geir-Egil Bolstad



/s/ Trond Søråas



/s/ Steinar Enge



/s/ Heidi Aas Larsen



/s/ Merete N Kristiansen



/s/ Allan Troelsen

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 December 31, 2023 for SpareBank 1 Boligkreditt AS. The accounts have been prepared in accordance with IFRS Accounting Standards, 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 December 31, 2023.

The Board of Directors and the chief executive officer declare to the best of their knowledge that the quarterly 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, February 6, 2024

The Board of Directors of SpareBank 1 Boligkreditt AS

/s/ Bengt Olsen
Chair

/s/ Geir-Egil Bolstad

/s/ Trond Søråas

/s/ Heidi Aas Larsen

/s/ Merete N Kristiansen

/s/ Allan Troelsen

/s/Steinar Enge

/s/Arve Austestad
CEO

Financial statements 4th Quarter 2023

Income Statement

NOK 1 000	Note	4. quarter 2023	4. quarter 2022	2023	2022
Total interest income	2	4,186,670	2,548,460	14,075,135	7,203,389
Total interest expenses	2	-3,864,463	-2,254,730	(12,610,685)	(5,559,392)
Net interest income		322,206	293,730	1,464,450	1,643,997
Commissions to SpareBank 1 banks	3	-105,728	-171,347	(787,664)	(1,249,440)
Net commission income		-105,728	-171,347	(787,664)	(1,249,440)
Net gains/losses from financial instruments	4	-10,194	-94,600	3,636	(287,945)
Net other operating income		-10,194	-94,600	3,636	(287,945)
Total operating income		206,284	27,783	680,422	106,612
Salaries and other ordinary personnel expenses	5	-1,293	-3,547	(14,593)	(13,822)
Other operating expenses	6	-8,166	-10,340	(30,519)	(30,474)
Total operating expenses		-9,459	-13,887	(45,112)	(44,296)
Operating result before loan loss provisions		196,825	13,896	635,309	62,316
Loan loss provisions		-10,667	-8,691	(16,016)	(16,489)
Pre-tax operating result		186,159	5,206	619,294	45,826
Taxes		-42,991	2,022	(140,025)	(1,179)
Profit/(loss) for the period		143,168	7,227	479,269	44,647
Portion attributable to shareholders		125,376	-5,148	416,476	4,454
Portion attributable to additional Tier 1 capital holders		17,792	12,375	62,793	40,193
Profit/(loss) for the period		143,168	7,227	479,269	44,647

Overview of Comprehensive Income

NOK 1 000	4. quarter 2023	4. quarter 2022	2023	2022
Profit/loss for the year	143,168	7,227	479 269	44 647
Items that will not be reclassified to profit/loss				
Actuarial gains and losses pensions	(14,548)	1,223	(14 548)	1 223
Tax effect	3,637	(306)	3 637	(306)
Items that may be reclassified to profit/loss later				
Basis swap valuation adjustment	-434,510	-812,127	(728 680)	623 282
Tax effect	108,627	203,032	182 170	(155 821)
Other comprehensive income for the period	-336,794	-608,178	(557 421)	468 379
Comprehensive income for the period	-193,626	-600,951	(78 152)	513 026

Balance sheet

NOK 1 000	Note	2023	2022
Assets			
Lending to and deposits with credit institutions	13	1,063,325	1,360,520
Certificates and bonds	13,14	33,094,399	29,426,208
Residential mortgage loans	8,13	276,816,597	252,904,944
Financial derivatives	12,13,14	9,008,375	3,990,087
Deferred tax asset		420,076	133,671
Other assets	7	62,679	70,500
Total assets		320,465,452	287,885,930
Liabilities and equity			
Liabilities			
Debt incurred by issuing securities	10,14	296,226,162	260,848,557
Collateral received under derivatives contracts	13,19	4,896,717	714,730
Repurchase agreement		-	-
Financial derivatives	12,13,14	3,841,473	11,822,504
Deferred tax		-	-
Tax payable		269,808	115,171
Subordinated debt	11,13	1,485,180	1,436,805
Other Liabilities	15	1,068,669	129,777
Total Liabilities		307,788,009	275,067,542
Equity			
Share capital	9	7,797,215	7,797,215
Share premium		3,901,255	3,901,255
Basis swap valuation reserve		(333,942)	212,567
Other equity	9,13	412,915	7,350
Hybrid capital		900,000	900,000
Total equity		12,677,443	12,818,388
Total liabilities and equity		320,465,452	287,885,930

Stavanger, February 6, 2024

/s/ Bengt Olsen
Chair

/s/ Geir-Egil Bolstad

/s/ Trond Søråas

/s/ Heidi Aas Larsen

/s/ Merete N Kristiansen

/s/ Allan Troelsen

/s/ Steinar Enge

/s/Arve Austestad
CEO

Changes in Equity

NOK 1 000	Share capital	Share premium	Dividend	Basis swap valuation reserve	Other Equity	Hybrid capital	Total Equity
Balance as of 31 December, 2021	7,797,215	3,901,255	73,294	-254,894	1,978	900,000	12,418,848
Dividend 2021	-	-	-73,294		-	-	-73,294
Profit/(loss) for the period	-	-			44,647	-40,193	4,454
Paid interest on hybrid capital - directly against equity	-	-	-		-40,193	40,193	-0
Basis swap valuation change, net	-	-	-	467,462			467,462
Actuarial gain/loss pension					917		917
Other	-	-	-				-
Balance as of 31 December, 2022	7,797,215	3,901,255	-0	212,567	7,350	900,000	12,818,387
Dividend 2022	-	-	-		-	-	-
Profit/(loss) for the period	-	-			479,269	-62,793	416,476
Paid interest on hybrid capital - directly against equity	-	-	-		-62,793	62,793	-
Basis swap valuation change, net	-	-	-	-546,510			-546,510
Actuarial gain/loss pension					-10,911		-10,911
Other	-	-	-				-
Balance as of 31 December, 2023	7,797,215	3,901,255	-0	-333,942	412,915	900,000	12,677,443

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

2023

2022

Cash flows from operations

Interest received	13,763,334	6,927,219
Paid commissions to SpareBank 1 banks	-751,817	-1,366,740
Paid expenses, operations	-43,964	-42,121
Paid tax	-85,985	0
Net cash flow relating to operations	12,881,567	5,518,357

Cash flows from investments

Net purchase of loan portfolio	-23,666,791	-29,889,709
Net payments on the acquisition of government certificates	-4,363,709	4,402,153
Net payments on the acquisition of bonds	1,001,181	-7,833,793
Net investments in intangible assets	0	0
Net investments in fixed assets	-202	0
Net cash flows relating to investments	-27,029,521	-33,321,349

Cash flows from funding activities

Net receipt/payment from the issuance of securities	21,270,531	35,381,101
Net receipt/payment from the issuance of subordinated debt	41,500	0
Net receipt/payment of loans to credit institutions	4,527,932	-2,903,043
Equity capital subscription	-10,911	917
Paid additional Tier 1 capital	-62,793	-40,193
Paid dividend	0	-73,294
Net interest payments on funding activity	-11,915,501	-4,636,068
Net cash flow relating to funding activities	13,850,758	27,729,420

Net cash flow in the period	-297,195	-73,571
------------------------------------	-----------------	----------------

Balance of cash and cash equivalents at beginning of period	1,360,520	1,434,092
--	------------------	------------------

Net receipt/payments on cash	-297,195	-73,571
------------------------------	----------	---------

Balance of cash and cash equivalents at end of period	1,063,325	1,360,520
--	------------------	------------------

Quarterly Financial Statements

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

Income Statement

NOK 1 000	4. quarter 2023	3. quarter 2023	2. quarter 2023	1. quarter 2022	4. quarter 2022
Total interest income	4,186,670	3,662,700	3,232,536	2,993,230	2,548,460
Total interest expenses	-3,864,463	-3,354,943	-2,822,047	-2,569,231	-2,254,730
Net interest income	322,206	307,757	410,489	423,998	293,730
Commissions to SpareBank 1 banks	-105,728	-138,499	-260,533	-282,904	-171,347
Net commission income	-105,728	-138,499	-260,533	-282,904	-171,347
Net gains/losses from financial instruments	-10,194	-67,877	1,359	80,348	-94,600
Net other operating income	-10,194	-67,877	1,359	80,348	-94,600
Total operating income	206,284	101,380	151,316	221,442	27,783
Salaries and other ordinary personnel expenses	-1,293	-4,649	-2,820	-5,831	-3,547
Other operating expenses	-8,166	-7,502	-7,704	-7,147	-10,340
Total operating expenses	-9,459	-12,150	-10,524	-12,979	-13,887
Operating result before losses	-1,293	-4,649	-2,820	-5,831	-3,547
Mortgages IFRS 9 ECL	-10,667	-6,685	-974	2,309	-8,691
Pre-tax operating result	186,159	82,545	139,818	210,772	5,206
Taxes	-42,991	-16,629	-31,409	-48,996	2,022
Profit/loss for the year	143,168	65,917	108,408	161,776	7,227
Other income and expense	-336,794	-199,225	51,340	-72,742	-608,178
Total Profit/Loss	-193,626	-133,308	159,748	89,034	-600,951

Balance sheet

NOK 1 000	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Assets					
Lending to and deposits with credit institutions	1,063,325	1,556,716	5,136,178	2,377,752	1,360,520
Certificates and bonds	33,094,399	23,516,890	22,524,509	25,761,598	29,426,208
Residential mortgage loans	276,816,597	271,576,198	266,112,296	263,545,096	252,904,944
Financial derivatives	9,008,375	6,793,630	10,123,240	9,632,070	3,990,087
Deferred tax asset	420,076	207,213	140,805	157,918	133,671
Other assets	62,679	1,233,288	1,840,078	759,962	70,500
Total assets	320,465,452	304,883,935	305,877,106	302,234,396	287,885,930
Liabilities and equity					
Liabilities					
Debt incurred by issuing securities	296,226,162	276,851,122	276,674,637	275,597,731	260,848,557
Collateral received under derivatives contracts	4,896,717	2,947,543	6,862,876	4,828,201	714,730
Repurchase agreement	0	2,541,340	1,766,747	1,207,636	0
Financial derivatives	3,841,473	7,560,833	5,175,066	5,185,405	11,822,504
Deferred tax	0	0	0	0	0
Tax payable	269,808	126,043	109,590	164,167	115,171
Subordinated debt	1,485,180	1,440,022	1,437,962	1,436,639	1,436,805
Other Liabilities	1,068,669	528,172	812,029	921,986	129,777
Total Liabilities	307,788,009	291,995,075	292,838,906	289,341,765	275,067,542
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
Declared dividends	0	0	0	0	0
Basis swap valuation reserve	-333,942	-8,060	191,165	139,825	212,567
Other equity	412,915	-37,651	-21,621	-7,440	7,350
Net profit	0	336,102	270,185	161,776	0
Hybrid capital	900,000	900,000	900,000	900,000	900,000
Total equity	12,677,443	12,888,860	13,038,199	12,892,632	12,818,388
Total liabilities and equity	320,465,452	304,883,935	305,877,106	302,234,396	287,885,930

Notes to the Accounts

Note 1 Accounting principles

1.1 Basis for preparation

SpareBank1 Boligkreditt AS quarterly accounts have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU. The quarterly accounts have been produced in accordance with IAS 34.

The presentation currency is Norwegian Kroner (NOK), which is also the Company's functional currency. All amounts are 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 retail 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	2023	2022
Interest income		
Interest income from certificates, bonds and deposits	1,231,720	538,839
Interest income from residential mortgage loans	12,843,415	6,664,550
Total interest income	14,075,135	7,203,389
Interest expense		
Interest expense and similar expenses to credit institutions	198,337	22,154
Interest expense and similar expenses on issued bonds	12,271,903	5,430,349
Interest expense and similar expenses on subordinated debt	87,441	50,230
Recovery and Resolution Fund *	51,583	52,246
Other interest expenses	1,421	4,413
Total interest expense	12,610,685	5,559,392
Net interest income	1,464,450	1,643,996

* 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	2023	2022
Commission expense		
Commission expense to SpareBank 1 banks	787,664	1,249,440
Total commission expense	787,664	1,249,440

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 1000	2023	2022
Net gains (losses) from financial liabilities	-11,327,762	15,955,802
Net gains (losses) from financial derivatives at fair value, hedging liabilities (hedging instrument)	4,252,475	-16,331,646
Net gains (losses) from financial assets	7,502,622	-206,058
Net gains (losses) from financial derivatives at fair value, hedging assets (hedging instrument)	-423,700	293,956
Net gains (losses)	3,636	-287,945

Issued Debt: 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: (i) amortization of issuance costs and (ii) bonds issued above or below par value (iii) effects of credit spread changes in bond valuation (iv) changes in discount curves and cash flow time points within the 3 months floating rate coupon period

Liquidity assets: 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 due to some or all of the reasons listed above. 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 other personell expenses

NOK 1 000	2023	2022
Salaries	10,828	10,440
Remuneration Board of Directors	714	620
Pension expenses	2,603	2,643
Social insurance fees	3,647	2,779
Other personnel expenses	909	684
Amounts invoiced to SpareBank 1 Næringskreditt *	-4,109	-3,344
Total salary expenses	14,593	13,822

Average number of full time equivalents (FTEs)	7	7
---	----------	----------

* The company's employees have shared employment between SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt. All remuneration is effected through SpareBank 1 Boligkreditt and a portion is 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	2023	2022
IT and IT operations	11,932	12,107
Purchased services other than IT	15,153	15,549
Other Operating Expenses	3,316	2,741
Depreciation on fixed assets and other intangible assets	119	78
Total	30,519	30,475

Note 7 Other Assets

NOK 1 000	2023	2022
Leases	967	2,010
Fixed assets	85	163
Intangible assets	342	382
Accounts receivables from SpareBank 1 Næringskreditt AS	381	350
Accounts receivable, securities	56,033	66,970
Other	4,871	626
Total	62,679	70,500

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 31.12.2023 were NOK 276 billion. All mortgages carry a variable interest rate.

SpareBank 1 Boligkreditt utilizes IFRS 9 and characterizes mortgages loans as in either Stage 1, 2 or 3 loans. Stage 1 are current loans with no material risk mitigation since origination, Stage 2 are performing loans but with a certain defined risk increase as defined by probability of default, while Stage 3 mortgage loans are such loans with arrears of 90 days or more or expected to become non-performing. Loan loss provisions result from the IFRS 9 model, which is employed by all the banks in the SpareBank 1 Alliance, the classification of the mortgages loans and the assumption for the future years regarding interest rates, employment and real estate valuation changes.

NOK 1 000	2023	2022
Revolving loans - retail market	40,121,639	41,935,854
Amortising loans - retail market	236,084,689	210,603,683
Accrued interest	657,672	396,931
Total loans before specified and unspecified loss provisions	276,864,001	252,936,468
Stage 1	264,620,901	243,051,062
Stage 2	12,243,099	9,885,406
Stage 3	-	-
Gross loans	276,864,001	252,936,468
Impairments on groups of loans		
Expected credit loss, stage 1	-15,166	-10,584
Expected credit loss, stage 2, no objective proof of loss	-32,238	-20,941
Expected credit loss, stage 3, objective proof of loss	-	-
Total net loans and claims with customers	276,816,597	252,904,944
Liability		
Unused balances under customer revolving credit lines (flexible loans)	13,249,819	14,090,508
Total	13,249,819	14,090,508
Defaulted loans		
Defaults*	0.0 %	0.0 %
Specified loan loss provisions	0.0 %	0.0 %
Net defaulted loans	0.0 %	0.0 %
Loans at risk of loss		
Loans not defaulted but at risk of loss	0.0 %	0.0 %
- Write downs on loans at risk of loss	0.0 %	0.0 %
Net other loans at risk of loss	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 2023

	No of Shares	in per cent	Share og votes
SpareBank 1 SMN	18,595,136	23.85 %	23.85 %
SpareBank 1 Østlandet	18,105,053	23.22 %	23.22 %
SpareBank 1 Nord-Norge	12,238,064	15.70 %	15.70 %
SpareBank 1 Sørøst-Norge	8,715,070	11.18 %	11.18 %
BN Bank ASA	5,220,080	6.69 %	6.69 %
SpareBank 1 Østfold Akershus	3,598,607	4.62 %	4.62 %
SpareBank 1 Ringerike Hadeland	3,444,581	4.42 %	4.42 %
SpareBank 1 Nordmøre	2,590,437	3.32 %	3.32 %
SpareBank1 Helgeland	2,408,406	3.09 %	3.09 %
SpareBank 1 Gudbrandsdal	1,225,207	1.57 %	1.57 %
SpareBank 1 Hallingdal Valdres	1,106,186	1.42 %	1.42 %
SpareBank 1 Lom og Skjåk	725,322	0.93 %	0.93 %
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	2023	2022
Perpetual						
Hybrid (Tier 1)	NO0010850621	3M Nibor + 340 bp	2019	30.04.2024	350,000	350,000
Hybrid (Tier 1)	NO0010890825	3M Nibor + 300 bp	2020	26.08.2025	200,000	200,000
Hybrid (Tier 1)	NO0010993009	3M Nibor + 250 bp	2021	06.05.2026	250,000	250,000
Hybrid (Tier 1)	NO0012753591	3M Nibor + 390 bp	2022	16.11.2027	100,000	100,000
Book value					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*
NOK 1 000	2023	2022
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	288,942,535	267,908,851
Repurchased Covered bonds	-	-
Total debt incurred by issuing securities	288,942,535	267,908,851

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

	Book value	Book value
NOK 1 000	2023	2022
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	294,828,642	259,999,992
Repurchased covered bonds	-	-
Activated costs incurred by issuing debt	-213,741	-222,883
Accrued interest	1,611,261	1,071,448
Total debt incurred by issuing securities	296,226,162	260,848,557

Covered bonds

Due in	2023	2022
2023	-40,213	26,120,200
2024	19,517,590	28,162,216
2025	34,831,320	37,713,750
2026	54,141,530	50,176,000
2027	52,698,945	39,843,585
2028	63,266,763	38,997,300
2029	28,176,000	25,462,800
2030	10,967,600	-
2031	11,003,000	11,003,000
2032	9,937,500	9,937,500
2033	1,250,000	-
2034	250,000	250,000
2035	900,000	-
2037	-38,900	-
2038	2,081,400	242,500
Total	288,942,535	267,908,851

* 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	2023	2022
NOK	124,467,577	104,077,916
EUR	158,579,800	143,669,469
GBP	0	2,873,911
SEK	8,685,839	8,087,303
CHF	4,492,946	2,139,958
Total	296,226,162	260,848,557

Note 11 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option from	Maturity	Nominal amount	2023	2022
With maturity								
Subordinated debt (Tier 2)	NO0010826696	3M Nibor + 153 bp	2018	22.06.2023	22.06.2028	250,000	-	250,000
Subordinated debt (Tier 2)	NO0010833908	3M Nibor + 180 bp	2018	08.10.2025	08.10.2030	400,000	400,000	400,000
Subordinated debt (Tier 2)	NO0010835408	3M Nibor + 167 bp	2018	02.11.2023	02.11.2028	425,000	-	475,000
Subordinated debt (Tier 2)	NO0010842222	3M Nibor + 192 bp	2019	24.01.2024	24.01.2029	300,000	41,500	300,000
Subordinated debt (Tier 2)	NO0012939133	3M Nibor + 265 bp	2023	13.09.2028	13.12.2033	300,000	300,000	-
Subordinated debt (Tier 2)	NO0013048132	3M Nibor + 240 bp	2023	17.10.2028	17.01.2034	355,000	355,000	-
Subordinated debt (Tier 2)	NO0013048157	3M Nibor + 243 bp	2023	17.04.2029	17.07.2034	370,000	370,000	-
Accrued interest							18,680	11,805
Book value							1,485,180	1,436,805

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	2023	2022
Interest rate derivative contracts		
Interest rate swaps		
Nominal amount	28,598,221	31,562,031
Asset	384,087	348,546
Liability	-1,576,755	-1,788,128
Currency derivative contracts		
Currency swaps		
Nominal amount	139,208,663	136,856,600
Asset	9,069,545	3,358,118
Liability	-2,264,718	-10,034,376
Total financial derivative contracts		
Nominal amount	167,806,884	168,418,631
Asset	9,453,632	3,706,664
Liability	-3,841,473	-11,822,504

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

* Change due to basis swap spread adjustment	2023	2022
Total asset(+)/liability(-) derivatives	9,453,632	3,706,664
Net gain (loss) on valuation adjustment of basisswap spreads	-445,257	283,423
Net asset(+)/liability(-) derivatives	9,008,375	3,990,087

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 instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	2023
Assets			
Lending to and deposits with credit institutions	-	1,063,325	1,063,325
Certificates and bonds	33,094,399	-	33,094,399
Residential mortgage loans	-	276,816,597	276,816,597
Financial derivatives	9,008,375	-	9,008,375
Other assets	-	-	-
Total Assets	42,102,775	277,879,923	319,982,697
Liabilities			
Debt incurred by issuing securities*	-	296,226,162	296,226,162
Collateral received in relation to financial derivatives	-	4,896,717	4,896,717
Financial derivatives	3,841,473	-	3,841,473
Deferred taxes	-	-	-
Taxes payable	-	-	-
Subordinated debt	-	1,485,180	1,485,180
Other liabilities	-	-	-
Total Liabilities	3,841,473	302,608,059	306,449,532
Total Equity	-	900,000	900,000
Total Liabilities and Equity	3,841,473	303,508,059	307,349,532

* For issued securities, 196 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 instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	2022
Assets			
Lending to and deposits with credit institutions	-	1,360,520	1,360,520
Certificates and bonds	29,426,208	-	29,426,208
Residential mortgage loans	-	252,904,944	252,904,944
Financial derivatives	3,990,087	-	3,990,087
Deferred tax asset	-	-	-
Other assets	-	-	-
Total Assets	33,416,295	254,265,464	287,681,759

Liabilities

Debt incurred by issuing securities*	-	260,848,557	260,848,557
Collateral received in relation to financial derivatives	-	714,730	714,730
Financial derivatives	11,822,504	-	11,822,504
Taxes payable	-	-	-
Subordinated debt	-	1,436,805	1,436,805
Other liabilities	-	-	-
Total Liabilities	11,822,504	263,000,091	274,822,595
Total Equity	-	900,000	900,000
Total Liabilities and Equity	11,822,504	263,900,091	275,722,595

* For issued securities, 174 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 31.12.2023

NOK 1 000

	Level 1	Level 2	Level 3	Total
Certificates and bonds	33,094,399	-	-	33,094,399
Financial Derivatives	-	9,008,375	-	9,008,375
Total Assets	33,094,399	9,008,375	-	42,102,775
Financial Derivatives	-	3,841,473	-	3,841,473
Total Liabilities	-	3,841,473	-	3,841,473

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 196 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 31.12.2022

NOK 1 000

	Level 1	Level 2	Level 3	Total
Certificates and bonds	29,426,208	-	-	29,426,208
Financial Derivatives	-	3,990,087	-	3,990,087
Total Assets	29,426,208	3,990,087	-	33,416,295
Financial Derivatives	-	11,822,504	-	11,822,504
Total Liabilities	-	11,822,504	-	11,822,504

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.

Note 15 Other Liabilities

NOK 1 000	2023	2022
Employees tax deductions and other deductions	682	653
Employers national insurance contribution	1,302	1,071
Accrued holiday allowance	1,257	1,223
Commission payable to shareholder banks	75,423	39,576
Deposits*	676	4,646
Pension liabilities	14,635	2,784
Expected credit loss unused credit lines (flexible loans)	367	231
Accounts payable, securities	11,274	73,863
Other accrued costs	963,052	5,731
Total	1,068,669	129,777

The Company does not have an overdraft facility or a revolving credit facility as of 31.12.2023

* 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 Financial Services Act § 2-31 (Covered Bond Legislation). The asset coverage test excludes as a cover pool asset any shares of mortgages representing loan to value above the legal maximum of 75 percent.

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. All derivatives hedge the FX and interest rate changes in bonds payments which they are tailored to match. Derivatives are therefore included with the bond values in the table (nominal principle).

NOK 1 000	2023	2022
Covered Bonds	289,488,225	268,270,136
Total Covered Bonds	289,488,225	268,270,136
Residential mortgage loans	275,784,245	252,333,523
Public sector, SSA bond exposure	4,016,895	6,726,165
Reverse repo/ depo less than 100 days	563,555	620,438
Exposure to credit institutions (covered bonds)	24,590,563	22,776,142
Derivatives	-	-
Total Cover Pool	304,955,259	282,456,268
Asset-coverage	105.34 %	105.29 %

Liquidity Coverage Ratio (LCR)	2023	2022
Liquid assets	7,503,941	4,866,972
Cash outflow next 30 days	7,354,936	4,854,322
LCR ratio	102.03 %	100.26 %

Net Stable Funding Ratio (NSFR)	2023	2022
Available amount of stable funding	291,177,249	247,275,503
Required amount of stable funding	234,399,335	217,645,930
NSFR ratio	124.22 %	113.61 %

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 18.04 percent total capital for SpareBank 1 Boligkreditt as of 31.12.2023 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: 4.24 per cent core.
- Countercyclical buffer: 2.5 per cent core equity.
- Pillar 2: 0.8 per cent core equity

With a management buffer of 0.8 per cent added, the target for capital coverage is 18.84 per cent as of December 31, 2023.

Capital is called in from the Company's owner banks on an as-needed basis and generally as a consequence of growth in the amount of mortgages financed. With the total capitalization at 18.27 per cent, after deduction in capital for an expected dividend for 2023, the Company is calling in additional capital to restore its management buffer. This will be paid in during Q1 2024.

Capital. NOK 1 000	2023	2022
Share capital	7,797,215	7,797,215
Premium share fund	3,901,255	3,901,255
Other equity capital	-337,399	219,917
Common equity	11,361,071	11,918,387
Intangible assets	-162	-
Declared share dividend	-	-
IRB shortfall of credit risk adjustments to expected losses	-513,437	-466,460
Prudent valuation adjustment (AVA)	-33,094	-29,426
Deferred taxes		-
Core equity capital	10,814,378	11,422,501
Hybrid bond	900,000	900,000
Tier 1 equity capital	11,714,378	12,322,501
Supplementary capital (Tier 2)	1,466,500	1,425,000
Total capital	13,180,878	13,747,501

Risk-weighted assets. NOK 1 000	2023	2022
Credit risk IRB		
First lien residential mortgages	58,822,307	53,524,365
Total credit risk IRB	58,822,307	53,524,365
Credit risk standardised approach		
Derivatives and exposures to credit institutions	3,994,290	2,296,985
Covered bonds	2,430,890	2,268,951
Regional governments or local authorities	81,748	-
Other items	1,385,509	536,173
Total credit risk standardised approach	7,892,437	5,102,109
Market risk	-	-
Operational risk	255,805	174,178
CVA Risk	5,192,865	3,200,335
Total risk-weighted assets	72,163,415	62,000,988

Capital coverage	2023	2022
Capital coverage (requirement w/all buffers, 18.04%)	18.27 %	22.17 %
Tier 1 capital coverage (requirement w/all buffers, 16.04%)	16.23 %	19.87 %
Core capital coverage (requirement w/all buffers, 14.54%)	14.99 %	18.42 %
Leverage ratio (requirement 3.0%)	3.61 %	4.20 %

Note 18 Related parties

The Company has 276.817 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 percent 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	2023	2022
Collateral	4,896,717	714,730
Total	4,896,717	714,730

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.

Contact Information

SpareBank 1 Boligkreditt AS

Mailing address:
SpareBank 1 Boligkreditt
P.O. Box 243 Sentrum
4002 Stavanger
Norway

Visiting address:
Børehaugen 1b
4006 Stavanger
Norway



Managing Director
Arve Austestad
Phone: +47 950 39 7691



Director Finance and
Investor Relations
Eivind Hegelstad
Phone: +47 954 13 379