

4th 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, 4th Quarter 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 issued covered bonds are rated Aaa.

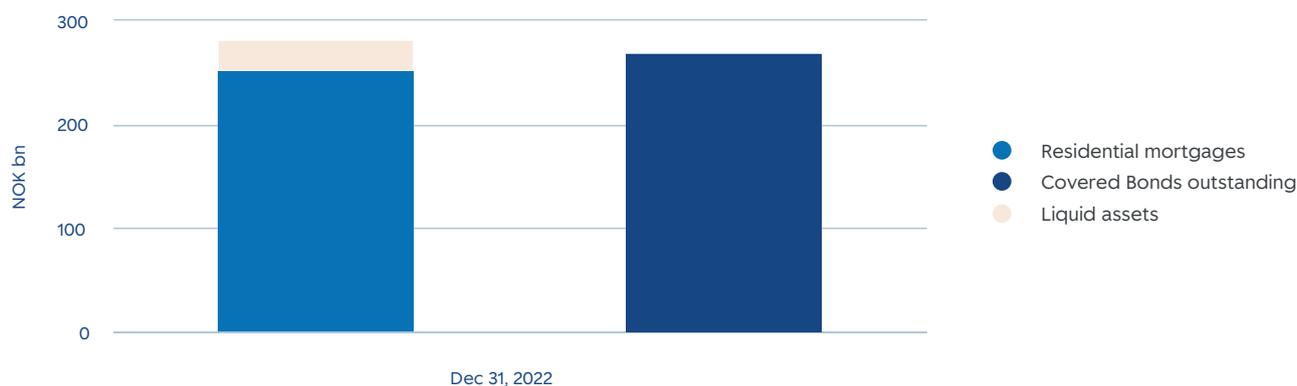
Cover pool and outstanding covered bonds³

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, 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, tailored at the time of issuance to exactly transform a bond's fixed annual coupon to a NOK 3-month floating rate basis over the whole tenor of a bond, are effectively incorporated within the nominal values of the bonds.

¹ The covered bond legislation in Norway is from July 2022 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 December 31, 2022 (also included as a 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).

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

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Weighted Average Current LTV (%)	49.2 %	48.3 %	48.3 %	50.0 %	51.0 %
Weighted Average Original LTV (%)	60.1 %	60.2 %	60.2 %	60.1 %	59.9 %
Average Loan Balance (NOK)	1,702,210	1,680,036	1,646,872	1,624,097	1,593,078
Number of Mortgages in Pool	148,328	145,739	144,086	141,872	139,495
Pct. of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	5.3 %	5.3 %	5.4 %	5.6 %	5.7 %

Key developments fourth quarter 2022

NOK issuance of 15.02 billion took place during the fourth quarter, for a total of NOK 37.22 billion issued during all of 2022, a record. SpaBol also issued an inaugural CHF 210 million covered bond and EUR 3.5 bn during the year. Credit spreads on covered bonds have generally widened over 2022 in EUR and NOK, along with the broader market. NOK levels have retracted some during the 4th quarter, and this enticed additional substantial issuance from SpaBol and other Norwegian covered bond issuers into the first weeks of 2023.

The residential mortgage lending volume which SpaBol finances grew by 3.1 per cent in the 4th quarter and the growth totaled 13.5 per cent during all of 2022, which is strong growth. The volume of mortgages financed grew significantly above the underlying growth in mortgage lending among the SpareBank 1 banks, as the banks utilized covered bond funding more than from other sources during the year. The financed mortgage volume stands at NOK 253 billion at the end of the fourth 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 5.3 per cent overcollateralization as of December 31, 2022. Substantial additional cover pool reserves – qualified mortgages – are however available on the balance sheets of SpaBol's issuer banks.

Accounts as per 31.12.2022

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 Q4 2022. Numbers in brackets refer to the corresponding period last year for comparison.

The total balance sheet at December 31, 2022 amounted to 288 (258) billion kroner. The main reason behind this increase is growth in the financed volume of mortgages of NOK 253 billion vs. NOK 223 billion a year earlier.

The Company had in 2022 net interest income of NOK 1.644 (2.344) 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, which is the funding basis for covered bonds, has increased faster and by more than the variable mortgage rate over the year. Mortgage rate increases must by law be delayed by 6 weeks (8 weeks from 2023) before becoming effective after announcement. 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, but will in practice always defer to the SpareBank 1 bank which originated the loan for this decision. Banks set and change their variable mortgage rates in competition with other banks and are often guided by changes in the central bank policy rate when doing so. Commission expense to SpareBank 1 banks, which are the payments of most of the net interest margin to the Issuer's loan originating owner banks, show a corresponding decrease.

The cost of operations for 2022 was NOK 44.3 (38.9) 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 16.5 million (decreased by 15) to NOK 31.5 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. These, along with increased loan loss provisions and temporary mark to market losses on the floating NOK leg of swaps hedging fixed rate issued covered bonds in EUR and NOK is the main reason for a reduced operating result of NOK 45.8 million (131.5) before tax. This 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 30.3 (23.9) billion as of the end of the fourth 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 December 31, 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

There is an expectation of lower growth in 2023, after several interest rate increases (which started at the end of 2021). While Statistics Norway is the source for the below forecast, other sources see a shallow recession in 2023. Private consumption is seen as vulnerable, as is business investment, after energy price and interest rate increases. Household real income growth was negative in 2022 and is also expected negative in 2023, although CPI growth for 2023 overall is expected below the 5.8 per cent increase in 2022. Unemployment is expected a little higher in 2023.

With high energy prices, weighing on business' growth outlook and thus employment levels, Norway's current account surplus to GDP as an energy exporter, is particularly high, at nearly 28 per cent in 2022. Oil and gas investments are expected to increase significantly from 2023 onwards, due to the increased demand from Europe.

Housing investment (construction) has, with the exception of 2019, delivered negative GDP contributions from 2018 through 2022, and is expected negative in 2023, as mortgage interest rates are expected towards or around 5 per cent for variable mortgage loans. The housing market price index appreciated by 1.5 per cent overall in 2022, though the 2nd half saw a correction of 6.7 per cent (July-December). Several analysts are expecting a low single digit contraction in 2023, but within a broader range of possible outcomes. In response to increased market rates, mortgage lending regulations were relaxed somewhat from January 2023; most importantly the interest stress test requires banks to add 3 percentage points to the offered rate to stress the mortgage loan applicant's repayment ability (reduced from 5 per cent).

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	2.3	-2.8	4.1	3.8	1.2
Private consumption growth	1.0	-6.2	4.5	6.8	0.8
Investments growth	9.5	-4.1	-1.2	4.7	0.3
Unemployment rate	3.9	4.7	4.4	3.3	3.7
CPI growth	2.2	1.3	3.5	5.8	4.9
Annual wage growth	3.5	3.1	3.5	3.8	4.4
Current account surplus to GDP	3.8	1.1	13.5	27.8	18.4

Source: Statistics Norway (SSB) September 9, 2022

⁴ Macroeconomic projections have been sourced from Statistics Norway as of December 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 1.7 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 22.2 per cent against a total requirement, including all buffers, of 17.0 per cent (Pillar 1) plus 0.9 per cent (Pillar 2). The countercyclical buffer capital requirement increased to 2.0 per cent as of December 31, 2022 and will further increase to 2.5 per cent as of March 31, 2022.

Total equity Tier 1 capital is 19.9 per cent against a requirement, including buffers, of 15.9 per cent. Common equity capital was 18.4 per cent against a requirement, including all buffers, of 14.4 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 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 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 fourth quarter 2022. The financial accounts including notes are produced under the assumption of a going concern.

Stavanger, February 10, 2023
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 December 31, 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 December 31, 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, February 10, 2023

/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 4th quarter 2022

Income Statement

NOK 1 000	Note	4. quarter 2022	4. quarter 2021	2022	2021
Total interest income	2	2,548,460	1,151,894	7,203,389	4,360,791
Total interest expenses	2	-2,254,730	-597,236	-5,559,392	-2,016,385
Net interest income		293,730	554,658	1,643,997	2,344,406
Commissions to SpareBank 1 banks	3	-171,347	-491,099	-1,249,440	-2,097,594
Net commission income		-171,347	-491,099	-1,249,440	-2,097,594
Net gains/losses from financial instruments	4	-94,600	-60,177	-287,945	-91,327
Net other operating income		-94,600	-60,177	-287,945	-91,327
Total operating income		27,783	3,383	106,612	155,485
Salaries and other ordinary personnel expenses	5	-3,547	-1,149	-13,822	-10,701
Other operating expenses	6	-10,340	-6,198	-30,474	-28,205
Total operating expenses		-13,887	-7,346	-44,296	-38,906
Operating result before loan loss provisions		13,896	-3,964	62,316	116,579
Loan loss provisions		-8,691	1,646	-16,489	14,960
Pre-tax operating result		5,206	-2,317	45,826	131,539
Taxes		2,022	2,521	-1,179	-24,514
Profit/(loss) for the period		7,227	204	44,647	107,026
Portion attributable to shareholders		-5,148	-7,564	4,454	73,541
Portion attributable to additional Tier 1 capital holders		12,375	7,767	40,193	33,484
Profit/(loss) for the period		7,227	204	44,647	107,026

Overview of Comprehensive Income

NOK 1 000	4. quarter 2022	4. quarter 2021	2022	2021
Profit/loss for the year	7,227	204	44,647	107,026
Items that will not be reclassified to profit/loss				
Actuarial gains and losses pensions	1,223	-459	1,223	-459
Tax effect	-306	115	-306	115
Items that may be reclassified to profit/loss later				
Basis swap valuation adjustment	-812,127	220,372	623,282	85,082
Tax effect	203,032	-55,093	-155,821	-21,271
Other comprehensive income for the period	-608,178	164,934	468,379	63,467
Comprehensive income for the period	-600,951	165,138	513,026	170,493

Balance Sheet

NOK 1 000	Note	2022	2021
Assets			
Lending to and deposits with credit institutions	13	1,360,520	1,434,091
Certificates and bonds	13,14	29,426,208	26,195,602
Residential mortgage loans	8,13	252,904,944	222,812,873
Financial derivatives	12,13,14	3,990,087	7,586,258
Deferred tax asset		204,527	205,886
Other assets	7	70,500	4,111
Total assets		287,956,786	258,238,820
Liabilities and equity			
Liabilities			
Debt incurred by issuing securities	10,14	260,848,557	237,522,824
Collateral received under derivatives contracts	13,19	714,730	3,892,723
Repurchase agreement		-	
Financial derivatives	12,13,14	11,822,504	2,766,866
Deferred tax		70,856	-
Tax payable		115,171	30,081
Subordinated debt	11,13	1,436,805	1,430,860
Other Liabilities	15	129,777	176,618
Total Liabilities		275,138,398	245,819,972
Equity			
Share capital	9	7,797,215	7,797,215
Share premium		3,901,255	3,901,255
Declared dividends		-	73,294
Basis swap valuation reserve		212,567	-254,894
Other equity		7,350	1,978
Hybrid capital	9,13	900,000	900,000
Total equity		12,818,388	12,418,848
Total liabilities and equity		287,956,786	258,238,820

Stavanger, 10.02.2023

/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	Basis swap valuation reserve	Other equity	Hybrid capital	Total equity
Balance as of 31 December, 2020	7,797,215	3,901,255	85,769	-318,706	2,280	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
Basis swap valuation change, net	-	-	-	63,812	-	-	63,812
Actuarial gain/loss pension	-	-	-	-	-345	-	-345
Other	-	-	-	-	-205	-	-205
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

Equity is paid in by the Company's parent banks when a requirement arises, which is when the Company acquires more mortgage loans, or there are other changes to risk weighted assets, or according to changes in capitalization rules. SpareBank 1 Boligkreditt is subject to the same capital adequacy rules under Pillar 1 as banks in general. Each parent bank has signed a Shareholders Agreement with the Company, which enshrines the obligation to contribute equity and maintain capitalization at minimum regulatorily required levels.

Cash Flow Statement

NOK 1 000	2022	2021
Cash flows from operations		
Interest received	6,927,219	4,364,213
Paid commissions to SpareBank 1 banks	-1,366,740	-2,124,745
Paid expenses, operations	-42,121	-42,105
Paid tax	0	-93,081
Net cash flow relating to operations	5,518,357	2,104,283
Cash flows from investments		
Net purchase of loan portfolio	-29,889,709	-14,162,127
Net payments on the acquisition of government certificates	4,402,153	-1,420,376
Net payments on the acquisition of bonds	-7,833,793	8,597,611
Net investments in intangible assets	0	0
Net investments in fixed assets	0	0
Net cash flows relating to investments	-33,321,349	-6,984,891
Cash flows from funding activities		
Net receipt/payment from the issuance of securities	35,381,101	14,106,168
Net receipt/payment from the issuance of subordinated debt	0	0
Net receipt/payment of loans to credit institutions	-2,903,043	-12,312,780
Equity capital subscription	917	-550
Paid additional Tier 1 capital	-40,193	-33,484
Paid dividend	-73,294	-85,769
Net interest payments on funding activity	-4,636,068	-1,832,760
Net cash flow relating to funding activities	27,729,420	-159,176
Net cash flow in the period	-73,571	-5,039,785
Balance of cash and cash equivalents at beginning of period	1,434,092	6,473,877
Net receipt/payments on cash	-73,571	-5,039,785
Balance of cash and cash equivalents at end of period	1,360,520	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	4. quarter	3. quarter	2. quarter	1. quarter	4. quarter
	2022	2022	2022	2022	2021
Total interest income	2,548,460	1,820,052	1,526,422	1,308,454	1,151,894
Total interest expenses	-2,254,730	-1,436,847	-1,059,989	-807,825	-597,236
Net interest income	293,730	383,205	466,433	500,629	554,658
Commissions to SpareBank 1 banks	-171,347	-296,817	-365,648	-415,628	-491,099
Net commission income	-171,347	-296,817	-365,648	-415,628	-491,099
Net gains/losses from financial instruments	-94,600	6,439	-105,910	-93,874	-60,177
Net other operating income	-94,600	6,439	-105,910	-93,874	-60,177
Total operating income	27,783	92,827	-5,124	-8,874	3,383
Salaries and other ordinary personnel expenses	-3,547	-3,557	-2,830	-3,887	-1,149
Other operating expenses	-10,340	-7,712	-5,925	-6,498	-6,198
Total operating expenses	-13,887	-11,269	-8,755	-10,385	-7,346
Operating result before losses	-3,547	-3,557	-13,880	-19,259	-3,964
Mortgages IFRS 9 ECL	-8,691	-6,665	226	-1,360	1,646
Pre-tax operating result	5,206	74,894	-13,654	-20,619	-2,317
Taxes	2,022	-16,260	5,700	7,359	2,521
Profit/loss for the year	7,227	58,633	-7,954	-13,260	204
Other income and expense	-608,178	665,522	73,027	338,008	164,934
Total Profit/Loss	-600,951	724,155	65,074	324,748	165,138

Balance Sheet

NOK 1 000	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
Assets					
Lending to and deposits with credit institutions	1,360,520	4,816,899	2,518,479	4,026,358	1,434,091
Certificates and bonds	29,426,208	27,625,296	30,451,050	27,784,216	26,195,602
Residential mortgage loans	252,904,944	245,162,243	237,573,557	230,689,401	222,812,873
Financial derivatives	3,990,087	5,976,104	6,375,186	2,397,900	7,586,258
Deferred tax asset	204,527	0	68,874	93,217	205,886
Other assets	70,500	602,519	1,636,995	1,976,628	4,111
Total assets	287,956,786	284,183,060	278,624,141	266,967,719	258,238,820
Liabilities and equity					
Liabilities					
Debt incurred by issuing securities	260,848,557	256,447,029	253,916,041	243,627,664	237,522,824
Collateral received under derivatives contracts	714,730	1,122,032	2,113,394	340,877	3,892,723
Repurchase agreement	0	0	250,021	0	0
Financial derivatives	11,822,504	11,024,074	7,508,626	8,291,753	2,766,866
Deferred tax	70,856	152,966	0	0	0
Tax payable	115,171	33,282	17,021	22,722	30,081
Subordinated debt	1,436,805	1,433,996	1,432,116	1,431,504	1,430,860
Other Liabilities	129,777	537,968	669,512	591,714	176,618
Total Liabilities	275,138,398	270,751,347	265,906,730	254,306,235	245,819,972
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	73,294
Basis swap valuation reserve	212,567	793,845	138,175	74,296	-254,894
Other equity	7,350	1,978	1,978	1,978	1,978
Net profit	0	37,420	-21,213	-13,260	0
Hybrid capital	900,000	900,000	900,000	900,000	900,000
Total equity	12,818,388	13,431,713	12,717,411	12,661,484	12,418,848
Total liabilities and equity	287,956,786	284,183,060	278,624,141	266,967,719	258,238,820

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	2022	2021
Interest income		
Interest income from certificates, bonds and deposits	538,839	146,460
Interest income from residential mortgage loans	6,664,550	4,214,331
Total interest income	7,203,389	4,360,791
Interest expense		
Interest expense and similar expenses to credit institutions	22,154	2,920
Interest expense and similar expenses on issued bonds	5,430,349	1,925,289
Interest expense and similar expenses on subordinated debt	50,230	31,078
Recovery and Resolution Fund *	52,246	48,195
Other interest expenses	4,413	8,903
Total interest expense	5,559,392	2,016,385
Net interest income	1,643,996	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	2022	2021
Commission expense		
Commission expense to SpareBank 1 banks	1,249,440	2,097,594
Total commission expense	1,249,440	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 1 000	2022	2021
Net gains (losses) from financial liabilities	15,955,802	11,065,296
Net gains (losses) from financial derivatives at fair value, hedging liabilities (hedging instrument)	-16,331,646	-10,762,189
Net gains (losses) from financial assets	-206,058	-498,643
Net gains (losses) from financial derivatives at fair value, hedging assets (hedging instrument)	293,956	104,209
Net gains (losses)	-287,945	-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	2022	2021
Salaries	11,060	10,650
Salaries reinvoyced to SpareBank1 Næringskreditt*	-3,344	-2,524
Pension expenses	2,643	-1,219
Social insurance fees	2,779	3,379
Other personnel expenses	684	415
Total salary expenses	13,822	10,701
Average number of full time equivalentents (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 reinvoyced 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	2022	2021
IT and IT operations	12,107	12,545
Purchased services other than IT	15,549	13,676
Other Operating Expenses	2,741	1,821
Depreciation on fixed assets and other intangible assets	78	163
Total	30,475	28,205

Note 7 Other Assets

NOK 1 000	2022	2021
Leases	2,010	2,947
Fixed assets	163	241
Intangible assets	382	-
Accounts receivables from SpareBank 1 Næringskreditt AS	350	602
Accounts receivable, securities	66,970	-
Other	626	321
Total	70,500	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	2022	2021
Revolving loans - retail market	41,935,854	38,368,426
Amortising loans - retail market	210,603,683	184,281,403
Accrued interest	396,931	178,226
Total loans before specified and unspecified loss provisions	252,936,468	222,828,055
Stage 1	243,051,062	214,879,504
Stage 2	9,885,406	7,948,551
Stage 3	-	-
Gross loans	252,936,468	222,828,055
Impairments on groups of loans		
Expected credit loss, stage 1	-10,584	-3,726
Expected credit loss, stage 2, no objective proof of loss	-20,941	-11,456
Expected credit loss, stage 3, objective proof of loss	-	-
Total net loans and claims with customers	252,904,944	222,812,873
Liability		
Unused balances under customer revolving credit lines (flexible loans)	14,090,508	12,829,529
Total	14,090,508	12,829,529
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 2022

	No of Shares	in per cent	Share og votes
SpareBank 1 SMN	17,635,629	22.62 %	22.62 %
SpareBank 1 Østlandet	17,484,191	22.42 %	22.42 %
SpareBank 1 Nord-Norge	12,145,623	15.58 %	15.58 %
SpareBank 1 Sørøst-Norge	9,496,225	12.18 %	12.18 %
BN Bank ASA	5,457,882	7.00 %	7.00 %
SpareBank 1 Østfold Akershus	3,778,299	4.85 %	4.85 %
SpareBank 1 Ringerike Hadeland	3,597,797	4.61 %	4.61 %
SpareBank 1 Nordmøre	2,309,810	2.96 %	2.96 %
SpareBank1 Helgeland	1,957,985	2.51 %	2.51 %
SpareBank 1 Gudbrandsdal	1,216,092	1.56 %	1.56 %
SpareBank 1 Søre Sunnmøre	1,148,786	1.47 %	1.47 %
SpareBank 1 Hallingdal Valdres	1,040,179	1.33 %	1.33 %
SpareBank 1 Lom og Skjåk	703,651	0.90 %	0.90 %
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	30.09.2021	2021
Perpetual						
Hybrid (Tier 1)	NO0010811318	3M Nibor + 310 bp	2017	01.12.2022	100,000	100,000
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
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	2022	2021
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	267,908,851	231,799,097
Repurchased Covered bonds	-	-
Total debt incurred by issuing securities	267,908,851	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
NOK 1 000	2022	2021
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	259,999,992	237,100,545
Repurchased covered bonds	-	-
Activated costs incurred by issuing debt	-222,883	-201,573
Accrued interest	1,071,448	623,851
Total debt incurred by issuing securities	260,848,557	237,522,824

Covered bonds

Due in	2022	2021
2022	-	33,760,002
2023	26,120,200	30,525,750
2024	28,162,216	28,068,195
2025	37,713,750	37,713,750
2026	50,176,000	26,010,000
2027	39,843,585	28,041,050
2028	38,997,300	12,462,800
2029	25,462,800	23,972,050
2031	11,003,000	11,003,000
2032	9,937,500	
2034	250,000	
2038	242,500	242,500
Total	267,908,851	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	2022	2021
NOK	104,077,916	83,164,332
EUR	143,669,469	136,864,324
GBP	2,873,911	8,934,297
SEK	8,087,303	8,559,871
CHF	2,139,958	
Total	260,848,557	237,522,824

Note 11 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option from	Maturity	Nominal amount	2022	2021
With maturity								
Subordinated debt (Tier 2)	NO0010826696	3M Nibor + 153 bp	2018	22.06.2023	22.06.2028	250,000	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	475,000	475,000	475,000
Subordinated debt (Tier 2)	NO0010842222	3M Nibor + 192 bp	2019	24.01.2024	24.01.2029	300,000	300,000	300,000
Accrued interest							11,805	5,860
Book value							1,436,805	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	2022	2021
Interest rate derivative contracts		
Interest rate swaps		
Nominal amount	31,562,031	33,293,120
Asset	348,546	803,181
Liability	-1,788,128	-90,305
Currency derivative contracts		
Currency swaps		
Nominal amount	136,856,600	143,520,577
Asset	3,358,118	6,783,076
Liability	-10,034,376	-2,336,702
Total financial derivative contracts		
Nominal amount	168,418,631	176,813,697
Asset	3,706,664	7,586,258
Liability	-11,822,504	-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	2022	2021
Total asset(+)/liability(-) derivatives	3,706,664	-2,427,007
Net gain (loss) on valuation adjustment of basisswap spreads	283,423	-339,859
Net asset(+)/liability(-) derivatives	3,990,087	-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 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
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
Deferred taxes	-	-	-
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.

NOK 1 000	Financial instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	2021
Assets			
Lending to and deposits with credit institutions	-	1,434,091	1,434,091
Certificates and bonds	26,195,602	-	26,195,602
Residential mortgage loans	-	222,812,873	222,812,873
Financial derivatives	7,586,258	-	7,586,258
Deferred tax asset	-	-	-
Other assets	-	-	-
Total Assets	33,781,859	224,246,964	258,028,824
Liabilities			
Debt incurred by issuing securities*	-	237,522,824	237,522,824
Collateral received in relation to financial derivatives	-	3,892,723	3,892,723
Repurchase agreement	-	-	-
Financial derivatives	2,766,866	-	2,766,866
Taxes payable	-	-	-
Subordinated debt	-	1,430,860	1,430,860
Other liabilities	-	-	-
Total Liabilities	2,766,866	242,846,407	245,613,273
Total Equity	-	900,000	900,000
Total Liabilities and Equity	2,766,866	243,746,407	246,513,273

* For issued securities, 176 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 31.12.2022

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 174 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 31.12.2021

NOK 1 000				
	Level 1	Level 2	Level 3	Total
Certificates and bonds	26,195,602	-	-	26,195,602
Financial Derivatives	-	7,586,258	-	7,586,258
Total Assets	26,195,602	7,586,258	-	33,781,859
Financial Derivatives	-	2,766,866	-	2,766,866
Total Liabilities	-	2,766,866	-	2,766,866

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 176 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	2022	2021
Employees tax deductions and other deductions	653	2,475
Employers national insurance contribution	1,071	1,617
Accrued holiday allowance	1,223	1,120
Commission payable to shareholder banks	39,576	156,877
Deposits*	4,646	2,134
Pension liabilities	2,784	4,181
Expected credit loss unused credit lines (flexible loans)	231	84
Accounts payable, securities	73,863	2,387
Other accrued costs	5,731	5,744
Total	129,777	176,618

The Company does not have an overdraft facility or a revolving credit facility as of 31.12.2022

* 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 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.

NOK 1 000	30.06.2022	30.06.2021	2021
NOK 1 000	2022	2021	2021
Covered Bonds	268,270,136	231,871,400	
Total Covered Bonds	268,270,136	231,871,400	
Residential mortgage loans	252,333,523	222,108,302	
Public sector, SSA bond exposure	6,726,165	8,399,310	
Reverse repo/ depo less than 100 days	620,438	540,660	
Exposure to credit institutions (covered bonds)	22,776,142	14,476,016	
Derivatives	-	-	
Total Cover Pool	282,456,268	245,524,289	
Asset-coverage	105.29 %	105.89 %	

Liquidity Coverage Ratio (LCR)	2022	2021
Liquid assets	4,866,972	11,528,387
Cash outflow next 30 days	4,854,322	11,244,655
LCR ratio	100.26 %	102.52 %

Net Stable Funding Ratio (NSFR)	2022	2021
Available amount of stable funding	247,275,503	224,551,972
Required amount of stable funding	217,645,930	228,545,479
NSFR ratio	113.61 %	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 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: 4.3 per cent core equity.
- Countercyclical buffer: 2.0 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 17.7 percent of risk weighted assets. With a management buffer added, the target for capital coverage is 18.1 per cent as of December 31, 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	2022	2021
Share capital	7,797,215	7,797,215
Premium share fund	3,901,255	3,901,255
Other equity capital	219,917	-179,622
Common equity	11,918,387	11,518,848
Intangible assets	-	-
Declared share dividend	-	-73,294
100% deduction of expected losses exceeding loss provisions IRB (CRD IV)	-466,460	-427,206
Prudent valuation adjustment (AVA)	-29,426	-23,150
Deferred taxes	-	-33,970
Core equity capital	11,422,501	10,961,228
Hybrid bond	900,000	900,000
Tier 1 equity capital	12,322,501	11,861,228
Supplementary capital (Tier 2)	1,425,000	1,425,000
Total capital	13,747,501	13,286,228

Risk-weighted assets. NOK 1 000	2022	2021
Credit risk IRB		
First lien residential mortgages	53,524,365	47,307,890
Total credit risk IRB	53,524,365	47,307,890
Credit risk standardised approach		
Derivatives and exposures to credit institutions	2,296,985	2,855,157
Covered bonds	2,268,951	1,466,499
Regional governments or local authorities	334,177	429,790
Other items	201,996	95,769
Total credit risk standardised approach	5,102,109	4,847,215
Market risk	-	-
Operational risk	174,178	659,432
CVA Risk	3,200,335	3,231,217
Total risk-weighted assets	62,000,988	56,045,754

Capital Coverage	2022	2021
Capital coverage (requirement w/all buffers, 17.7%)	22.17 %	23.71 %
Tier 1 capital coverage (requirement w/all buffers, 15.7%)	19.87 %	21.16 %
Core capital coverage (requirement w/all buffers, 14.2%)	18.42 %	19.56 %
Leverage ratio (requirement 3.0%)	4.20 %	4.57 %

Note 18 Related parties

The Company has 252.905 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	2022	2021
Collateral	714,730	3,892,723
Total	714,730	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.

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