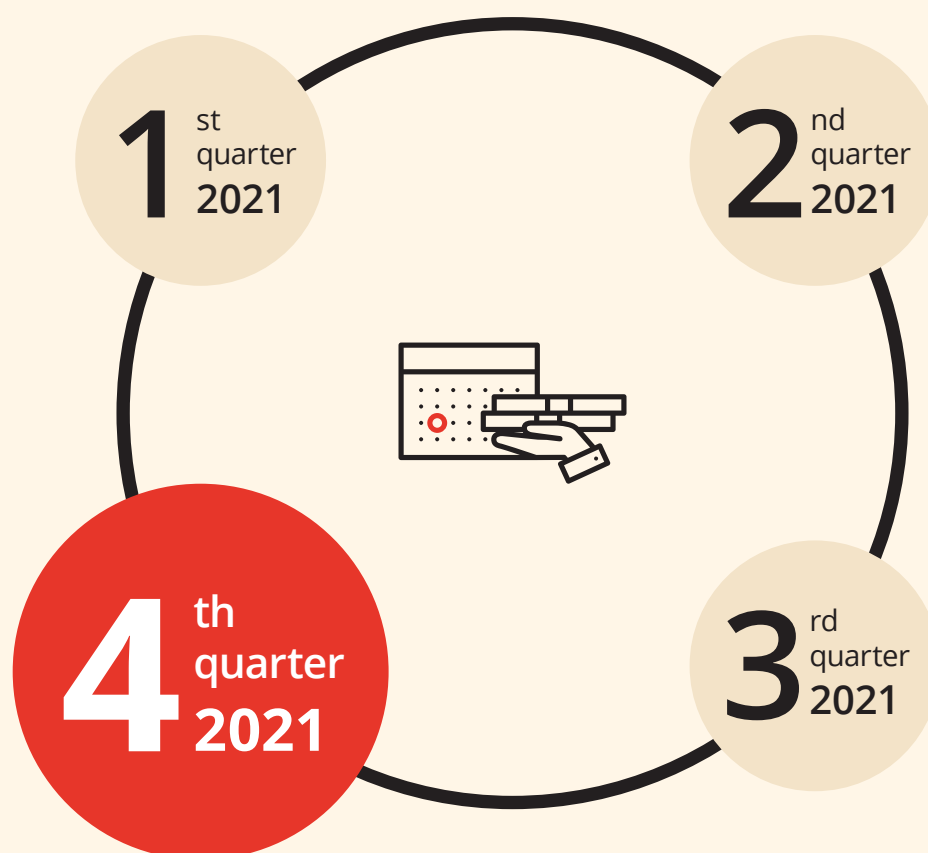


# Interim report 2021

Storebrand Boligkreditt AS (unaudited)



# Contents

Interim report . . . . .	3
Key Figures . . . . .	5
Income statement . . . . .	6
Statement of financial position. . . . .	7
Statement of changes in equity . . . . .	8
Statement of cash flow . . . . .	9

## Notes

Note 1 Accounting principles. . . . .	10
Note 2 Estimates. . . . .	10
Note 3 Tax. . . . .	10
Note 4 Related parties. . . . .	10
Note 5 Financial risk. . . . .	11
Note 6 Valuation of financial instruments. . . . .	12
Note 7 Segment information. . . . .	13
Note 8 Liabilities to credit institutions. . . . .	13
Note 9 Debt securities issued. . . . .	14
Note 10 Capital adequacy. . . . .	14
Note 11 Loan to value ratios and collateral . . . . .	16
Note 12 Net interest income . . . . .	16
Note 13 Off balance sheet liabilities and contingent liabilities . . . . .	17
Note 14 Losses on loans, guarantees and unused credits . . . . .	17
Note 15 Loan portfolio and guarantees. . . . .	17
Note 16 Non-performing loans and loan losses . . . . .	19
Note 17 Loan loss provisions . . . . .	20
Note 18 Distribution of loan loss provisions and exposure on secured and unsecured retail exposures . . . . .	21
Note 19 Quarterly income statement . . . . .	22

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally. The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.

# Storebrand Boligkreditt AS

## - Interim report for the fourth quarter of 2021

(Profit figures for the corresponding period in 2020 are shown in brackets. Balance sheet figures in brackets are for the end of 2020)

- Decreased interest margins
- Increased lending

### Financial performance

Pre-tax profit was NOK 43 million (NOK 45 million) for the fourth quarter and a pre-tax of NOK 171 million (NOK 94 million) year to date.

Net interest income was NOK 71 million (NOK 65 million) in the fourth quarter and NOK 265 million (NOK 198 million) year to date. The increase from the fourth quarter of 2020 was due to increased lending volume. As a percentage of average total assets, net interest income was 1.02 per cent (1.13 per cent) for the quarter and 1.06 per cent (0.93 per cent) year to date.

Other operating income amounted to minus NOK 0.9 million (NOK 0.3 million) and NOK 1.8 million (minus NOK 16.5 million) year to date and relate to net gain on financial instruments at fair value.

Operating expenses totalled NOK 26 million (NOK 21 million) in the fourth quarter and NOK 95 million (NOK million 84) year to date.

Loan losses amounted to NOK 0.9 million (NOK 1.5 million recognised as gain) and NOK 0.5 million (NOK 2.7 million) year to date.

### Balance sheet development

The lending volume has increased by NOK 5.4 billion since the end of 2020 and amounted to NOK 26.4 billion (NOK 21.1 billion). Storebrand Bank ASA and Storebrand Boligkreditt AS operate with restrictive lending practices. The average loan-to-value ratio in the portfolio was 55 per cent (52 per cent) at the end of the quarter. On the date of transfer, the loan-to-value ratio never exceeds 75 per cent. The company has over-colateralisation of 111 per cent (116 per cent).

As of 30 September 2021, Storebrand Boligkreditt AS has changed the definition of default. The definition is adapted to the European Banking Authority (EBA) guidelines on definition of default. See note 16 for more details about the new default definition.

Non-performing loans at the end of the fourth quarter amounted to NOK 15 million (NOK 41 million), equivalent to 0.06 per cent of gross loans in the company (0.19 per cent). All the loans have a loan-to-value ratio within 75 per cent of market value or have mainly been written down. Loan loss provisions amounted to NOK 5 million (NOK 4 million) at the end of the fourth quarter.

The company's loan programme is AAA rated by S&P Global Ratings.

At the end of the fourth quarter of 2021, the company had a liquidity portfolio consisting of fixed-income securities with a AAA rating and AA+ rating from S&P Global Ratings with a market value of NOK 1,654 million, of which NOK 288 million is classified at amortised cost and NOK 1,366 million is classified at fair value with changes in value through profit and loss.

The company's total assets as of 31 December 2021 were NOK 28.1 billion (NOK 22.6 billion), an increase of NOK 5.5 billion compared with the end of 2020.

At the end of the fourth quarter of 2021, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK 24.6 billion. NOK 20.6 billion of these bonds have been placed in the market, while NOK 4.0 billion are being held by the parent bank. The weighted average of the bonds placed in the market was 2.9 years at end of the fourth quarter.

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these is a normal overdraft facility, with a ceiling of NOK 6.0 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity.

### Capital adequacy

Equity in the company at the end of the fourth quarter amounted to NOK 1.7 billion (NOK 1.6 billion) after group contributions paid/received. The eligible capital (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 1.7 billion (NOK 1.6 billion). The capital base of Storebrand Boligkreditt AS consists entirely of Core Equity Tier 1 (CET1). The CET1 adequacy ratio in the company was 17.0 per cent (19.7 per cent) at the end of the fourth quarter. The requirement for the capital base was 14.5 per cent as of 31 December 2021. The company has satisfactory solvency and liquidity based on the company's business activities. The company satisfied the combined capital and capital buffer requirements by a good margin at the end of the quarter.

Storebrand Boligkreditt AS must comply with an LCR of 100 per cent. At the end of the fourth quarter of 2021, the company's LCR was 6,203 per cent.

### **Credit risk**

The loan portfolio at 31 December 2021 is not significantly changed from previous quarters. The portfolio consists of loans and credits secured in real estate. The average LTV is low and have not changed significantly from previous quarters. Loans in arrear and defaulted loans are on similar levels as in previous quarters.

The expected credit loss is increased from NOK 2.7 million to NOK 3.6 million in the fourth quarter.

### **Strategy and future prospects**

In 2022, Storebrand Boligkreditt AS will continue its core activity, which is the acquisition and management of mortgages from Storebrand Bank ASA. The company is aiming for moderate growth in collateralisation during 2022.

The market trends and the non-performing loans are being closely monitored. Efforts to ensure good working procedures and high data quality will continue and thereby ensure that government and rating requirements continue to be fulfilled. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the performance of Storebrand Boligkreditt AS in 2022.

New issues of covered bonds will be made available when the company decides it is favourable to do so and there is sufficient collateral. Storebrand Boligkreditt AS will continue to contribute to Storebrand Bank ASA having diversified financing.

The Board of Directors are not aware of any events of material importance to the preparation of the interim financial statements that have occurred since the balance sheet date.

Lysaker, 8 February 2022

The Board of Directors of Storebrand Boligkreditt AS

# Storebrand Boligkreditt AS

## Key figures

NOK million and percentage	Q4		Full year	
	2021	2020	2021	2020
<b>Profit and loss account: (as % of avg. total assets)</b>				
Net interest income	1.02 %	1.13 %	1.06 %	0.93 %
Profit before other comprehensive income as % of total assets			0.12 %	0.59 %
<b>Main balance sheet figures:</b>				
Total assets			28,114.4	22,587.5
Average total assets <sup>1)</sup>	27,608.7	22,735.7	25,063.8	21,249.2
Gross loans to customers			26,434.7	21,069.7
Equity			1,742.0	1,609.0
<b>Other key figures:</b>				
Loan losses and provisions as % of average total lending <sup>2)</sup>	0.01 %	0.01 %	0.00 %	0.01 %
Gross non-performing and loss-exposed loans as % of total loans			0.06 %	0.19 %
Cost/income ratio <sup>3)</sup>	37.2 %	33.0 %	35.8 %	46.7 %
Core equity Tier 1 (CET1) capital ratio			17.0 %	19.7 %
LCR <sup>4)</sup>			6,203.0 %	991.0 %

### Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the quarter and for the year respectively.
- 2) Loan losses and provisions consist of total loan loss provisions including change in statistical provisions for the period.
- 3) Total operating expenses as % of total income.
- 4) Liquidity coverage requirement.

# Storebrand Boligkreditt AS

## Income statement

(NOK million)	note	Q4		Full year	
		2021	2020	2021	2020
<b>Interest income and similar income</b>					
Interest income calculated by using the effective interest method		125.2	99.5	439.2	462.7
Other interest income		7.3	1.5	11.2	3.2
<b>Total interest income and similar income</b>		<b>132.5</b>	<b>101.1</b>	<b>450.4</b>	<b>465.8</b>
<b>Interest expenses and similar expenses</b>					
Interest expenses calculated by using the effective interest method		-57.1	-35.6	-182.3	-265.0
Other interest expenses		-4.6	-0.8	-3.4	-3.4
<b>Total interest expenses and similar expenses</b>		<b>-61.8</b>	<b>-36.5</b>	<b>-185.7</b>	<b>-268.4</b>
<b>Net interest income</b>	<b>12</b>	<b>70.7</b>	<b>64.6</b>	<b>264.7</b>	<b>197.5</b>
<b>Fee and commission income from banking services</b>				0.1	0.1
Fee and commission expense for banking services		-0.2	-0.1	-0.3	-0.3
Net change in fair value and gain/loss on foreign exchange and financial instruments		-0.8	0.4	2.0	-16.2
<b>Total other operating income</b>		<b>-0.9</b>	<b>0.3</b>	<b>1.8</b>	<b>-16.5</b>
<b>Staff expenses</b>		-0.1	-0.1	-0.2	-0.2
Other operating expenses		-25.9	-21.3	-95.2	-84.2
<b>Total operating expenses excl. credit loss on loans, etc.</b>		<b>-26.0</b>	<b>-21.4</b>	<b>-95.4</b>	<b>-84.5</b>
<b>Profit before credit loss on loans, etc.</b>		<b>43.9</b>	<b>43.5</b>	<b>171.0</b>	<b>96.5</b>
Total credit loss on loans, guarantees and interest-bearing securities	14	-0.9	1.5	-0.5	-2.7
<b>Profit before tax for continued operations</b>		<b>43.0</b>	<b>45.0</b>	<b>170.6</b>	<b>93.8</b>
Tax on profit from continued operations	3	-9.5	-9.9	-37.5	-20.6
<b>Profit before other comprehensive income</b>		<b>33.5</b>	<b>35.1</b>	<b>133.0</b>	<b>73.2</b>
<b>Other comprehensive income</b>					
Other income and expenses not to be reclassified to profit/loss					
Total other income and expenses not to be reclassified to profit/loss					
Other income and expenses that may be reclassified to profit/loss					
Total other income and expenses that may be reclassified to profit/loss					
<b>Total other comprehensive income</b>					
<b>Total comprehensive income</b>		<b>33.5</b>	<b>35.1</b>	<b>133.0</b>	<b>73.2</b>

# Storebrand Boligkreditt AS

## Statement of financial position

(NOK million)	note	31.12.2021	31.12.2020
Loans to and deposits with credit institutions	6	6.1	8.3
Loans to customers	6, 11, 13, 15,16, 17, 18	26,430.0	21,065.6
Interest bearing securities	6	1,654.3	1,497.8
Derivatives	6	2.6	
Other current assets	6	21.5	15.8
<b>Total assets</b>		<b>28,114.4</b>	<b>22,587.5</b>
Loans and deposits from credit institutions	6, 8	1,757.3	1,712.7
Debt securities issued	6, 9	24,570.8	19,243.1
Other current liabilities	6	0.2	0.7
Tax payable		30.7	15.3
Deferred tax		13.4	
<b>Total liabilities</b>		<b>26,372.4</b>	<b>20,978.5</b>
Share capital		490.0	490.0
Share premium		550.1	550.1
Other paid-in equity		521.4	467.0
<b>Total paid-in equity</b>		<b>1,561.5</b>	<b>1,507.0</b>
Other equity		180.6	102.0
<b>Total retained earnings</b>		<b>180.6</b>	<b>102.0</b>
<b>Total equity</b>	<b>10</b>	<b>1,742.0</b>	<b>1,609.0</b>
<b>Total liabilities and equity</b>		<b>28,114.4</b>	<b>22,587.5</b>

Lysaker, 8 February 2022  
The Board of Directors of Storebrand Boligkreditt AS

# Storebrand Boligkreditt AS

## Statement of changes in equity

(NOK million)	Share capital	Share premium	Other paid in equity	Total paid in equity	Other equity	Total retained earnings	Total equity
<b>Equity at 31.12.2019</b>	<b>490.0</b>	<b>550.1</b>	<b>404.3</b>	<b>1,444.4</b>	<b>91.4</b>	<b>91.4</b>	<b>1,535.8</b>
Profit for the period					73.2	73.2	73.2
Other comprehensive income							
<b>Total comprehensive income for the period</b>					<b>73.2</b>	<b>73.2</b>	<b>73.2</b>
Equity transactions with the owner:							
Group contribution received			62.6	62.6			62.6
Group contribution paid					-62.6	-62.6	-62.6
<b>Equity at 31.12.2020</b>	<b>490.0</b>	<b>550.1</b>	<b>467.0</b>	<b>1,507.0</b>	<b>102.0</b>	<b>102.0</b>	<b>1,609.0</b>
Profit for the period					133.0	133.0	133.0
Other comprehensive income							
<b>Total comprehensive income for the period</b>					<b>133.0</b>	<b>133.0</b>	<b>133.0</b>
Equity transactions with the owner:							
Group contribution received			54.4	54.4			54.4
Group contribution paid					-54.4	-54.4	-54.4
<b>Equity at 31.12.2021</b>	<b>490.0</b>	<b>550.1</b>	<b>521.4</b>	<b>1,561.5</b>	<b>180.6</b>	<b>180.6</b>	<b>1,742.0</b>

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



# Storebrand Boligkreditt AS

## Statement of cash flow

(NOK million)	31.12.2021	31.12.2020
<b>Cash flow from operating activities</b>		
Net receipts of interest, commissions and fees from customers	431.8	470.5
Net disbursements/payments on customer loans	-5,369.2	-668.5
Net receipts/payments on securities	-149.8	-1,367.2
Payments of operating costs	-95.2	-91.1
<b>Net cash flow from operating activities</b>	<b>-5,182.5</b>	<b>-1,656.2</b>
<b>Cash flow from financing activities</b>		
Payments - repayments of loans and issuing of bond debt	-1,067.5	-5,465.9
Receipts - new loans and issuing of bond debt	6,441.8	8,709.3
Payments - interest on loans	-223.3	-278.0
Net receipts/payments of liabilities to credit institutions	44.6	-1,290.1
Receipts - group contribution	54.4	62.6
Payments - group contribution	-69.8	-80.3
<b>Net cash flow from financing activities</b>	<b>5,180.2</b>	<b>1,657.7</b>
<b>Net cash flow in the period</b>	<b>-2.2</b>	<b>1.5</b>
Cash and bank deposits at the start of the period	8.3	6.8
<b>Cash and bank deposits at the end of the period</b>	<b>6.1</b>	<b>8.3</b>

Storebrand Boligkreditt AS has credit facility agreements with Storebrand Bank ASA.

The amount drawn on the credit facilities is recognised in the item "Liabilities to credit institutions" as at 31.12.2021. See also Note 8.

# Storebrand Boligkreditt AS

## Notes

### Note 01 | Accounting principles

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements. The financial statements of Storebrand Boligkreditt AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and appurtenant interpretations.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2020 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There are no new standards or changes in standards that entered into effect in 2021 that are expected to have a significant effect on the accounts.

### Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2020 annual financial statements' note 2 and valuation of financial instruments at fair value are described in note 8.

In preparing financial statements the management are required to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statements were prepared.

Actual results may differ from these estimates.

### Note 03 | Tax

Storebrand Boligkreditt AS has activities within "Section K" (financing and insurance activities as defined in Standard Industrial Classification 2007) which exceed 30 per cent and are therefore subject to the financial tax, but since the company does not have any employees it is not subject to finance tax. A tax rate of 22 per cent has been used for capitalizing deferred tax asset in the balance sheet.

### Note 04 | Related Parties

#### Issued covered bonds

Storebrand Bank ASA has invested NOK 4 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 2021.

#### Loans transferred from Storebrand Bank ASA

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. Once the loans are transferred, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkreditt AS that receives all the cash flows from the loan customer. Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made in case of change from variable to fixed interest and conversion to a flexible mortgage. In some cases Storebrand Bank ASA shall arrange the transfer and return of loans when changes of loan amount or conversion to another mortgage product have to be made. The costs are included in the contractual administration fee. Non-performing loans in Storebrand Boligkreditt AS remain in the company. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific reports are prepared for non-performing loans in Storebrand Boligkreditt AS. These loans are not included in the cover pool.

Loans to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidised interest rate is covered monthly by the company in which the debtor is employed.

Storebrand Bank ASA has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS.

### Credit facilities with Storebrand Bank ASA

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. See note 8 for more information.

### Other

Storebrand Boligkreditt AS has no employees, and purchases personnel resources from Storebrand Bank ASA and services including accounting functions from Storebrand Livsforsikring AS.

Storebrand Boligkreditt AS conducts transactions with close associates as part of its normal business activities. The terms for transactions with senior employees and related parties are stipulated in note 27 in the 2020 annual report for Storebrand Boligkreditt AS.

## Note 05 | Financial risk

Notes 4 to 8 in the 2020 annual report provide a detailed overview of the company's financial risk. The descriptions are applicable at 31 December 2021.

### Credit Risk – credit exposure

The loan portfolio at 31 December 2021 is not significantly changed from previous quarters. The portfolio consists of loans and credits secured in real estate. The average LTV's are low and have not changed significantly from previous quarters. Loans in arrear and defaulted loans are on similar levels as in previous quarters.

### Loan-to-value ratio, secured loans

(NOK million)	31.12.2021			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	20.0 %	4,928.5	553.7	5,482.2
40% - 60%	35.7 %	9,445.5	335.4	9,780.9
60% - 80%	42.7 %	11,658.4	42.7	11,701.0
80% - 90%	1.0 %	255.7	14.4	270.1
90% - 100%	0.3 %	88.3	2.1	90.4
> 100%	0.2 %	57.4	1.7	59.1
<b>Total secured loans</b>	<b>100.0 %</b>	<b>26,433.9</b>	<b>950.0</b>	<b>27,383.9</b>
Loan commitments and financing certificates, secured				
<b>Total secured loans incl. loan commitments and financing certificates</b>		<b>26,433.9</b>	<b>950.0</b>	<b>27,383.9</b>

(NOK million)	31.12.2020			
	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	27.2 %	4,999.2	1,023.7	6,023.0
40% - 60%	31.9 %	7,013.7	62.0	7,075.8
60% - 80%	39.8 %	8,806.7	4.9	8,811.6
80% - 90%	0.6 %	139.8		139.8
90% - 100%	0.3 %	69.2		69.2
> 100%	0.2 %	40.7		40.7
<b>Total secured loans</b>	<b>100.0 %</b>	<b>21,069.4</b>	<b>1,090.7</b>	<b>22,160.1</b>
Loan commitments and financing certificates, secured				
<b>Total secured loans incl. loan commitments and financing certificates</b>		<b>21,069.4</b>	<b>1,090.7</b>	<b>22,160.1</b>

## Risk related to secured loans

(NOK million)	Distribution in per cent	31.12.2021		
		Book value (gross)	Unused credit limits	Total commitments
Low risk	94.1 %	24,813.8	949.2	25,763.0
Medium risk	5.5 %	1,491.8	0.7	1,492.5
High risk	0.4 %	114.1		114.1
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1 %	14.2		14.2
<b>Total secured loans</b>	<b>100.0 %</b>	<b>26,433.9</b>	<b>950.0</b>	<b>27,383.9</b>
Loan commitments and financing certificates, secured				
<b>Total secured loans incl. loan commitments and financing certificates</b>		<b>26,433.9</b>	<b>950.0</b>	<b>27,383.9</b>

(NOK million)	Distribution in per cent	31.12.2020		
		Book value (gross)	Unused credit limits	Total commitments
Low risk	94.2 %	19,795.3	1,088.6	20,884.0
Medium risk	5.2 %	1,144.8	2.1	1,146.8
High risk	0.4 %	88.7		88.8
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.2 %	40.6		40.6
<b>Total secured loans</b>	<b>100.0 %</b>	<b>21,069.4</b>	<b>1,090.7</b>	<b>22,160.1</b>
Loan commitments and financing certificates, secured				
<b>Total secured loans incl. loan commitments and financing certificates</b>		<b>21,069.4</b>	<b>1,090.7</b>	<b>22,160.1</b>

## Note 06 | Valuation of financial instruments

The Storebrand group categorises financial instruments on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 8 in the 2020 annual report for Storebrand Boligkreditt AS.

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

### Valuation of financial instruments at fair value through profit and loss (FVTPL)

(NOK million)	Stage 1	Stage 2	Stage 3	Book value 31.12.2021	Book value 31.12.2020
	Quoted prices	Observable assumptions	Non-observable assumptions		
Mortgage and asset backed bonds		1,366.1		1,366.1	1,456.1
<b>Total interest-bearing securities 31.12.2021</b>		<b>1366.1</b>		<b>1366.1</b>	
Total interest-bearing securities 31.12.2020		1,456.1			
Interest rate derivatives		2.6		2.6	
<b>Total derivatives 31.12.2021</b>		<b>2.6</b>		<b>2.6</b>	
Derivatives with a positive fair value		2.6		2.6	
Derivatives with a negative fair value					
Total derivatives 31.12.2020					

There have not been any changes between quoted prices and observable assumptions on the various financial instruments in the quarter.

### Valuation of financial instruments at fair value through other comprehensive income (FVOCI)

(NOK million)	Level 1	Level 2	Level 3	Book value 31.12.2021	Book value 31.12.2020
Loans to customers - retail market			26,430.0	26,430.0	21,065.6
<b>Total loans to customers</b>			<b>26,430.0</b>	<b>26,430.0</b>	<b>21,065.6</b>

### Valuation of financial instruments at amortised cost

(NOK million)	Fair value 31.12.2021	Book value 31.12.2021	Fair value 31.12.2020	Book value 31.12.2020
<b>Financial assets</b>				
Loans to and deposits with credit institutions	6.1	6.1	8.3	8.3
Interest bearing securities	288.2	288.2	41.8	41.7
<b>Financial liabilities</b>				
Loans and deposits from credit institutions	1,757.3	1,757.3	1,712.7	1,712.7
Debt securities issued	24,628.9	24,570.8	19,325.3	19,243.1

## Note 07 | Segment information

Business segments are the company's primary reporting segments. The company has only one segment, Retail Lending. This segment comprises lending to private individuals, and all loans are purchased from Storebrand Bank ASA. The company's accounts for the 4th quarter of 2021 therefore relate entirely to the Retail Lending segment.

## Note 08 | Liabilities to credit institutions

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA.

One of these facilities is a normal overdraft facility, with a commitment of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice.

The amount of the other facility is the payment obligations of Storebrand Boligkreditt AS the following 31 days on interest and principal amounts regarding Covered Bonds, including any connected derivatives. This facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity.

In 2021 all covenant requirements are fulfilled.

Note  
09

## Debt securities issued

### Covered bonds

(NOK million) ISIN Code	Nominal value	Currency	Interest	Maturity <sup>1)</sup>	Book value 31.12.2021
NO0010951528	480.0	NOK	Fixed	15.04.2031	481.8
NO0010786726	4,000.0	NOK	Floating	15.06.2022	4,004.6
NO0010813959	4,000.0	NOK	Floating	20.06.2023	4,003.0
NO0010873177	5,000.0	NOK	Floating	19.06.2024	4,998.9
NO0010894199	5,000.0	NOK	Floating	25.06.2025	5,130.1
NO0011073140	5,500.0	NOK	Floating	03.06.2026	5,638.9
NO0010936917	300.0	NOK	Floating	21.02.2031	313.4
<b>Total debt securities issued <sup>2)</sup></b>	<b>24,280.0</b>				<b>24,570.8</b>
Total debt securities issued as at 31.12.2020	19,067.0				19,243.1

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

2) For covered bonds (CBs) that are allocated to the company's security, regulatory requirements for over-collateralisation of 102 per cent and an over-collateralisation requirement of 109.5 per cent apply for bonds issued prior to 21 June 2017. In 2021 all covenants are fulfilled. See note 11.

Note  
10

## Capital Adequacy

### Eligible capital

(NOK million)	31.12.2021	31.12.2020
Share capital	490.0	490.0
Other equity	1,252.0	1,119.0
<b>Total equity</b>	<b>1,742.0</b>	<b>1,609.0</b>
Deductions		
AVA adjustments	-27.3	-22.5
Provision for group contribution	-108.8	-54.4
Additions		
Group contribution received	108.8	54.4
<b>Core Equity Tier 1 (CET1)</b>	<b>1,714.7</b>	<b>1,586.6</b>
Additional Tier 1 capital		
Capital instruments eligible as Additional Tier 1 capital		
Additions		
<b>Tier 1 capital</b>	<b>1,714.7</b>	<b>1,586.6</b>
Tier 2 capital		
Subordinated loans		
Tier 2 capital deductions		
<b>Eligible capital (Tier 1 capital + Tier 2 capital)</b>	<b>1,714.7</b>	<b>1,586.6</b>

### Minimum capital requirement

(NOK million)	31.12.2021	31.12.2020
Credit risk	773.4	621.3
Of which:		
Institutions	0.5	0.3
Loans secured against real estate	733.2	584.5
Loans past-due	0.5	3.3
Covered bonds	10.9	11.6
Other	28.3	21.6
<b>Total minimum requirement for credit risk</b>	<b>773.4</b>	<b>621.3</b>
<b>Total minimum requirement for market risk</b>	<b>0.0</b>	<b>0.0</b>
Operational risk	30.3	22.6
CVA risk <sup>1)</sup>	1.2	
Deductions		
<b>Minimum requirement for net primary capital</b>	<b>804.8</b>	<b>644.0</b>

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

### Capital adequacy

	31.12.2021	31.12.2020
Capital ratio	17.0 %	19.7 %
Tier 1 capital ratio	17.0 %	19.7 %
Core equity Tier 1 (CET1) capital ratio	17.0 %	19.7 %

The standard method is used for credit risk and market risk and the basis method is used for operational risk. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (Tier 1 capital + Tier 2 capital) are 11 per cent and 14.5 per cent. The Ministry of Finance has set an increase of the countercyclical capital buffer requirement by 1 percentage points from 31 December 2022.

### Basis of calculation (risk-weighted volume)

(NOK million)	31.12.2021	31.12.2020
Credit risk	9,667.0	7,766.6
Of which:		
Institutions	6.1	3.7
Loans secured against real estate	9,164.6	7,306.2
Loans past-due	6.5	41.7
Covered bonds	136.5	145.5
Other	353.4	269.5
<b>Total basis of calculation credit risk</b>	<b>9,667.0</b>	<b>7,766.6</b>
<b>Total basis of calculation market risk</b>	<b>0.0</b>	<b>0.0</b>
Operational risk	378.5	283.0
CVA risk	14.9	
Deductions		
<b>Total basis of calculation of minimum requirements for capital base</b>	<b>10,060.4</b>	<b>8,049.6</b>

Note  
11

## Loan to value ratios and collateral

(NOK million)	31.12.2021	31.12.2020
Gross loans <sup>1)</sup>	26,434.7	21,069.7
Average loan balance per customer	2.8	2.3
No. of loans	10,660	9,560
Weighted average seasoning (months)	34	36
Weighted average remaining term (months)	291	279
Average loan to value ratio	55 %	52 %
Over-collateralisation <sup>2)</sup>	111 %	116 %
<b>Cover pool:</b>		
Residential mortgages <sup>1)</sup>	26,315.0	20,966.3
Supplementary security	865.2	1,355.7
<b>Total</b>	<b>27,180.1</b>	<b>22,321.9</b>

1) In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 75% of the value of collateral (i.e. value of properties pledged as collateral).

As per 31 December 2021, the company had NOK 105 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 31 December 2021, the company has 6 non-performing loans without evidence of impairment, equivalent to NOK 9.5 million. There are 4 non-performing loans with evidence of impairment of NOK 5.4 million where the impairment is assessed to be NOK 1.1 million. Non-performing loans with and without evidence of impairment, are not included in the cover pool.

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

Note  
12

## Net interest income

(NOK million)	Q4		Full Year	
	2021	2020	2021	2020
Interest on loans to credit institutions		0.2	0.1	0.5
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income (OCI)	124.8	99.3	438.4	461.8
Interest on interest-bearing securities valued at amortised cost	0.4		0.7	0.4
<b>Total interest income calculated by using the effective interest method</b>	<b>125.2</b>	<b>99.5</b>	<b>439.2</b>	<b>462.7</b>
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	2.1	1.5	6.0	3.2
Interest on derivatives	5.2		5.2	
<b>Total other interest income</b>	<b>7.3</b>	<b>1.5</b>	<b>11.2</b>	<b>3.2</b>
<b>Total interest income</b>	<b>132.5</b>	<b>101.1</b>	<b>450.4</b>	<b>465.8</b>
Interest on loans from credit institutions	-3.7	-3.3	-17.5	-27.1
Interest on debt securities issued	-53.5	-32.3	-164.9	-237.8
<b>Total interest expenses calculated by using the effective interest method</b>	<b>-57.1</b>	<b>-35.6</b>	<b>-182.3</b>	<b>-265.0</b>
Interest on derivatives	-3.8			
Other interest expenses	-0.8	-0.8	-3.4	-3.4
<b>Total other interest expenses</b>	<b>-4.6</b>	<b>-0.8</b>	<b>-3.4</b>	<b>-3.4</b>
<b>Total interest expenses</b>	<b>-61.8</b>	<b>-36.5</b>	<b>-185.7</b>	<b>-268.4</b>
<b>Net interest income</b>	<b>70.7</b>	<b>64.6</b>	<b>264.7</b>	<b>197.5</b>



## Note 13 | Off balance sheet liabilities and contingent liabilities

(NOK million)	31.12.2021	31.12.2020
Unused credit facilities	950.0	1,090.7
<b>Total contingent liabilities</b>	<b>950.0</b>	<b>1,090.7</b>

Unused credit facilities encompass unused flexible mortgage facilities.

Per 31 December 2021, the company has not pledged any collateral.

## Note 14 | Losses on loans, guarantees and unused credits

(NOK million)	31.12.2021			31.12.2020		
	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits which not are valued at fair value through profit and loss	Total	Loans to customers and securities valued at amortised cost and loans to customers valued at fair value through other comprehensive income (OCI)	Guarantees and unused credit limits which not are valued at fair value through profit and loss	Total
The periods change in impairment losses stage 1	-0.3		-0.3	-0.5		-0.5
The periods change in impairment losses stage 2	-0.5		-0.5	-1.4		-1.4
The periods change in impairment losses stage 3	0.3		0.3	-0.6		-0.6
Realised losses				-0.2		-0.2
Other changes				0.1		0.1
<b>Loss expense for the period</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>	<b>-2.7</b>	<b>0.0</b>	<b>-2.7</b>

The company has no outstanding contractual amounts for realised losses during 2021 that still are subject to enforcement activities. In 2020, Storebrand Boligkreditt AS, had NOK 0.2 million in outstanding contractual amounts for realised losses during 2020 that were subject to enforcement activities.

## Note 15 | Loan portfolio and guarantees

### Loan portfolio and guarantees

(NOK million)	Book Value 31.12.2021	Book Value 31.12.2020
Loans to customers at fair value through other comprehensive income (OCI)	26,434.7	21,069.7
<b>Total gross loans to customers</b>	<b>26,434.7</b>	<b>21,069.7</b>
Provision for expected loss stage 1	-1.1	-0.8
Provision for expected loss stage 2	-2.5	-2.0
Provision for expected loss stage 3	-1.1	-1.4
<b>Net loans to customers</b>	<b>26,430.0</b>	<b>21,065.6</b>

### Change in gross loans to customers valued at fair value through other comprehensive income (OCI)

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

(NOK million)	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2020	19,225.6	1,144.6	34.8	20,404.9
Transfer to stage 1	221.3	-218.4	-2.9	0.0
Transfer to stage 2	-775.6	782.8	-7.1	0.0
Transfer to stage 3	-8.5	-23.2	31.7	0.0
New loans	6,863.7	559.0	2.3	7,425.1
Derecognition	-5,959.2	-401.8	-17.4	-6,378.4
Other changes	-355.4	-26.0	-0.5	-381.9
<b>Gross loans 31.12.2020</b>	<b>19,211.8</b>	<b>1,817.1</b>	<b>40.9</b>	<b>21,069.7</b>

### Change in maximum exposure for guarantees and unused credits

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

(NOK million)	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2020	1,225.3	3.9		1,229.2
Transfer to stage 1	2.6	-2.6		0.0
Transfer to stage 2	-14.6	14.6		0.0
Transfer to stage 3				
New loans	19.4	1.1		20.5
Derecognition	-239.8	-0.7		-240.5
Other changes	80.4	1.0		81.5
<b>Maximum exposure 31.12.2020</b>	<b>1,073.3</b>	<b>17.4</b>		<b>1,090.7</b>

## Non-performing loans and loan losses

(NOK million)	31.12.2021	31.12.2020
<b>Non-performing loans</b>		
Non-performing loans without evidence of impairment	9.5	33.1
Loss-exposed loans with evidence of impairment	5.4	7.8
<b>Gross non-performing and loss-exposed loans</b>	<b>14.9</b>	<b>40.9</b>
Loan loss provisions in stage 3	-1.1	-1.6
<b>Net non-performing and loss-exposed loans</b>	<b>13.8</b>	<b>39.3</b>

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

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

(NOK million)	Gross amount	Loan loss provisions	31.12.2021		Type of collateral
			Net value	Value of collateral	
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	9.5		9.4	27.4	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
<b>Total non-performing loans without evidence of impairment</b>	<b>9.5</b>		<b>9.4</b>		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	4.8	-0.6	4.2	18.1	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.7	-0.5	0.2		
<b>Total loss-exposed loans with evidence of impairment</b>	<b>5.4</b>	<b>-1.1</b>	<b>4.4</b>		

The company has loans of NOK 4.8 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

(NOK million)	31.12.2020			Value of collateral	Type of collateral
	Gross amount	Loan loss provisions	Net value		
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	33.1	-0.2	32.9	83.1	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
<b>Gross non-performing loans without evidence of impairment</b>	<b>33.1</b>	<b>-0.2</b>	<b>32.9</b>		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	7.5	-1.1	6.4	17.6	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.3	-0.1	0.2		
<b>Gross loss-exposed loans with evidence of impairment</b>	<b>7.8</b>	<b>-1.2</b>	<b>6.6</b>		

The company has loans of NOK 23.1 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

## Note 17 | Loan loss provisions

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

(NOK million)	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - no objective evidence of impairment	Lifetime ECL - objective evidence of impairment	
Loan loss provisions 01.01.2020	0.3	0.6	0.8	1.6
Transfer to stage 1 (12-month ECL)	0.1		-0.1	
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)				
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)				
Net remeasurement of loan losses	-0.1	0.5	0.8	1.2
New financial assets originated or purchased	0.4	0.3		0.7
Financial assets that have been derecognised	-0.1	-0.2		-0.3
ECL changes of balances on financial assets without changes in stage in the period	0.2	0.8	0.1	1.1
ECL allowance on written-off (financial) assets			-0.2	-0.2
<b>Loan loan loss provisions 31.12.2020</b>	<b>0.8</b>	<b>2.0</b>	<b>1.4</b>	<b>4.1</b>
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	0.8	2.0	1.4	4.1
Loan loss provisions on guarantees and unused credit limits				
<b>Total loan loss provisions</b>	<b>0.8</b>	<b>2.0</b>	<b>1.4</b>	<b>4.1</b>

Note  
18

Distribution of loan loss provisions and exposure on secured and unsecured retail exposures

#### Distribution of loan loss provisions

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

(NOK million)	31.12.2020			Total loan loss provisions
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	0.8	2.0	1.3	4.1
Other exposures including SME exposures			0.1	0.1
<b>Total loan loss provisions</b>	<b>0.8</b>	<b>2.0</b>	<b>1.4</b>	<b>4.1</b>

### Distribution of exposure incl. unused credit facilities and guarantees

(NOK million)	31.03.2021			Total exposure
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	26,248.0	1,129.0	6.9	27,383.9
Other exposures including SME exposures			0.7	0.7
<b>Total exposure</b>	<b>26,248.0</b>	<b>1,129.0</b>	<b>7.6</b>	<b>27,384.6</b>

(NOK million)	31.12.2020			Total exposure
	Stage 1	Stage 2	Stage 3	
Retail exposures secured by mortgages on immovable property	20,285.1	1,834.5	40.6	22,160.1
Other exposures including SME exposures			0.3	0.3
<b>Total exposure</b>	<b>20,285.1</b>	<b>1,834.5</b>	<b>40.9</b>	<b>22,160.4</b>

Note  
19

### Quarterly income statement

(NOK million)	Q4	Q3	Q2	Q1	Q4
	2021	2021	2021	2021	2020
Interest income	132.5	114.0	102.8	101.1	101.1
Interest expense	-61.8	-38.2	-42.3	-43.4	-36.5
<b>Net interest income</b>	<b>70.7</b>	<b>75.7</b>	<b>60.6</b>	<b>57.7</b>	<b>64.6</b>
Net gains on financial instruments	-0.8	-0.6	-0.4	3.8	0.4
Other income	-0.1		-0.1		-0.1
<b>Total other operating income</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-0.5</b>	<b>3.8</b>	<b>0.3</b>
Staff expenses	-0.1		-0.1		-0.1
General administration expenses	-25.9	-24.7	-23.0	-21.7	
Other operating expenses					-21.3
<b>Total operating expenses</b>	<b>-26.0</b>	<b>-24.7</b>	<b>-23.0</b>	<b>-21.7</b>	<b>-21.4</b>
<b>Operating profit before loan losses</b>	<b>43.9</b>	<b>50.4</b>	<b>37.0</b>	<b>39.7</b>	<b>43.5</b>
Loan losses for the period	-0.9	0.2	-0.4	0.6	1.5
<b>Profit before tax</b>	<b>43.0</b>	<b>50.6</b>	<b>36.6</b>	<b>40.4</b>	<b>45.0</b>
Tax	-9.5	-11.1	-8.0	-8.9	-9.9
<b>Profit before other comprehensive income</b>	<b>33.5</b>	<b>39.5</b>	<b>28.5</b>	<b>31.5</b>	<b>35.1</b>

## Financial calendar 2022



<b>4 May</b>	Results Q1 2022
<b>14 July</b>	Results Q2 2022
<b>26 October</b>	Results Q3 2022
<b>February 2023</b>	Results Q4 2022

## Investor Relations contacts



<b>Einar Leikanger</b>	Statutory Chief Executive Officer	<a href="mailto:einar.andreas.leikanger@storebrand.no">einar.andreas.leikanger@storebrand.no</a>	+47 934 20 379
<b>Kjetil Ramberg Krøkje</b>	Group Head of Finance, Strategy and M&A	<a href="mailto:kjetil.r.krokje@storebrand.no">kjetil.r.krokje@storebrand.no</a>	+47 934 12 155
<b>Daniel Sundahl</b>	Head of Investor Relations and Rating	<a href="mailto:daniel.sundahl@storebrand.no">daniel.sundahl@storebrand.no</a>	+47 913 61 899