

Interim report 2nd quarter 2023

Storebrand Boligkreditt AS (unaudited)

2nd quarter
2023



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Important notice:

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

Storebrand Boligkreditt AS

- Interim report for the second quarter of 2023

(Profit figures for the corresponding period in 2022 are shown in brackets. Balance sheet figures in brackets are for the end of 2022)

- **Low interest margins**
- **Increased lending**

Financial performance

Pre-tax profit was NOK 51 million (NOK 25 million) for the second quarter and a pre-tax of NOK 77 million (NOK 63 million) year to date.

Net interest income was NOK 84 million (NOK 57 million) in the second quarter and NOK 160 (NOK 123 million) year to date. As a percentage of average total assets, net interest income was 0.82 per cent (0.77 per cent) for the second quarter and 0.80 per cent (0.86) year to date. The interest margins were negatively impacted by increased NIBOR.

Other operating income amounted to NOK 0 million (minus NOK 4 million) and minus NOK 7 million (minus NOK 7 million) year to date and relate to net loss on financial instruments at fair value.

Operating expenses totalled NOK 41 million (NOK 28 million) in the quarter and NOK 79 million (NOK 54 million) year to date. The increase was due to increased lending volume.

Loan losses in the second quarter amounted to NOK 8.3 million recognised as gain (NOK 0.6 million) and NOK 3.2 recognised as gain (NOK 0.1 recognised as gain) year to date. The main reason for the reversal of loan losses in the quarter was a correction in the model for statistical loss provisions where the scenario weights were changed back to pre-pandemic levels. The economic outlook with higher interest rates and higher inflation, including energy prices, are included in the model.

Balance sheet development

The lending volume has increased by NOK 0.7 billion since the end of 2022 and amounted to NOK 38.2 billion (NOK 37.5 billion). Storebrand Bank ASA and Storebrand Boligkreditt AS operate with restrictive lending practices. The average loan-to-value ratio in the portfolio was 57 per cent (55 per cent) at the end of the first half. On the date of transfer, the loan-to-value ratio never exceeds 80 per cent. The company has over-collateralisation of 10.5 per cent (32 per cent).

Non-performing (defaulted) loans at the end of the second quarter amounted to NOK 83 million (NOK 45 million), equivalent to 0.22 per cent of gross loans in the company (0.10 per cent). All the loans have a loan-to-value ratio within 80 per cent of market value or have mainly been written down. Loan loss provisions amounted to NOK 8 million (NOK 11 million) at the end of the half-year.

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

At the end of the half-year of 2023, 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 865 million, of which NOK 314 million is classified at amortised cost and NOK 552 million is classified at fair value with changes in value through profit and loss.

The company's total assets as of 30 June 2023 were NOK 39.4 billion (NOK 39.1 billion), an increase of NOK 0.3 billion compared with the end of 2022.

At the end of the half-year of 2023, Storebrand Boligkreditt AS had issued covered bonds with a total carrying amount of NOK 35.3 billion. NOK 33.3 billion of these bonds have been placed in the market, while NOK 2 billion are being held by the parent bank. The weighted average of the bonds placed in the market was 3.2 years at the end of the half year.

Storebrand Boligkreditt AS has two credit facilities with Storebrand Bank ASA. One of these is a normal overdraft facility, with a ceiling of NOK 8.0 billion. This has no expiry date but can be terminated by the bank on 15 months' notice. The other facility may not be terminated by Storebrand Bank ASA until at least 3 months after the maturity date of the covered bond and the associated derivatives with the longest period to maturity.

Capital adequacy

Equity in the company at the end of the first half-year amounted to NOK 3 billion (NOK 2.7 billion), and own funds (Tier 1 capital + Tier 2 capital) at the end of the quarter amounted to NOK 2.9 billion (NOK 2.9 billion). The capital base of Storebrand Boligkreditt AS consists entirely of Common Equity Tier 1 (CET1) capital. The CET1 adequacy ratio in the company was 20.5 per cent (20.8 per cent) at the end of the quarter. The requirement for the capital base was 16 per cent as of 30 June 2023. The company has satisfactory solvency and liquidity based on the company's business activities. The company satisfied the combined capital and capital buffer requirements at the end of the quarter.

Storebrand Boligkreditt AS must comply with an LCR of 100 per cent. At the end of the second quarter of 2023, the company's LCR was 746 per cent.

Credit risk

The PD estimates have increased slightly in the first half of 2023. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 30 June 2023. The LTV's are not significantly changed, and the average LTV is 57 per cent, an increase of approximately 2 percentage points. Defaulted loans have increased approximately by NOK 45 million from 38 million to 83 million in the second quarter.

The expected credit losses decreased by NOK 3 million during the first half of 2023. The decrease is due to a decrease of NOK 3 million of losses based on models.

The expected credit losses are unchanged from the year end of 2022. In the second quarter the scenario weights were changed back to pre-pandemic levels. The isolated effect of the change is a reduction of expected credit losses. However, higher PDs, default

rates and stage 2 exposures entail higher expected credit losses. The economic outlook with higher interest rates, higher inflation including energy prices are included in the models.

Strategy and future prospects

Storebrand Boligkreditt AS will continue its core activity, which is the acquisition and management of mortgages from Storebrand Bank ASA. The company is aiming for a moderate growth in collateralisation during 2023.

The market trends and the non-performing loans are being closely monitored. Efforts to ensure good working procedures and high data quality will continue and thereby ensure that government and rating requirements continue to be fulfilled.

Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the performance of Storebrand Boligkreditt AS. With the war in Ukraine and turbulent capital markets, both in Norway and internationally, the company is paying extra close attention to the funding markets.

New issues of covered bonds will be made available when the company decides it is favourable to do so and there is sufficient collateral. Storebrand Boligkreditt AS will continue to contribute to 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, 13 July 2023

The Board of Directors of Storebrand Boligkreditt AS

Key figures

NOK million	Q2		01.01 - 30.06		Full year 2022
	2023	2022	2023	2022	
Profit and loss account:					
Net interest income as % of avg. total assets	0.82%	0.77%	0.80%	0.86%	0.69%
Profit before other comprehensive income as % of total assets			0.31%	0.31%	0.17%
Main balance sheet figures:					
Total assets			39,397.4	32,155.7	39,113.1
Average total assets ¹⁾	40,699.6	29,972.4	40,281.9	29,010.7	32,020.0
Gross loans to customers			38,232.4	30,242.9	37,481.0
Equity			3,017.5	1,791.1	2,707.0
Other key figures:					
Loan losses and provisions as % of average total lending ²⁾	-0.08%	0.01%	-0.02%	0.00%	0.02%
Gross non-performing and loss-exposed loans as % of total loans			0.22%	0.13%	0.10%
Cost/income ratio ³⁾	49.0%	51.7%	51.5%	46.1%	56.9%
Core equity Tier 1 (CET1) capital ratio			20.5%	16.8%	20.8%
LCR ⁴⁾			746.0%	6,488.0%	2,524.0%

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 consists 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	Notes	Q2		01.01 - 30.06		Full year
		2023	2022	2023	2022	2022
<i>Interest income and similar income</i>						
Interest income calculated by using the effective interest method		444.0	167.4	850.4	309.8	831.6
Other interest income		5.9	4.9	12.9	7.9	24.2
Total interest income and similar income	16	449.9	172.2	863.3	317.7	855.8
<i>Interest expenses and similar expenses</i>						
Interest expenses calculated by using the effective interest method		-363.2	-114.5	-696.1	-193.9	-631.6
Other interest expenses		-3.2	-0.3	-6.9	-0.4	-4.5
Total interest expenses and similar expenses	16	-366.3	-114.8	-703.0	-194.3	-636.1
Net interest income	16	83.5	57.4	160.3	123.4	219.6
Fee and commission income from banking services		0.2		0.3	0.1	0.2
Fee and commission expense for banking services				-0.3	-0.1	-0.2
Net change in fair value and gain/loss on foreign exchange and financial instruments	17		-4.2	-7.4	-7.0	-12.6
Total other operating income		0.1	-4.2	-7.4	-7.0	-12.6
Staff expenses		-0.1		-0.1		-0.2
Other operating expenses		-40.9	-27.6	-78.6	-53.7	-117.6
Total operating expenses excl. credit loss on loans, etc.		-41.0	-27.5	-78.7	-53.7	-117.8
Profit before credit loss on loans, etc.		42.6	25.7	74.2	62.7	89.2
Credit loss on loans, guarantees and interest-bearing securities	9	8.3	-0.6	3.2	0.1	-5.9
Profit before tax for continued operations		50.9	25.1	77.5	62.8	83.3
Tax on profit from continued operations	3	-11.2	-5.5	-17.0	-13.8	-18.3
Profit before other comprehensive income		39.7	19.6	60.4	49.0	65.0
Total other comprehensive income						
Total comprehensive income		39.7	19.6	60.4	49.0	65.0

Storebrand Boligkreditt AS

Statement of financial position

NOK million	Notes	30.06.2023	30.06.2022	31.12.2022
Loans to and deposits with credit institutions	6	100.6	10.1	25.0
Loans to customers	5, 6, 10, 11, 12, 13, 15	38,225.3	30,238.3	37,470.3
Interest-bearing securities	6	865.3	1,873.4	1,573.7
Derivatives	6	78.5		14.9
Other current assets		127.8	33.9	29.3
Total assets		39,397.4	32,155.7	39,113.1
Loans and deposits from credit institutions	6	911.2	4,293.6	6,888.1
Debt securities issued	6, 7	35,268.4	25,982.1	29,420.7
Derivatives	6	67.1		45.5
Other current liabilities		91.1	8.6	21.0
Tax payable	3	17.0	13.8	6.2
Deferred tax	3	24.6	12.6	24.6
Provisions for guarantees and unused credit facilities	11	0.4		
Total liabilities		36,380.0	30,310.7	36,406.1
Share capital		494.2	490.0	494.2
Share premium		1,445.9	550.1	1,445.9
Other paid-in equity		905.3	633.1	633.1
Total paid-in equity		2,845.3	1,673.2	2,573.2
Other equity		172.1	117.9	133.8
Total retained earnings		172.1	117.9	133.8
Total equity	8	3,017.5	1,791.1	2,707.0
Total liabilities and equity		39,397.4	32,101.8	39,113.1

Lysaker, 13 July 2023

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 capital	Total paid in equity	Other equity	Total retained earnings	Total equity
Equity at 31.12.2021	490.0	550.1	521.4	1,561.5	180.6	180.6	1,742.0
Profit for the period					65.0	65.0	65.0
Other comprehensive income							
Total comprehensive income for the period					65.0	65.0	65.0
Equity transactions with the owner:							
Capital increase	4.2	895.8		900.0			900.0
Group contribution received			111.7	111.7			111.7
Group contribution paid					-111.7	-111.7	-111.7
Equity at 31.12.2022	494.2	1,445.9	633.1	2,573.2	133.8	133.8	2,707.0
Profit for the period					60.4	60.4	60.4
Other comprehensive income							
Total comprehensive income for the period					60.4	60.4	60.4
Equity transactions with the owner:							
Group contribution received			272.1	272.1			272.1
Group contribution paid					-22.1	-22.1	-22.1
Equity at 30.06.2023	494.2	1,445.9	905.3	2,845.3	172.1	172.1	3,017.5
Equity at 31.12.2021	490.0	550.1	521.4	1,561.5	180.6	180.6	1,742.0
Profit for the period					49.0	49.0	49.0
Other comprehensive income							
Total comprehensive income for the period					49.0	49.0	49.0
Group contribution received			111.7	111.7			111.7
Provision for group contribution					-111.7	-111.7	-111.7
Equity at 30.06.2022	490.0	550.1	633.1	1,673.2	117.9	117.9	1,791.1

Storebrand Boligkreditt AS is 100 per cent owned by Storebrand Bank ASA. Number of shares are 35 300 000 of nominal value NOK 14 per share.

Storebrand Boligkreditt AS

Statement of cash flow

NOK million	01.01 - 30.06	
	2023	2022
Cash flow from operating activities		
Net receipts of interest, commissions and fees from customers	837.4	301.0
Net disbursements/payments on customer loans	-831.0	-3,813.5
Net receipts/payments on securities	659.6	-214.2
Payments of operating costs	-20.6	-46.8
Net cash flow from operating activities	645.4	-3,773.6
Cash flow from financing activities		
Payments - repayments of loans and issuing of bond debt	-4,000.0	-4,000.0
Receipts - new loans and issuing of bond debt	9,761.0	5,500.0
Payments - interest on loans	-597.7	-228.0
Receipts - new loans from credit institutions		2,536.3
Payments - repayment of loans to credit institutions	-5,976.9	
Receipts - group contribution	272.1	108.8
Payments - group contribution	-28.4	-139.5
Net cash flow from financing activities	-569.8	3,777.6
Net cash flow in the period	75.6	4.0
Cash and bank deposits at the start of the period	25.0	6.1
Cash and bank deposits at the end of the period	100.6	10.1

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 30.06.2023.

Notes to the interim accounts

Note 1 | Accounting policies

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 2022 annual report, and the interim financial statements are prepared with respect to these accounting policies.

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 first half of 2023 therefore relate entirely to the Retail Lending segment.

There are no new standards or changes in standards that have not been applied in the presentation of the accounts for the first half of 2023 that are expected to have a significant effect on the company accounts.

Note 2 | Important accounting estimates and judgements

Critical accounting estimates and judgements are described in the 2022 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 9.

In preparing the financial statements the management are requiring 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 judgement at the time the financial statements were prepared.

Actual results may differ from these estimates.

Note 3 | 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 4 | Related parties

Issued covered bonds

Storebrand Bank ASA has invested NOK 2 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 June 2023.

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 subsidized 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. One of these facilities is a normal overdraft facility, with a commitment of NOK 8 billion. This has no expiry date but can be terminated by the bank on 15 months' notice.

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

In 2023 all covenant requirements are fulfilled.

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 31 in the 2022 annual report for Storebrand Boligkreditt AS.

Note 5 | Financial risk

Notes 4 to 9 in the 2022 annual report provide a detailed overview of the company's financial risk. The descriptions are applicable at 30 June 2023, however, with the following amendments and further comments.

Credit risk - exposure

The PD estimates have increased slightly in the first half of 2023. There are no significant changes to EAD and LGD estimates from 31 December 2022 to 30 June 2023. The LTVs are not significantly changed, and the average LTV is 57 per cent, an increase of approximately 2 percentage points. Defaulted loans have increased approximately by NOK 45 million from 38 million to 83 million in the second quarter.

The expected credit losses decreased by NOK 3 million during the first half of 2023. The decrease is due to a decrease of NOK 3 million of losses based on models. The expected credit losses are unchanged from the year end of 2022. In the second quarter the scenario weights were changed back to pre pandemic levels. The isolated effect of the change is a reduction of expected credit losses. However, higher PDs, default rates and stage 2 exposures entail higher expected credit losses. The economic outlook with higher interest rates, higher inflation including energy prices are included in the models.

The value of the cover pool, including substitute assets of NOK 0.6 billion, is 110.5 per cent of the value of outstanding covered bonds, including derivatives, i.e. an over-collateralisation of 10.5 per cent. The legal requirement is 5 per cent. The eligible part of the cover pool consists of non-defaulted exposures and exposures within 80 per cent of the value of the pledged properties. The eligible part of the cover pool is 99.5 per cent of the total cover pool. The over-collateralisation is calculated on the eligible part of the cover pool.

Loans-to-value ratio, secured loans

30.06.2023				
NOK million	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	17.1%	6,115.9	705.7	6,821.6
40% - 60%	33.5%	12,663.2	684.9	13,348.1
60% - 80%	44.7%	17,573.5	244.4	17,817.9
80% - 90%	4.3%	1,712.9	6.2	1,719.1
90% - 100%	0.2%	73.6	4.3	77.8
> 100%	0.2%	92.8	2.2	95.0
Total secured loans	100.0%	38,231.8	1,647.7	39,879.6
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		38,231.8	1,647.7	39,879.6

31.12.2022				
NOK million	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
0% - 40%	20.4%	7,190.4	747.6	7,938.0
40% - 60%	36.2%	13,579.8	493.8	14,073.6
60% - 80%	41.7%	16,093.6	121.3	16,214.9
80% - 90%	1.3%	498.3	1.9	500.2
90% - 100%	0.2%	90.2	2.2	92.4
> 100%	0.1%	28.2	2.4	30.5
Total secured loans	100.0%	37,480.5	1,369.2	38,849.7
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		37,480.5	1,369.2	38,849.7

Risk related to secured loans

30.06.2023				
NOK million	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	89.9%	34,220.3	1,635.4	35,855.8
Medium risk	9.2%	3,675.9	11.9	3,687.8
High risk	0.6%	253.2	0.3	253.5
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.2%	82.4		82.5
Total secured loans	100.0%	38,231.8	1,647.7	39,879.6
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		38,231.8	1,647.7	39,879.6

31.12.2022				
NOK million	Distribution in per cent	Book value (gross)	Unused credit limits	Total commitments
Low risk	92.0%	34,363.6	1,360.0	35,723.6
Medium risk	7.4%	2,884.6	9.0	2,893.6
High risk	0.5%	195.0	0.1	195.1
Non-performing and loss-exposed loans incl. loans with evidence of impairment	0.1%	37.4		37.4
Total secured loans	100.0%	37,480.5	1,369.2	38,849.7
Loan commitments and financing certificates, secured				
Total secured loans incl. loan commitments and financing certificates		37,480.5	1,369.2	38,849.7

Liquidity risk

Storebrand Boligkreditt AS has had solid liquidity buffers previous quarters, and the company still has substantial liquidity buffer at 30 June 2023. The LCR ratio for the company is at 746 per cent, well above the requirement of 100 per cent. The funding structure is balanced with regards to maturity.

The covered bond programme is rated "AAA".

Market risk

The interest rate risk is not significantly changed in the quarter. The interest rate risk is limited. The mortgages are administrative adjusted exposures 2 months notice. The covered bonds are 3M NIBOR or swapped to 3M NIBOR (cash flow hedged). The interest rate risk is thus almost entirely to the 0-3 month time horizon. A 1 per cent parallel shift upwards in the interest rate curve would lead to NOK 5 million loss for the company. A similar shift downwards would lead to a gain of NOK 5 million. Storebrand Boligkreditt AS has one Euro denominated covered bond of 50 million, and a cross currency swap of identical nominal size and EURIBOR rates thus effectively converting the payments to three months NIBOR at 30 June 2023. The credit spread risk is low.

Note 6 | Valuation of financial instruments

The Storebrand Group classify financial instruments valued at fair value in three different levels. The criteria for the classification and processes associated with valuing are described in more detail in note 9 in the annual report 2022 for Storebrand Boligkreditt AS.

The company has established valuation models and gathers information from a wide range of well-informed sources with a view to minimize any uncertainty in the valuations.

Valuation of financial instruments at fair value through profit and loss

NOK million	Level 1	Level 2	Level 3	30.06.2023	31.12.2022
	Quoted prices	Observable assumptions	Non-observable assumptions		
Interest-bearing securities					
Mortgage and asset backed bonds		551.8		551.8	1,114.3
Total interest-bearing securities 30.06.2023		551.8		551.8	
Total interest-bearing securities 31.12.2022		1,114.3			1,114.3
Derivatives					
Interest rate derivatives		11.4		11.4	-30.6
Total derivatives 30.06.2023		11.4		11.4	
Derivatives with a positive fair value		78.5		78.5	14.9
Derivatives with a negative fair value		-67.1		-67.1	-45.5
Total derivatives 31.12.2022		-30.6			-30.6

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

Valuation of financial instruments at fair value through other comprehensive income

NOK million	Level 1	Level 2	Level 3	30.06.2023	31.12.2022
	Quoted prices	Observable assumptions	Non-observable assumptions		
Loans to customers - retail market			38,225.3	38,225.3	37,470.3
Total loans to customers			38,225.3	38,225.3	37,470.3

Financial instruments at fair value - level 3

NOK million	30.06.2023	
	Book value	Loans to customers at fair value through other comprehensive income
Book value 01.01.2023		37,470.3
Net gains/losses on financial instruments		3.6
Supply / disposal		7,394.5
Sales / due settlements		-6,643.2
Book value 30.06.2023		38,225.3

NOK million	31.12.2022	
	Book value	Loans to customers at fair value through other comprehensive income
Book value 01.01.2022		26,430.0
Net gains/losses on financial instruments		-6.0
Supply / disposal		20,869.4
Sales / due settlements		-9,823.0
Book value 31.12.2022		37,470.3

Valuation of financial instruments at amortised cost

NOK million	Fair value 30.06.2023	Book value 30.06.2023	Fair value 31.12.2022	Book value 31.12.2022
Financial assets				
Loans to and deposits with credit institutions	100.6	100.6	25.0	25.0
Interest-bearing securities	314.3	313.6	459.8	459.3
Total financial assets 30.06.2023	414.9	414.1		
Total financial assets 31.12.2022			484.8	484.3
Financial liabilities				
Loans and deposits from credit institutions	911.2	911.2	6,888.1	6,888.1
Debt securities issued	35,142.1	35,268.4	29,411.5	29,420.7
Total financial liabilities 30.06.2023	36,053.3	36,179.6		
Total financial liabilities 31.12.2022			36,299.5	36,308.7

Sensitivity assessments

Loans to customers

The value of home loans with a floating interest rate is considered to be approximately equal to the amortised cost.

NOK million	Floating loans to customers		Floating loans to customers	
	Fair value through other comprehensive income (OCI)		Fair value through other comprehensive income (OCI)	
	Changes in market spread		Changes in market spread	
	+ 10 bp	- 10 bp	+ 25bp	- 25 bp
Increase/reduction in fair value at 30.06.2023	-4.4	4.4	-11.0	11.0
Increase/reduction in fair value at 31.12.2022	-4.3	4.3	-10.8	10.8

Note
7

Debt securities issued

Covered bonds

NOK million					
ISIN Code	Net nominal value	Currency	Interest	Maturity ¹⁾	30.06.2023
NO0010951528	480.0	NOK	Fixed	15.04.2031	417.7
NO0010873177	5,000.0	NOK	Floating	19.06.2024	5,006.2
NO0010894199	6,500.0	NOK	Floating	25.06.2025	6,597.1
NO0011073140	8,000.0	NOK	Floating	03.06.2026	8,136.3
NO0012526211	7,500.0	NOK	Floating	20.05.2027	7,534.0
XS2553532255	50.0	EUR	Floating	11.11.2027	609.0
NO0011073140	6,100.0	NOK	Floating	19.04.2028	6,147.1
NO0010936917	800.0	NOK	Floating	21.02.2031	821.0
Total debt securities issued ²⁾					35,268.4
Total debt securities issued as at 31.12.2022					29,420.7

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

²⁾For covered bonds, a regulatory requirement for over-collateralisation of 5 per cent apply. In 2023 all covenants are fulfilled. See note 15.

Note 8 | Capital adequacy

The standard method is used for credit risk and market risk and the basis method is used for operational risk. Total requirement to Core Equity Tier 1 (CET1) and eligible capital (Tier 1 capital + Tier 2 capital) are 12.5 per cent and 16 per cent.

Eligible capital

NOK million	30.06.2023	31.12.2022
Share capital	494.2	494.2
Other equity	2,523.3	2,212.8
Total equity	3,017.5	2,707.0
Deductions		
Profit not included in the calculation of eligible capital	-39.7	
AVA adjustments	-38.9	-38.7
Provision for group contribution		-22.1
Additions		
Group contribution received		272.1
Core Equity Tier 1 (CET1)	2,938.8	2,918.4
Additional Tier 1 capital		
Tier 1 capital	2,938.8	2,918.4
Tier 2 capital		
Eligible capital (Tier 1 capital + Tier 2 capital)	2,938.8	2,918.4

Minimum capital requirements

NOK million	30.06.2023	31.12.2022
Credit risk	1,115.9	1,088.9
Of which:		
Institutions	3.7	0.9
Loans secured against real estate	1,066.0	1,044.5
Loans past-due	6.8	3.1
Covered bonds	4.4	8.9
Other	34.9	31.5
Total minimum requirement for credit risk	1,115.9	1,088.9
Total minimum requirement for market risk		
Operational risk	32.7	32.7
CVA risk ¹⁾	0.6	0.8
Minimum requirement for net primary capital	1,149.3	1,122.4

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

Capital adequacy

	30.06.2023	31.12.2022
Capital ratio	20.5%	20.8%
Tier 1 capital ratio	20.5%	20.8%
Core equity Tier 1 (CET1) capital ratio	20.5%	20.8%

Basis of calculation (risk-weighted volume)

NOK million	30.06.2023	31.12.2022
Credit risk	13,948.8	13,610.8
Of which:		
Institutions	46.3	10.8
Loans secured against real estate	13,325.5	13,056.3
Loans past-due	85.0	39.2
Covered bonds	55.1	111.3
Other	436.8	393.2
Total basis of calculation credit risk	13,948.8	13,610.8
Total basis of calculation market risk		
Operational risk	409.1	409.1
CVA risk	8.0	10.1
Total basis of calculation of minimum requirements for capital base	14,365.8	14,030.0

Leverage ratio

NOK million	30.06.2023	31.12.2022
Tier 1 capital	2,938.8	2,918.4
Total Leverage ratio exposure measure	39,766.6	39,440.4
Leverage ratio	7.4%	7.4%

Leverage ratio requirement is 3.0 percentage points as per 30.06.2023

Note
9

Losses on loans, guarantees and unused credit limits

NOK million	30.06.2023			30.06.2022		
	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	0.9		0.9	-0.1		-0.1
The periods change in impairment losses stage 2	2.3	-0.4	1.9	0.3		0.3
The periods change in impairment losses stage 3	0.4		0.4	-0.1		-0.1
Other changes						
Loss expense for the period	3.7	-0.4	3.2	0.1		0.1

The company has no outstanding contractual amounts for realised losses during first half of 2023 and 2022 that still are subject to enforcement activities.

Note 10 | Loan portfolio and guarantees

NOK million	30.06.2023 Book value	31.12.2022 Book value
Loans to customers at fair value through other comprehensive income (OCI)	38,232.4	37,481.0
Total gross loans to customers	38,232.4	37,481.0
Provision for expected loss stage 1	-1.3	-2.3
Provision for expected loss stage 2	-4.0	-6.4
Provision for expected loss stage 3	-1.7	-2.1
Net loans to customers	38,225.3	37,470.3

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 01.01.2023	34,986.2	2,457.0	37.8	37,481.0
Transfer to stage 1	508.2	-505.5	-2.7	
Transfer to stage 2	-1,109.0	1,112.7	-3.7	
Transfer to stage 3	-32.3	-27.3	59.5	
New loans	6,623.8	770.7		7,394.5
Derecognition	-5,546.4	-364.5	-9.8	-5,920.6
Other changes	-688.6	-35.6	1.7	-722.5
Gross loans 30.06.2023	34,741.9	3,407.5	82.9	38,232.4

NOK million	Stage 1	Stage 2	Stage 3	Total gross loans
Gross loans 01.01.2022	25,298.9	1,120.9	14.9	26,434.7
Transfer to stage 1	271.0	-270.4	-0.7	
Transfer to stage 2	-729.0	730.1	-1.2	
Transfer to stage 3	-5.8	-11.9	17.7	
New loans	19,485.2	1,374.0	10.2	20,869.4
Derecognition	-8,782.5	-465.3	-3.2	-9,251.1
Other changes	-551.7	-20.3		-572.0
Gross loans 31.12.2022	34,986.2	2,457.0	37.8	37,481.0

Change in maximum exposure for guarantees and unused credits

NOK million	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2023	1,352.6	16.5		1,369.2
Transfer to stage 1	9.4	-9.4		
Transfer to stage 2	-7.3	7.3		
Transfer to stage 3				
New loans	365.3	4.7		370.0
Derecognition	-138.3	-3.9		-142.2
Other changes	46.8	4.0		50.7
Maximum exposure 30.06.2023	1,628.5	19.3		1,647.7

NOK million	Stage 1	Stage 2	Stage 3	Total exposure
Maximum exposure 01.01.2022	949.1	0.9		950.0
Transfer to stage 1	0.5	-0.5		
Transfer to stage 2	-5.5	5.5		
Transfer to stage 3				
New loans	593.8	9.5		603.3
Derecognition	-208.7	-0.1		-208.8
Other changes	23.4	1.3		24.7
Maximum exposure 31.12.2022	1,352.6	16.5		1,369.2

Note 11 | 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 01.01.2023	2.3	6.4	2.1	10.7
Transfer to stage 1 (12-month ECL)	1.0	-1.0		
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.2	0.2		
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)	-0.1	-0.9	1.0	
Net remeasurement of loan losses	-1.0	1.1	-0.4	-0.3
New financial assets originated or purchased	0.7	0.8		1.4
Financial assets that have been derecognised	-0.4	-1.0	-0.1	-1.5
ECL changes of balances on financial assets without changes in stage in the period	-1.0	-1.0	-0.9	-2.9
Loan loss provisions 30.06.2023	1.3	4.4	1.7	7.5
Loan loss provisions on loans to customers valued at amortised cost				
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	1.3	4.0	1.7	7.1
Loan loss provisions on guarantees and unused credit limits		0.4		0.4
Total loan loss provisions	1.3	4.4	1.7	7.5

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 01.01.2022	1.1	2.5	1.1	4.7
Transfer to stage 1 (12-month ECL)	0.4	-0.4		
Transfer to stage 2 (lifetime ECL - no objective evidence of impairment)	-0.1	0.1		
Transfer to stage 3 (lifetime ECL - objective evidence of impairment)		-0.2	0.2	
Net remeasurement of loan losses	-0.4	1.7	0.8	2.1
New financial assets originated or purchased	2.0	4.0	0.1	6.1
Financial assets that have been derecognised	-0.5	-1.2	-0.1	-1.7
ECL changes of balances on financial assets without changes in stage in the period	-0.2	-0.3		-0.5
Loan loss provisions 31.12.2022	2.3	6.4	2.1	10.7
Loan loss provisions on loans to customers valued at amortised cost				
Loan loss provisions on loans to customers valued at fair value through other comprehensive income (OCI)	2.3	6.4	2.1	10.7
Loan loss provisions on guarantees and unused credit limits				
Total loan loss provisions	2.3	6.4	2.1	10.7

Periodical changes in individual impairment and expected credit loss on loans, unused credits and guarantees are shown above. Storebrand Boligkreditt AS has not any expected loan loss provisions related to loans to credit institutions and interest-bearing securities. Recognised losses on loans, unused credits and guarantees in the profit and loss account are shown in note 9.

Note 12 | Non-performing loans and loan losses

(NOK million)	30.06.2023	31.12.2022
Non-performing loans		
Non-performing loans without evidence of impairment	74.3	32.7
Loss-exposed loans with evidence of impairment	8.6	5.1
Gross non-performing and loss-exposed loans	82.9	37.8
Loan loss provisions in stage 3	-1.7	-2.1
Net non-performing and loss-exposed loans	81.2	35.7

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

NOK million	30.06.2023				
	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	74.3	-0.3	74.0	108.5	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
Total non-performing loans without evidence of impairment	74.3	-0.3	74.0		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	8.1	-0.9	7.2	23.4	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.5	-0.5			
Total loss-exposed loans with evidence of impairment	8.6	-1.4	7.2		

The company has loans of NOK 55.1 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

NOK million	31.12.2022				
	Gross amount	Loan loss provisions	Net value	Value of collateral	Type of collateral
Non-performing loans without evidence of impairment					
- retail exposures secured by mortgages on immovable property	32.7	-1.1	31.7	66.1	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures					
Gross non-performing loans without evidence of impairment	32.7	-1.1	31.7		
Loss-exposed loans with evidence of impairment					
- retail exposures secured by mortgages on immovable property	4.7	-0.6	4.1	19.9	residential property
- unsecured retail exposures including credit cards exposures					
- other exposures including SME exposures	0.5	-0.5			
Gross loss-exposed loans with evidence of impairment	5.1	-1.1	4.1		

The company has loans of NOK 16.9 million in stage 3 where no loan loss provisions have been made due to the value of collateral.

Note 13 | Distribution of loan loss provisions and exposure on secured and unsecured exposures

Distribution of loan loss provisions

30.06.2023				
NOK million	Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	1.3	4.4	1.2	7.0
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total loan loss provisions	1.3	4.4	1.7	7.5

31.12.2022				
NOK million	Stage 1	Stage 2	Stage 3	Total loan loss provisions
Retail exposures secured by mortgages on immovable property	2.3	6.3	1.7	10.2
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total loan loss provisions	2.3	6.3	2.1	10.7

Distribution of exposures incl. unused credit limits and guarantees

30.06.2023				
NOK million	Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	36,370.4	3,426.7	82.5	39,879.6
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total exposure	36,370.4	3,426.7	83.0	39,880.1

31.12.2022				
NOK million	Stage 1	Stage 2	Stage 3	Total exposure
Retail exposures secured by mortgages on immovable property	36,338.8	2,473.5	37.4	38,849.7
Unsecured retail exposures including credit cards exposures				
Other exposures including SME exposures			0.5	0.5
Total exposure	36,338.8	2,473.5	37.8	38,850.2

Note 14 | Off balance sheet liabilities and contingent liabilities

NOK million	30.06.2023	31.12.2022
Unused credit facilities	1,647.7	1,369.2
Total contingent liabilities	1,647.7	1,369.2

Unused credit facilities encompass unused flexible mortgage facilities.

Per 30 June 2023, the company has not pledged any collateral.

Note 15 | Loans to value ratio and collateral

NOK million	30.06.2023	31.12.2022
Gross loans ¹⁾	38,232.4	37,481.0
Average loan balance per customer	3.2	3.0
No. of loans	14,481	15,361
Weighted average seasoning (months)	30	29
Weighted average remaining term (months)	285	291
Average loan to value ratio	57%	55%
Over-collateralisation ²⁾	10.5%	32.3%
Cover pool:		
Residential mortgages ¹⁾	40,126.1	36,970.3
Supplementary security	552.9	1,143.5
Total	40,679.0	38,113.8

¹⁾In accordance with the Regulation for credit institutions that issue covered bonds, lending cannot exceed 80% of the value of collateral (i.e. value of properties pledged as collateral). As per 30 June 2023, the company had NOK 149 million that exceeds the loan to value limit and has therefore not been included in the cover pool. As per 30 June 2023, the company has 22 non-performing loans without evidence of impairment, equivalent to NOK 74.3 million. There are 4 non-performing loans with evidence of impairment of NOK 8.6 million where the impairment is assessed to be NOK 1.4 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 34.9 billion (nominal value).

Note
16

Net interest income

NOK million	Q2		01.01 - 30.06		Full Year
	2023	2022	2023	2022	2022
Interest on loans to credit institutions	0.1	0.1	0.2	0.1	0.3
Interest on loans to customers - loans valued at amortised cost	0.2		0.2		
Interest on loans to customers - loans valued at fair value with change in value through other comprehensive income	440.9	166.2	843.9	308.0	824.5
Interest on interest-bearing securities valued at amortised cost	2.8	1.0	6.1	1.7	6.8
Total interest income calculated by using the effective interest method	444.0	167.4	850.4	309.8	831.6
Interest on interest-bearing securities valued at fair value with change in value through profit and loss	5.9	4.9	12.9	7.9	24.2
Interest on derivatives					
Total other interest income	5.9	4.9	12.9	7.9	24.2
Total interest income	449.9	172.2	863.3	317.7	855.8
Interest on loans from credit institutions	-30.6	-10.2	-67.3	-15.8	-76.0
Interest on debt securities issued	-332.5	-104.3	-628.7	-178.0	-555.6
Total interest expenses calculated by using the effective interest method	-363.2	-114.5	-696.1	-193.9	-631.6
Interest on derivatives	-1.8	0.7	-4.1	1.5	-0.7
Other interest expenses	-1.4	-1.0	-2.8	-1.9	-3.8
Total other interest expenses	-3.2	-0.3	-6.9	-0.4	-4.5
Total interest expenses	-366.3	-114.8	-703.0	-194.3	-636.1
Net interest income	83.5	57.4	160.3	123.4	219.6

Note
17

Net change in fair value and gain/loss on foreign exchange and financial instruments

NOK mill.	Q2		01.01 - 30.06		Full Year
	2023	2022	2023	2022	2022
Realised gain/loss on loans and receivables					
Unrealised gain/loss on loans and receivables		-0.1	-0.1	-0.2	-0.2
Net change in value and gain/loss on loans and receivables		-0.1	-0.1	-0.2	-0.2
Realised gain/loss on interest-bearing securities			0.1		-0.3
Unrealised gain/loss on interest-bearing securities	-0.1	-2.3	-0.5	-2.0	0.6
Net change in value and gain/loss on interest-bearing securities	-0.1	-2.3	-0.4	-2.0	0.3
Realised gain/loss on financial liabilities	-0.3	-1.6	-4.6	-2.1	-2.1
Unrealised gain/loss on financial liabilities	19.6	16.1	16.4	48.4	42.8
Net change in value and gain/loss on financial liabilities (except financial derivatives)	19.4	14.5	11.7	46.2	40.7
Realised gain/loss on foreign exchange and financial derivatives	0.8		-5.9		-14.1
Unrealised gain/loss on foreign exchange and financial derivatives	-20.1	-16.4	-12.7	-51.1	-39.4
Net change in value and gain/loss on foreign exchange and financial derivatives	-19.3	-16.4	-18.7	-51.1	-53.4
Total change in value and net gain/loss on financial assets and financial liabilities	0.0	-4.2	-7.4	-7.0	-12.6

Note 18 | Quarterly income statement

NOK million	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income	449.9	413.4	325.8	212.3	172.2
Interest expense	-366.3	-336.6	-287.7	-154.1	-114.8
Net interest income	83.5	76.8	38.0	58.2	57.4
Net gains on financial instruments		-7.3	-5.0	-0.6	-4.2
Other income	0.1	-0.1	0.1		
Total other operating income	0.1	-7.5	-4.9	-0.7	-4.2
Staff expenses	-0.1		-0.1	-0.2	
General administration expenses	-40.9	-37.7	-33.3	-30.5	-27.6
Total operating expenses	-41.0	-37.7	-33.4	-30.7	-27.5
Operating profit before loan losses	42.6	31.6	-0.3	26.8	25.7
Loan losses for the period	8.3	-5.0	-4.2	-1.9	-0.6
Profit before tax	50.9	26.6	-4.4	25.0	25.0
Tax	-11.2	-5.9	1.0	-5.5	-5.5
Profit before other comprehensive income	39.7	20.7	-3.5	19.5	19.5

Storebrand Boligkreditt AS

- Declaration by the Board of Directors and the CEO

On this date, the Board of Directors and the CEO have considered and approved the interim report and interim financial statements for Storebrand Boligkreditt AS for the first six months of 2023 (the interim report for 2nd quarter).

The interim report has been prepared in accordance with the requirements of IAS, 34 Interim Financial Reporting as adopted by the EU and additional Norwegian requirements pursuant to the Norwegian Securities Trading Act.

In the best judgement of the Board and the CEO, the financial statements for the first six months of 2023 have been prepared in accordance with the applicable accounting standards, and the information presented in the financial accounts provides a true and fair view of company's assets, liabilities, financial position and results as a whole as at 30 June 2023. In the best judgement of the Board and the CEO, the interim report for 2nd quarter provides a true and fair view of the material events that occurred during the accounting period and their effects on the financial statements of Storebrand Boligkreditt AS. In the best judgement of the Board and the CEO, the descriptions of the most important elements of risk and uncertainty that the company faces in the next accounting period, and a description of related parties' material transactions, also provide a true and fair view.

Lysaker, 13 July 2023

Board of Directors of Storebrand Boligkreditt AS

Bernt Uppstad

Chairman of the Board

Camilla Leikvoll

Jan Birger Penne

Thor Bendik Weider

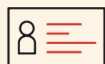
Einar Leikanger
CEO

Financial calendar



25 October Results Q3 2023
February 2024 Results Q4 2023

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