



# 1<sup>st</sup> Quarterly Report 2024

SpareBank 1 Boligkreditt

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12 BANKS. HUNDREDS OF YEARS OF EXPERIENCE:

# The SpareBank Alliance

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

The savings banks history begin in Norway in 1822 when the first savings bank opened in Christiania, today's Oslo. The following year, in 1823, the first banks, which are today part of the SpareBank 1 Alliance, were founded.

In 1996, The SpareBank 1 Alliance was formed. The goal was to make the banks stronger by working together. Later, several opportunities for offering the public other financial services than lending were integrated. At the same time the SpareBank 1 brand was born. Today it is a household brand name all over Norway. The number of savings banks in the Alliance has changed over time. Smaller units have merged, forming larger banks, and further banks have joined the Alliance because of the benefits the cooperation offers.

The Alliance strengthens each of today's 12 local bank's competitiveness and profitability and it ensures each bank's future independence and regional ties. The shares of SpareBank 1 banks listed on the Oslo stock exchange have provided strong investment returns since the Alliance was formed, through the financial crisis and the corona pandemic, as well as business cycles in between.

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

SpareBank 1 is Norway's second largest finance group in terms of assets. It plays a key role in the country's residential mortgage market. At year-end 2023, the banks in the SpareBank 1 Alliance finance approximately 25 per cent of all residential mortgage loans in Norway.

Big or small, two hundred years old or established in the 21st century: All the banks in the SpareBank 1 Alliance have made a difference for Norwegians and their daily lives, businesses and local initiatives all over the country – and they still do. Today the one-time traditional saving account and lending banking concept of the 19th century is, as a SpareBank 1 Alliance member, a fully-fledged universal bank which shares a part of its profits with the society in which it operates.

When the covered bond legislation was enacted in Norway in 2007 (and since updated in 2022), the SpareBank 1 banks' joint subsidiary SpareBank 1 Boligkreditt (SpaBol) stood ready to fund residential mortgages with covered bonds on behalf of the SpareBank 1 banks. SpaBol has been a regular EUR benchmark issuer in since and has become an established name in the covered bond market. SpaBol comes regularly to both the EUR and NOK covered bond markets in public benchmark format, and issues in other currencies as well.

Even though a successful alliance always is dependent on its members, we highlight SpareBank 1 Nord-Norge in the 2023 annual report. SpareBank 1 Nord-Norge is the northernmost bank in the Alliance, and probably also in the world, with a presence on the arctic Norwegian island of Svalbard (where rifles inside the bank branch are allowed, for the protection against visiting polar bears outside). The cover picture of this quarterly report is from Lofoten, which is within SpareBank 1 Nord-Norge's home market region.



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

# Statement of the Board of Directors of SpareBank 1 Boligkreditt AS, as of 31 March 2024

## SpareBank 1 Boligkreditt

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

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

The sole purpose of the Company is to provide funding via covered bonds for the owner banks in the SpareBank 1 Alliance. To this purpose, the owner banks transfer qualifying mortgage loans (mortgages that follow from a specific rule set) with a loan-to-value ("LTV") of up to 75 per cent<sup>2</sup>. The Company pays the net interest margin earned on mortgages to the banks, after deductions for its funding and operating costs. This net interest margin is accounted for as commissions to the owner banks in the Company's financial statement. The Company is thus an integrated part of the financing operations of its owner banks. All customer interaction regarding the residential mortgages transferred to SpaBol remain with the originating bank.

The Company's issuances of covered bonds mainly take place under the EUR 35 billion Global Medium Term Covered Note Programme (GMTCN Programme). This Programme was last updated on March 26, 2024. The programme is available on the Company's home page: <https://spabol.sparebank1.no/programme-documents>

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

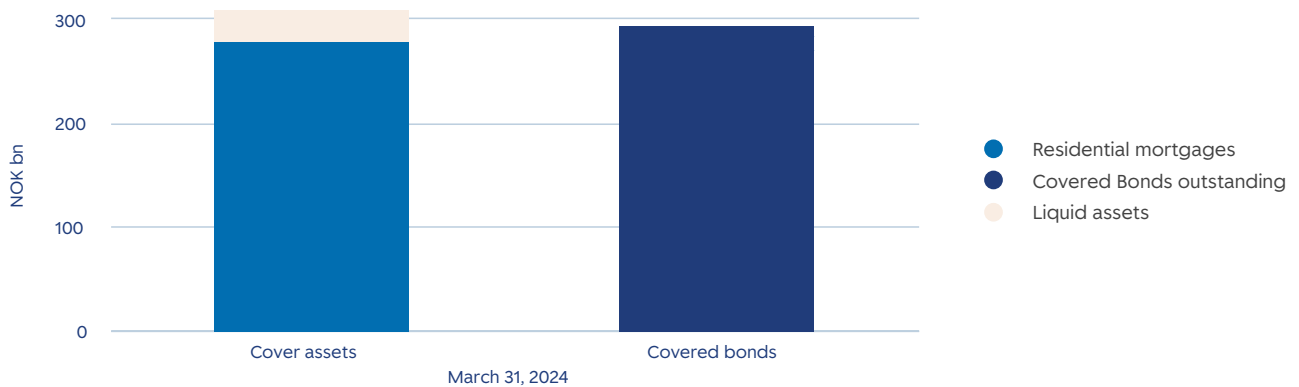
## Cover pool and outstanding covered bonds<sup>3</sup>

SpareBank 1 Boligkreditt's cover pool consists of residential mortgages and liquid, highly rated assets as well as derivatives hedging liabilities in a foreign currency and/or at fixed rates. The chart below illustrates the balances as of March 31, 2024. The balances are based on a nominal principle where bonds (covered bonds issued as well as bonds held within liquid assets) are presented at par. This means that derivatives hedging these instruments are effectively incorporated within the nominal values of the bonds in the illustration. A swap exactly converts each fixed coupon payment in any currency to a NOK 3-month floating rate basis over the tenor of a bond.

<sup>1</sup> The covered bond legislation in Norway was updated July 2022 and incorporates the Directive (EU) 2019/2162

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

<sup>3</sup> The source is the cover pool asset liability test for overcollateralization as of March 31, 2024 (which is a note included in the financial statements).



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

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

## Residential mortgages key figures

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Weighted Average Current LTV (%)	54.8 %	53.3 %	51.2 %	51.1 %	51.9 %
Weighted Average Original LTV (%)	60.5 %	59.9 %	60.3 %	60.1 %	60.1 %
Average Loan Balance (NOK)	1,836,819	1,811,759	1,787,257	1,761,198	1,741,462
Number of Mortgages in Pool	152,327	152,420	151,623	150,818	151,075
Pct. of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	5.8 %	5.3 %	5.4 %	5.4 %	5.3 %

## Key developments in 2024

Covered bond funding has so far only taken place in NOK in 2024, with 8.8 billion issued. The Company is contemplating EUR issuance during the 2nd quarter.

Equity capital was increased in February 2024 from the SpareBank 1 owner banks, in the regular course of business due to the growth of Boligkreditt. AT1 and T2 issuances have been made and/or agreed during the 1st quarter as well, in the domestic market.

The Norwegian market is still waiting for a new definition of the top 15 per cent energy efficient houses by the Norwegian government's agency responsible. The new definition will enable green bond issuers, such as SpaBol, to calibrate and then plan further green bond issuances. The new green bond framework for SpaBol was published in January 2024, and is available on the Company's home page, [Spabol.no](https://spabol.no)

Three new Board of Directors members have joined the Board from the 1st of April 2024, and are replacing three outgoing Directors. The Board is presented on the Company's home page: <https://spabol.sparebank1.no/about>. The SpaBol Board is mainly populated by the CFOs in the owner banks, as is naturally for the Company's business narrow purpose, but also has two members from outside the SpareBank 1 Alliance. An amended law in Norway requires most Norwegian companies to have a 40% minimum participation by both genders. The law previously required this only by all widely held corporations listed on the stock exchange. SpaBol's Board meets the new legal requirements, which are effective from the end of 2024.

The Company terminated its Share Noteholders Purchase Agreement in the first quarter. This agreement regulated the formal requirement of the SpareBank 1 banks to purchase covered bonds from the Company, under certain circumstances. The arrangement, which was never used, was deemed unnecessary and was cancelled for efficiency and cost reasons. Moody's evaluated the impact of the termination, which resulted in no changes in the agency's rating assessment. The evaluation underlined the highly integrated nature of SpaBol in its owner banks' operations.

## Accounts as per 31.03.2024

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

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

The total balance sheet at March 31, 2024 amounted to 336 (302) billion kroner. The main reason behind this increase is the growth in the financed volume of mortgages of NOK 281 billion vs. NOK 264 billion a year earlier. The pre-tax result for the quarter ended March 31, 2024 of 204 (211) million is driven by the following<sup>4</sup>:

- The Company had net interest income of NOK 470 (424) million, which includes both mortgage interest and interest income from the portfolio of liquid assets. The increase in the financed mortgage volume is offset by a slightly lower average net lending margin in the first quarter 2024, compared with a year ago. The net interest increase mainly comes from a higher contribution of the liquid assets portfolio, as well as an increase in the Company's equity from February 2024.

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

- Commission expense to SpareBank 1 banks were 265 (283) million, which are the payments of the mortgages' net interest margin to the Issuer's loan originating owner banks. The reduction of these commissions, despite a growing loan book, is due to the reasons described above.
- The net gain from financial instruments was NOK 20 (80) million. This figure incorporates all valuation changes in the Company's liquid assets (covered bonds, SSA and sovereign bonds) as well as issued debt hedged with derivatives. Changing NIBOR rates can drive temporary valuation changes on the asset and debt side, which reflects the larger gain in the first quarter 2023, while credit spread changes in liquid assets also drive valuations there. EUR-NOK basis swaps valuation changes are not accounted for in the Company's ordinary result, but is included in Other Comprehensive Income (OCI)
- The cost of operations for 2023 was NOK 11,6 (13) million. The majority of operating costs are for expenses related to the Company's bond issuances, IT operations as well as personnel related expense.
- IFRS 9 loan loss provisions increased by NOK 9.6 (reversal of 2,3) million to NOK 57 million. These are modelled losses under assumption about future developments. No actual loan losses have ever occurred in the Company's portfolio of mortgage assets.

## Risk aspects

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

**Credit Risk** is defined as the risk that losses can occur as a consequence of that customers and others not having the ability or willingness to meet their obligations to SpareBank 1 Boligkreditt. Because the Company buys residential mortgages within 75% of the value of the objects on which the mortgages are secured, the Board of Directors concludes that the credit risk is lower than for Norwegian banks in general<sup>5</sup>.

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

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

The Company had as of March 31, 2024 only moderate interest rate risk, and small amounts of currency risk.

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

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



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

The Company spends much time identifying, measuring, managing, and following up on central areas of risk in such a way that this contributes to meeting its strategic goals. The notes 24 through 28 in the 2023 annual accounts provide further information.

## Macroeconomic development and outlook

Higher interest rates have reduced economic growth in 2023 and also in the forecast for 2024-2025. Weighing on GDP growth has especially reduced investment in new residential construction, while mainland business investment is also forecasted to contract in 2024 and 2025 (but grew in 2023). On the other side is investments in oil and gas, which drives growth. The consumer slightly reduced spending in 2023, and this is expected to not materially increase in 2024, while there is an outlook for a real wage increase amongst employees in 2024 for the first time in nearly a decade.

The variable mortgage interest rate, which most mortgage holders pay, is now above 5.6 per cent. While this increase reduces loan growth, and was expected to also reduce market pricing of residential property, the housing market price index appreciated around one per cent annually over the time period from 2022 to March 2024. The wage settlements at over five per cent in 2023 and 2024, population growth, and a reduced new construction volume, influences the price index for existing homes.

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

Recent data and forecast (per cent)	2021	2022	2023	2024	2025
Mainland GDP growth	4.5	3.7	0.9	0.9	1.6
Private consumption growth	5.1	6.2	-0.7	0.6	2.2
Investments growth	0.7	5.2	0.3	-1.2	-1.3
Unemployment rate	4.4	3.2	3.6	4.1	4.2
CPI growth	3.5	5.8	5.5	4.0	2.6
Annual wage growth	3.5	4.3	5.2	5.2	3.9
Current account surplus to GDP	14.9	30.2	17.7	13.8	15.4

Source: Statistics Norway (SSB) March 15, 2024

## Future prospects of the Company

The Company has a portfolio of residential mortgage loans with an average loan to value (LTV) around 50 per cent, and no loans are in default.

SpareBank 1 Boligkreditt's residential mortgage portfolio is well diversified, albeit weighted towards the eastern, central, and northern regions in Norway. Mortgage loans in the cover pool are very granular (average size of NOK 1.8 million). The banks in the SpareBank 1 Alliance are required to keep reserves of eligible (i.e. cover pool pre-qualified) mortgages in order to provide replacement assets should this become necessary (i.e. if residential price declines increase LTVs above the eligibility limit for mortgages in the pool). Such reserves in the banks are tested regularly to verify that a broad and general 30 per cent decline in real estate prices leaves each member bank with sufficient qualifying reserves for replenishing the cover pool.

The Board of Directors views Boligkreditt as sufficiently capitalized with a capital coverage ratio of 19.16 per cent against a total requirement, including all regulatory buffers, of 18.1 per cent. Additional capital is paid in by the shareholder banks when needed, and the last increase of NOK 1 bn, took place in February 2024.

It is the Company's policy to maintain capital ratios slightly above the regulatory requirements (with a management buffer of currently 0.8 per cent).

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

\* \* \*

The Board of Directors affirms its conviction that the financial accounts present a correct and complete picture of the Company's operations and financial position at the end of March 2024. The financial accounts including notes are produced under the assumption of a going concern.

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



**/s/ Bengt Olsen**  
Chairman of the board



**/s/ Geir-Egil Bolstad**



**/s/ Trond Søråas**



**/s/ Bjørn Rune Rindal**



**/s/ Heidi Aas Larsen**



**/s/ Inger Eriksen**



**/s/ Herborg Aanestad**

# SpareBank 1 Boligkreditt AS

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

The Board and the chief executive officer have today reviewed and approved the financial accounts as of March 31, 2024 for SpareBank 1 Boligkreditt AS. The accounts have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU.

To the best knowledge of the Board and the chief executive officer, the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole as of March 31, 2024.

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

*Stavanger, May 6, 2024*

*The Board of Directors of SpareBank 1 Boligkreditt AS*

**/s/ Bengt Olsen**  
Chair

**/s/ Geir-Egil Bolstad**

**/s/ Trond Søråas**

**/s/ Heidi Aas Larsen**

**/s/ Inger Eriksen**

**/s/ Herborg Aanestad**

**/s/ Bjørn Rune Rindal**

**/s/ Arve Austestad**  
CEO

# Financial statements 1st Quarter 2024

## Income Statement

NOK 1 000	01.01.2024 31.03.2024	01.01.2023 31.03.2023	2023
Total interest income	4,380,079	2,993,230	14,075,135
Total interest expenses	(3,910,107)	(2,569,231)	(12,610,685)
<b>Net interest income</b>	<b>469,973</b>	<b>423,998</b>	<b>1,464,450</b>
Commissions to SpareBank 1 banks	(265,309)	(282,904)	(787,664)
<b>Net commission income</b>	<b>(265,309)</b>	<b>(282,904)</b>	<b>(787,664)</b>
Net gains/losses from financial instruments	20,402	80,348	3,636
<b>Net other operating income</b>	<b>20,402</b>	<b>80,348</b>	<b>3,636</b>
<b>Total operating income</b>	<b>225,066</b>	<b>221,442</b>	<b>680,422</b>
Salaries and other ordinary personnel expenses	(4,488)	(5,831)	(14,593)
Other operating expenses	(7,122)	(7,147)	(30,519)
<b>Total operating expenses</b>	<b>(11,610)</b>	<b>(12,979)</b>	<b>(45,112)</b>
Operating result before loan loss provisions	213,456	208,463	635,309
Loan loss provisions	(9,601)	2,309	(16,016)
<b>Pre-tax operating result</b>	<b>203,855</b>	<b>210,772</b>	<b>619,294</b>
Taxes	(46,461)	(48,996)	(140,025)
<b>Profit/(loss) for the period</b>	<b>157,394</b>	<b>161,776</b>	<b>479,269</b>
Portion attributable to shareholders	139,382	146,987	416,476
Portion attributable to additional Tier 1 capital holders	18,012	14,790	62,793
<b>Profit/(loss) for the period</b>	<b>157,394</b>	<b>161,776</b>	<b>479,269</b>

## Overview of Comprehensive Income

NOK 1 000	01.01.2024 31.03.2024	01.01.2023 31.03.2023	2023
Profit/loss for the year	157,394	161,776	479,269
<b>Items that will not be reclassified to profit/loss</b>			
Actuarial gains and losses pensions	-	-	(14,548)
Tax effect	-	-	3,637
<b>Items that may be reclassified to profit/loss later</b>			
Basis swap valuation adjustment	(211,072)	(96,990)	(728,680)
Tax effect	52,768	24,247	182,170
Other comprehensive income for the period	(158,304)	(72,742)	(557,421)
<b>Comprehensive income for the period</b>	<b>(910)</b>	<b>89,034</b>	<b>(78,152)</b>

## Balance sheet

NOK 1 000	31.03.2024	31.03.2023	2023
<b>Assets</b>			
Deposits with credit institutions	4,171,435	2,377,752	1,063,325
Certificates and bonds	36,313,983	25,761,598	33,094,399
Residential mortgage loans	280,544,694	263,545,096	276,816,597
Financial derivatives	13,346,319	9,632,070	9,008,375
Deferred tax asset	472,844	157,918	420,076
Other assets	457,065	759,962	62,679
<b>Total assets</b>	<b>335,306,340</b>	<b>302,234,396</b>	<b>320,465,452</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Debt incurred by issuing securities	306,169,307	275,597,731	296,226,162
Collateral received under derivatives contracts	8,249,792	4,828,201	4,896,717
Repurchase agreement	750,573	1,207,636	-
Financial derivatives	3,344,656	5,185,405	3,841,473
Deferred tax	-	-	-
Tax payable	230,284	164,167	269,808
Subordinated debt	1,743,614	1,436,639	1,485,180
Other Liabilities	1,575,765	921,986	1,068,669
<b>Total Liabilities</b>	<b>322,063,990</b>	<b>289,341,765</b>	<b>307,788,009</b>
<b>Equity</b>			
Share capital	8,464,015	7,797,215	7,797,215
Share premium	4,234,655	3,901,255	3,901,255
Declared dividends	-	-	-
Basis swap valuation reserve	(492,246)	139,825	(333,942)
Other equity	(21,468)	(7,440)	412,915
Hybrid capital	900,000	900,000	900,000
Profit/(loss) for the period	157,394	161,776	-
<b>Total equity</b>	<b>13,242,350</b>	<b>12,892,632</b>	<b>12,677,443</b>
<b>Total liabilities and equity</b>	<b>335,306,340</b>	<b>302,234,396</b>	<b>320,465,452</b>

Stavanger, May 6, 2024

/s/ Bengt Olsen  
Chair

/s/ Geir-Egil Bolstad

/s/ Trond Søråas

/s/ Heidi Aas Larsen

/s/ Inger Eriksen

/s/ Herborg Aanestad

/s/ Bjørn Rune Rindal

/s/Arve Austestad  
CEO

## Changes in Equity

NOK 1 000	Share capital	Share premium	Dividend	Basis swap valuation reserve	Other Equity	Hybrid capital	Total Equity
<b>Balance as of 31 December, 2022</b>	<b>7,797,215</b>	<b>3,901,255</b>	<b>-0</b>	<b>212,567</b>	<b>7,350</b>	<b>900,000</b>	<b>12,818,387</b>
Dividend 2022	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	479,269	-62,793	416,476
Paid interest on hybrid capital - directly against equity	-	-	-	-	-62,793	62,793	-
Basis swap valuation change, net	-	-	-	-546,510	-	-	-546,510
Actuarial gain/loss pension	-	-	-	-	-10,911	-	-10,911
Other	-	-	-	-	-	-	-
<b>Balance as of 31 December, 2023</b>	<b>7,797,215</b>	<b>3,901,255</b>	<b>-0</b>	<b>-333,942</b>	<b>412,915</b>	<b>900,000</b>	<b>12,677,443</b>
Dividend 2023	-	-	-	-	-416,371	-	-416,371
Share increase	666,800	333,400	-	-	-	-	1,000,200
Profit/(loss) for the period	-	-	-	-	157,394	-18,012	139,382
Paid interest on hybrid capital - directly against equity	-	-	-	-	-18,012	18,012	-
Basis swap valuation change, net	-	-	-	-158,304	-	-	-158,304
Actuarial gain/loss pension	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Balance as of 31 March, 2024</b>	<b>8,464,015</b>	<b>4,234,655</b>	<b>-0</b>	<b>-492,246</b>	<b>135,926</b>	<b>900,000</b>	<b>13,242,350</b>

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



# Cash Flow Statement

NOK 1 000	31.03.2024	31.03.2023	2023
<b>Cash flow from operations</b>			
Change in gross lending to customers	-3,684,122	-10,591,485	-23,666,791
Interest receipts from lending to customers	3,886,951	2,691,201	12,582,674
Change in certificates and bonds	-3,141,178	4,246,443	-3,362,527
Interest receipts from certificates and bonds	399,280	254,454	1,008,508
Change in deposits with credit institutions	3,938,611	5,365,237	4,527,932
Interest on deposits with credit institutions	-46,252	25,576	-27,606
Realised gain/loss repurchased debt and liquid assets	-40,630	-71,641	-362,664
Commissions paid	-230,907	-201,511	-751,817
Payment for bank resolution fund	-62,315	-51,583	-51,583
Payments for operations	-11,325	-12,713	-43,951
Other payments, net	17,525	-3,248	16,505
Taxes paid	-42,993	0	-89,622
<b>Net change in liquidity from operations</b>	<b>982,646</b>	<b>1,650,728</b>	<b>-10,220,944</b>
<b>Cash flow from investments</b>			
Investments in intangible assets	0	0	0
Investments in tangible fixed assets	0	-202	-202
<b>Net cash flow from investments</b>	<b>0</b>	<b>-202</b>	<b>-202</b>
<b>Cash flow from financing</b>			
Debt raised by issuance of covered bonds	8,802,690	13,640,135	53,740,170
Repayment of issued covered bonds	-4,058,358	-11,673,974	-33,027,164
Interest payment on covered bonds	-3,846,057	-2,566,678	-11,635,176
Debt raised by issuance of sr. unsec. debt	0	0	950,000
Interest payment on sr. unsec. debt	12,507	0	8,892
Debt raised by issuance of subordinated debt	300,000	0	1,675,000
Repayments of issued subordinated debt	-41,500	0	-1,633,500
Interest payment on subordinated debt	-26,008	-17,988	-80,566
Equity capital subscription	1,000,200	0	-10,911
Interest payment on hybrid capital	-18,012	-14,790	-62,793
Payment of dividend	0	0	0
<b>Net cash flow from financing</b>	<b>2,125,463</b>	<b>-633,294</b>	<b>9,923,951</b>
<b>Net cash flow in the period</b>	<b>3,108,109</b>	<b>1,017,232</b>	<b>-297,195</b>
<b>Cash and cash equivalents at 1 January</b>	<b>1,063,325</b>	<b>1,360,520</b>	<b>1,360,520</b>
Net receipt/payments on cash	3,108,109	1,017,232	-297,195
<b>Cash and cash equivalents at the end of the period</b>	<b>4,171,435</b>	<b>2,377,752</b>	<b>1,063,325</b>

## Quarterly Financial Statements

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

### Income Statement

NOK 1 000	1. quarter	4. quarter	3. quarter	2. quarter	1. quarter
	2024	2023	2023	2023	2023
Total interest income	4,380,079	4,186,670	3,662,700	3,232,536	2,993,230
Total interest expenses	-3,910,107	-3,864,463	-3,354,943	-2,822,047	-2,569,231
<b>Net interest income</b>	<b>469,973</b>	<b>322,206</b>	<b>307,757</b>	<b>410,489</b>	<b>423,998</b>
Commissions to SpareBank 1 banks	-265,309	-105,728	-138,499	-260,533	-282,904
<b>Net commission income</b>	<b>-265,309</b>	<b>-105,728</b>	<b>-138,499</b>	<b>-260,533</b>	<b>-282,904</b>
Net gains/losses from financial instruments	20,402	-10,194	-67,877	1,359	80,348
<b>Net other operating income</b>	<b>20,402</b>	<b>-10,194</b>	<b>-67,877</b>	<b>1,359</b>	<b>80,348</b>
<b>Total operating income</b>	<b>225,066</b>	<b>206,284</b>	<b>101,380</b>	<b>151,316</b>	<b>221,442</b>
Salaries and other ordinary personnel expenses	-4,488	-1,293	-4,649	-2,820	-5,831
Other operating expenses	-7,122	-8,166	-7,502	-7,704	-7,147
<b>Total operating expenses</b>	<b>-11,610</b>	<b>-9,459</b>	<b>-12,150</b>	<b>-10,524</b>	<b>-12,979</b>
<b>Operating result before losses</b>	<b>-4,488</b>	<b>-1,293</b>	<b>-4,649</b>	<b>-2,820</b>	<b>-5,831</b>
Mortgages IFRS 9 ECL	-9,601	-10,667	-6,685	-974	2,309
<b>Pre-tax operating result</b>	<b>203,855</b>	<b>186,159</b>	<b>82,545</b>	<b>139,818</b>	<b>210,772</b>
Taxes	-46,461	-42,991	-16,629	-31,409	-48,996
<b>Profit/loss for the year</b>	<b>157,394</b>	<b>143,168</b>	<b>65,917</b>	<b>108,408</b>	<b>161,776</b>
Other income and expense	-158,304	-336,794	-199,225	51,340	-72,742
<b>Total Profit/Loss</b>	<b>-910</b>	<b>-193,626</b>	<b>-133,308</b>	<b>159,748</b>	<b>89,034</b>

## Balance sheet

NOK 1 000	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
<b>Assets</b>					
Lending to and deposits with credit institutions	4,171,435	1,063,325	1,556,716	5,136,178	2,377,752
Certificates and bonds	36,313,983	33,094,399	23,516,890	22,524,509	25,761,598
Residential mortgage loans	280,544,694	276,816,597	271,576,198	266,112,296	263,545,096
Financial derivatives	13,346,319	9,008,375	6,793,630	10,123,240	9,632,070
Deferred tax asset	472,844	420,076	207,213	140,805	157,918
Other assets	457,065	62,679	1,233,288	1,840,078	759,962
<b>Total assets</b>	<b>335,306,340</b>	<b>320,465,452</b>	<b>304,883,935</b>	<b>305,877,106</b>	<b>302,234,396</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Debt incurred by issuing securities	306,169,307	296,226,162	276,851,122	276,674,637	275,597,731
Collateral received under derivatives contracts	8,249,792	4,896,717	2,947,543	6,862,876	4,828,201
Repurchase agreement	0	0	2,541,340	1,766,747	1,207,636
Financial derivatives	3,344,656	3,841,473	7,560,833	5,175,066	5,185,405
Deferred tax	0	0	0	0	0
Tax payable	230,284	269,808	126,043	109,590	164,167
Subordinated debt	1,743,614	1,485,180	1,440,022	1,437,962	1,436,639
Other Liabilities	1,575,765	1,068,669	528,172	812,029	921,986
<b>Total Liabilities</b>	<b>322,063,990</b>	<b>307,788,009</b>	<b>291,995,075</b>	<b>292,838,906</b>	<b>289,341,765</b>
<b>Equity</b>					
Share capital	8,464,015	7,797,215	7,797,215	7,797,215	7,797,215
Share premium	4,234,655	3,901,255	3,901,255	3,901,255	3,901,255
Declared dividends	0	0	0	0	0
Basis swap valuation reserve	-492,246	-333,942	-8,060	191,165	139,825
Other equity	-21,468	412,915	-37,651	-21,621	-7,440
Net profit	157,394	0	336,102	270,185	161,776
Hybrid capital	900,000	900,000	900,000	900,000	900,000
<b>Total equity</b>	<b>13,242,350</b>	<b>12,677,443</b>	<b>12,888,860</b>	<b>13,038,199</b>	<b>12,892,632</b>
<b>Total liabilities and equity</b>	<b>335,306,340</b>	<b>320,465,452</b>	<b>304,883,935</b>	<b>305,877,106</b>	<b>302,234,396</b>

# Notes to the Accounts

## Note 1 Accounting principles

### 1.1 Basis for preparation

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

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

The interim financial statements are not audited.

### 1.2 Segments

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

### 1.3 Estimates and assessments regarding the use of accounting principles

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

## Note 2 Net Interest Income

NOK 1 000	31.03.2024	31.03.2023	2023
<b>Interest income</b>			
Interest income from certificates, bonds and deposits	439,611	255,674	1,231,720
Interest income from residential mortgage loans	3,940,469	2,737,556	12,843,415
<b>Total interest income</b>	<b>4,380,079</b>	<b>2,993,230</b>	<b>14,075,135</b>
<b>Interest expense</b>			
Interest expense and similar expenses to credit institutions	70,843	11,625	198,337
Interest expense and similar expenses on issued bonds	3,797,234	2,526,714	12,271,903
Interest expense and similar expenses on subordinated debt	25,942	17,821	87,441
Recovery and Resolution Fund *	15,579	12,896	51,583
Other interest expenses	509	176	1,421
<b>Total interest expense</b>	<b>3,910,107</b>	<b>2,569,231</b>	<b>12,610,685</b>
<b>Net interest income</b>	<b>469,973</b>	<b>423,998</b>	<b>1,464,450</b>

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

## Note 3 Commissions to Sparebank 1 banks

NOK 1 000	31.03.2024	31.03.2023	2023
<b>Commission expense</b>			
Commission expense to SpareBank 1 banks	265,309	282,904	787,664
<b>Total commission expense</b>	<b>265,309</b>	<b>282,904</b>	<b>787,664</b>

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

## Note 4 Net Gains from Financial Instruments

NOK 1 000	31.03.2024	31.03.2023	2023
Net gains (losses) from financial liabilities	994,962	-3,085,423	-11,327,762
Net gains (losses) from financial derivatives at fair value, hedging liabilities (hedging instrument)	-7,178,467	-8,037,019	4,252,475
Net gains (losses) from financial assets	5,914,833	11,091,721	7,502,622
Net gains (losses) from financial derivatives at fair value, hedging assets (hedging instrument)	289,074	111,069	-423,700
<b>Net gains (losses)</b>	<b>20,402</b>	<b>80,348</b>	<b>3,636</b>

Issued Debt: The Company utilizes hedge accounting as defined in IFRS for issued fixed rate bonds (covered bonds) with derivatives (swaps) which hedges fixed rates to floating and foreign currencies to Norwegian kroner. The hedges are individually tailored to each issued bond and exactly matches the cash flows and duration of the issued bonds. Some liabilities in foreign currency are hedged with natural hedges (corresponding assets in the same currency) and this may cause the valuation differences between assets and liabilities. There may also be valuation differences between liabilities and hedges due to: (i) amortization of issuance costs and (ii) bonds issued above or below par value (iii) effects of credit spread changes in bond valuation (iv) changes in discount curves and cash flow time points within the 3 months floating rate coupon period

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

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

## Note 5 Salaries and other personell expenses

NOK 1 000	31.03.2024	31.03.2023	2023
Salaries	3,184	3,051	10,828
Remuneration Board of Directors	0	0	714
Pension expenses	1,278	3,285	2,603
Social insurance fees	699	706	3,647
Other personnel expenses	269	207	909
Amounts invoiced to SpareBank 1 Næringskreditt *	-942	-1,417	-4,109
<b>Total salary expenses</b>	<b>4,488</b>	<b>5,831</b>	<b>14,593</b>
<b>Average number of full time equivalents (FTEs)</b>	<b>7</b>	<b>7</b>	<b>7</b>

\* The company's employees have shared employment between SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt. All remuneration is effectuated through SpareBank 1 Boligkreditt and a portion is reinvoiced to SpareBank 1 Næringskreditt. The company also buys administrative services from SpareBank 1 SMN and SpareBank 1 Gruppen.

## Note 6 Other Operating Expenses

NOK 1 000	31.03.2024	31.03.2023	2023
IT and IT operations	3,308	3,384	11,932
Purchased services other than IT	3,136	3,031	15,153
Other Operating Expenses	648	702	3,316
Depreciation on fixed assets and other intangible assets	30	30	119
<b>Total</b>	<b>7,122</b>	<b>7,147</b>	<b>30,519</b>

## Note 7 Other Assets

NOK 1 000	31.03.2024	31.03.2023	2023
Leases	712	1,774	967
Fixed assets	65	144	85
Intangible assets	331	372	342
Accounts receivables from SpareBank 1 Næringskreditt AS	397	409	381
Accounts receivable, securities	407,156	716,630	56,033
Other	48,404	40,633	4,871
<b>Total</b>	<b>457,065</b>	<b>759,962</b>	<b>62,679</b>

## Note 8 Residential mortgage loans

Lending to customers are residential mortgages only. The mortgages generally have a low loan-to-value. The total amount of lending to customers at the end of 31.03.2023 were NOK 264 billion. All mortgages carry a variable interest rate.

NOK 1 000	31.03.2024	31.03.2023	2023
Revolving loans - retail market	39,072,175	41,131,250	40,121,639
Amortising loans - retail market	240,818,276	221,999,772	236,084,689
Accrued interest	711,190	443,286	657,672
<b>Total loans before specified and unspecified loss provisions</b>	<b>280,601,641</b>	<b>263,574,309</b>	<b>276,864,001</b>
Stage 1	268,260,683	253,300,307	264,620,901
Stage 2	12,340,957	10,274,001	12,243,099
Stage 3	-	-	-
<b>Gross loans</b>	<b>280,601,641</b>	<b>263,574,309</b>	<b>276,864,001</b>
<b>Impairments on groups of loans</b>			
Expected credit loss, stage 1	-19,322	-9,901	-15,166
Expected credit loss, stage 2, no objective proof of loss	-37,625	-19,311	-32,238
Expected credit loss, stage 3, objective proof of loss	-	-	-
<b>Total net loans and claims with customers</b>	<b>280,544,694</b>	<b>263,545,096</b>	<b>276,816,597</b>
<b>Liability</b>			
Unused balances under customer revolving credit lines (flexible loans)	13,033,464	13,556,595	13,249,819
<b>Total</b>	<b>13,033,464</b>	<b>13,556,595</b>	<b>13,249,819</b>
<b>Defaulted loans</b>			
Defaults*	0.0 %	0.0 %	0.0 %
Specified loan loss provisions	0.0 %	0.0 %	0.0 %
<b>Net defaulted loans</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
<b>Loans at risk of loss</b>			
Loans not defaulted but at risk of loss	0.0 %	0.0 %	0.0 %
- Write downs on loans at risk of loss	0.0 %	0.0 %	0.0 %
<b>Net other loans at risk of loss</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

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

## Note 9 Share Capital and Shareholder Information

### List of shareholders as of 2024

	No of Shares	in per cent	Share og votes
SpareBank 1 SMN	20,078,447	23.72 %	23.72 %
SpareBank 1 Østlandet	19,848,189	23.45 %	23.45 %
SpareBank 1 Nord-Norge	13,723,341	16.21 %	16.21 %
SpareBank 1 Sørøst-Norge	8,715,070	10.30 %	10.30 %
BN Bank ASA	5,722,664	6.76 %	6.76 %
SpareBank 1 Østfold Akershus	3,945,077	4.66 %	4.66 %
SpareBank 1 Ringerike Hadeland	3,776,222	4.46 %	4.46 %
SpareBank 1 Nordmøre	2,839,842	3.36 %	3.36 %
SpareBank1 Helgeland	2,640,285	3.12 %	3.12 %
SpareBank 1 Gudbrandsdal	1,343,169	1.59 %	1.59 %
SpareBank 1 Hallingdal Valdres	1,212,688	1.43 %	1.43 %
SpareBank 1 Lom og Skjåk	795,155	0.94 %	0.94 %
<b>Total</b>	<b>84,640,149</b>	<b>100 %</b>	<b>100 %</b>

The share capital consists of 84.640.149 shares with a nominal value of NOK 100  
The per cent share allocation and share of vote are identical.

### Hybrid capital

NOK 1000	ISIN	Interest rate	Issued year	Call option	31.03.2024	31.03.2023	2023
<b>Perpetual</b>							
Hybrid (Tier 1)	NO0010850621	3M Nibor + 340 bp	2019	30.04.2024	350,000	350,000	350,000
Hybrid (Tier 1)	NO0010890825	3M Nibor + 300 bp	2020	26.08.2025	200,000	200,000	200,000
Hybrid (Tier 1)	NO0010993009	3M Nibor + 250 bp	2021	06.05.2026	250,000	250,000	250,000
Hybrid (Tier 1)	NO0012753591	3M Nibor + 390 bp	2022	16.11.2027	100,000	100,000	100,000
<b>Book value</b>					<b>900,000</b>	<b>900,000</b>	<b>900,000</b>

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



## Note 10 Liabilities incurred by issuing securities

	Nominal value*	Nominal value*	Nominal value*
NOK 1 000	31.03.2024	31.03.2023	2023
Senior unsecured bonds	-	500,000	-
Repurchased senior unsecured bonds	-	-	-
Covered bonds	293,977,343	270,049,079	288,942,535
Repurchased Covered bonds	-	-	-
<b>Total debt incurred by issuing securities</b>	<b>293,977,343</b>	<b>270,549,079</b>	<b>288,942,535</b>

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

	Book value	Book value	Book value
NOK 1 000	31.03.2024	31.03.2023	2023
Senior unsecured bonds	-	499,975	-
Repurchased senior unsecured bonds	-	-	-
Covered bonds	304,458,851	274,092,023	294,828,642
Repurchased covered bonds	-	-	-
Activated costs incurred by issuing debt	-201,541	-211,580	-213,741
Accrued interest	1,911,997	1,217,315	1,611,261
<b>Total debt incurred by issuing securities</b>	<b>306,169,307</b>	<b>275,597,731</b>	<b>296,226,162</b>

### Covered bonds

Due in	31.03.2024	31.03.2023	2023
2023	1,776,880	15,746,804	-40,213
2024	15,813,195	28,038,016	19,517,590
2025	36,217,430	36,257,494	34,831,320
2026	50,760,500	61,714,850	54,141,530
2027	52,669,975	54,103,105	52,698,945
2028	65,834,213	25,829,510	63,266,763
2029	33,754,550	25,676,300	28,176,000
2030	11,767,600	-	10,967,600
2031	11,003,000	11,003,000	11,003,000
2032	9,937,500	9,937,500	9,937,500
2033	1,250,000	1,250,000	1,250,000
2034	250,000	250,000	250,000
2035	900,000	-	900,000
2037	-	-	-38,900
2038	2,042,500	242,500	2,081,400
<b>Total</b>	<b>293,977,343</b>	<b>270,049,079</b>	<b>288,942,535</b>

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

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

NOK 1 000	31.03.2024	31.03.2023	2023
NOK	129,107,205	116,040,775	124,467,577
EUR	163,901,833	145,475,746	158,579,800
GBP	0	3,164,364	0
SEK	8,712,275	8,637,988	8,685,839
CHF	4,447,994	2,278,858	4,492,946
<b>Total</b>	<b>306,169,307</b>	<b>275,597,731</b>	<b>296,226,162</b>

## Note 11 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option from	Maturity	Nominal amount	31.03.2024	31.03.2023	2023
<b>With maturity</b>									
Subordinated debt (Tier 2)	NO0010826696	3M Nibor + 153 bp	2018	22.06.2023	22.06.2028	250,000	-	250,000	-
Subordinated debt (Tier 2)	NO0010833908	3M Nibor + 180 bp	2018	08.10.2025	08.10.2030	400,000	400,000	400,000	400,000
Subordinated debt (Tier 2)	NO0010835408	3M Nibor + 167 bp	2018	02.11.2023	02.11.2028	475,000	-	475,000	-
Subordinated debt (Tier 2)	NO0010842222	3M Nibor + 192 bp	2019	24.01.2024	24.01.2029	300,000	-	300,000	41,500
Subordinated debt (Tier 2)	NO0012939133	3M Nibor + 265 bp	2023	13.09.2028	13.12.2033	300,000	300,000	-	300,000
Subordinated debt (Tier 2)	NO0013048132	3M Nibor + 240 bp	2023	17.10.2028	17.01.2034	355,000	355,000	-	355,000
Subordinated debt (Tier 2)	NO0013048157	3M Nibor + 243 bp	2023	17.04.2029	17.07.2034	370,000	370,000	-	370,000
Subordinated debt (Tier 2)	NO0013183699	3M Nibor + 190 bp	2024	21.06.2029	21.09.2024	300,000	300,000	-	-
Accrued interest							18,614	11,639	18,680
<b>Book value</b>							<b>1,743,614</b>	<b>1,436,639</b>	<b>1,485,180</b>

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

## Note 12 Financial Derivatives

NOK 1 000	31.03.2024	31.03.2023	2023
<b>Interest rate derivative contracts</b>			
<b>Interest rate swaps</b>			
Nominal amount	27,266,393	25,759,615	28,598,221
Asset	344,218	475,360	384,087
Liability	-1,728,644	-1,660,820	-1,576,755
<b>Currency derivative contracts</b>			
<b>Currency swaps</b>			
Nominal amount	139,387,163	129,315,850	139,208,663
Asset	13,002,101	8,970,276	9,069,545
Liability	-959,684	-3,524,585	-2,264,718
<b>Total financial derivative contracts</b>			
Nominal amount	166,653,556	155,075,465	167,806,884
Asset	13,346,319	9,445,637	9,453,632
Liability	-2,688,327	-5,185,405	-3,841,473

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

* Change due to basis swap spread adjustment	31.03.2024	31.03.2023	2023
Total asset(+)/liability(-) derivatives	13,346,319	9,445,637	9,453,632
Net gain (loss) on valuation adjustment of basis swap spreads	-656,329	186,433	-445,257
<b>Net asset(+)/liability(-) derivatives</b>	<b>12,689,991</b>	<b>9,632,070</b>	<b>9,008,375</b>

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

## Note 13 Classification of Financial Instruments

NOK 1 000	Financial instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	31.03.2024
<b>Assets</b>			
Lending to and deposits with credit institutions	-	4,171,435	4,171,435
Certificates and bonds	36,313,983	-	36,313,983
Residential mortgage loans	-	280,544,694	280,544,694
Financial derivatives	13,346,319	-	13,346,319
Other assets	-	-	-
<b>Total Assets</b>	<b>49,660,302</b>	<b>284,716,128</b>	<b>334,376,431</b>
<b>Liabilities</b>			
Debt incurred by issuing securities*	-	306,169,307	306,169,307
Collateral received in relation to financial derivatives	-	8,249,792	8,249,792
Financial derivatives	3,344,656	-	3,344,656
Deferred taxes	-	-	-
Taxes payable	-	-	-
Subordinated debt	-	1,743,614	1,743,614
Other liabilities	-	-	-
<b>Total Liabilities</b>	<b>3,344,656</b>	<b>316,162,712</b>	<b>319,507,368</b>
<b>Total Equity</b>	<b>-</b>	<b>900,000</b>	<b>900,000</b>
<b>Total Liabilities and Equity</b>	<b>3,344,656</b>	<b>317,062,712</b>	<b>320,407,368</b>

\* For issued securities, 199 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

NOK 1 000	Financial instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	31.03.2023
<b>Assets</b>			
Lending to and deposits with credit institutions	-	2,377,752	2,377,752
Certificates and bonds	25,761,598	-	25,761,598
Residential mortgage loans	-	263,545,096	263,545,096
Financial derivatives	9,632,070	-	9,632,070
Other assets	-	-	-
<b>Total Assets</b>	<b>35,393,668</b>	<b>265,922,848</b>	<b>301,316,516</b>

<b>Liabilities</b>			
Debt incurred by issuing securities*	-	275,597,731	275,597,731
Collateral received in relation to financial derivatives	-	4,828,201	4,828,201
Financial derivatives	5,185,405	-	5,185,405
Deferred taxes	-	-	-
Taxes payable	-	-	-
Subordinated debt	-	1,436,639	1,436,639
Other liabilities	-	-	-
<b>Total Liabilities</b>	<b>5,185,405</b>	<b>281,862,571</b>	<b>287,047,976</b>
<hr/>			
<b>Total Equity</b>	<b>-</b>	<b>900,000</b>	<b>900,000</b>
<hr/>			
<b>Total Liabilities and Equity</b>	<b>5,185,405</b>	<b>282,762,571</b>	<b>287,947,976</b>

\* For issued securities, 178 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

## Note 14 Financial Instruments at Fair Value

### Methods in order to determine fair value

#### General

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

#### Interest rate and currency swaps

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

#### Bonds

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

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

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

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

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

The following table presents the company's assets and liabilities at fair value as of 31.03.2024

NOK 1 000

	Level 1	Level 2	Level 3	Total
Certificates and bonds	36,313,983	-	-	36,313,983
Financial Derivatives	-	13,346,319	-	13,346,319
<b>Total Assets</b>	<b>36,313,983</b>	<b>13,346,319</b>	-	<b>49,660,302</b>
Financial Derivatives	-	3,344,656	-	3,344,656
<b>Total Liabilities</b>	-	<b>3,344,656</b>	-	<b>3,344,656</b>

Issued debt is formally accounted for at amortized cost, and is therefore not listed in the table above. However, when issued debt is hedged with derivatives it is in effect accounted for using hedge accounting and fair value option. This means that approximately NOK 199 billion of issued debt are also accounted for according to Level 2 above, while the remaining debt are accounted for at amortized cost.

The following table presents the company's assets and liabilities at fair value as of 31.03.2023

NOK 1 000

	Level 1	Level 2	Level 3	Total
Certificates and bonds	25,761,598	-	-	25,761,598
Financial Derivatives	-	9,632,070	-	9,632,070
<b>Total Assets</b>	<b>25,761,598</b>	<b>9,632,070</b>	-	<b>35,393,668</b>
Financial Derivatives	-	5,185,405	-	5,185,405
<b>Total Liabilities</b>	-	<b>5,185,405</b>	-	<b>5,185,405</b>

Issued debt is formally accounted for at amortized cost, and is therefore not listed in the table above. However, when issued debt is hedged with derivatives it is in effect accounted for using hedge accounting and fair value option. This means that approximately NOK 178 billion of issued debt are also accounted for according to Level 2 above, while the remaining debt are accounted for at amortized cost.

## Note 15 Other Liabilities

NOK 1 000	31.03.2024	31.03.2023	2023
Employees tax deductions and other deductions	448	475	682
Employers national insurance contribution	706	826	1,302
Accrued holiday allowance	1,597	1,561	1,257
Commission payable to shareholder banks	109,825	120,969	75,423
Deposits*	2,243	1,636	676
Pension liabilities	14,635	2,784	14,635
Expected credit loss unused credit lines (flexible loans)	424	233	367
Accounts payable, securities	11,130	786,892	11,274
Other accrued costs	1,434,756	6,609	963,052
<b>Total</b>	<b>1,575,765</b>	<b>921,986</b>	<b>1,068,669</b>

The Company does not have an overdraft facility or a revolving credit facility as of 31.03.2024

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

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

## Note 16 Asset Coverage Test

The asset coverage test sets out the cover pool assets' coverage of the liabilities secured by these assets. The Norwegian covered bond legislation and regulations sets the minimum coverage at 105 per cent. The permissible maximum LTV for mortgages in this regard is 80 per cent, though SpaBol utilizes 75 per cent as its maximum rule. The cover assets comply with the EU Capital Requirements Regulation Art. 129 and EU 2019/2162 Covered Bond Directive, and the covered bonds are therefore EU Covered Bonds (Premium).

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

NOK 1 000	31.03.2024	31.03.2023	2023
Covered Bonds	293,977,343	270,636,939	289,488,225
<b>Total Covered Bonds</b>	<b>293,977,343</b>	<b>270,636,939</b>	<b>289,488,225</b>
Residential mortgage loans	279,402,684	262,859,502	275,784,245
Public sector, SSA bond exposure	4,096,730	2,842,179	4,016,895
Reverse repo/ depo less than 100 days	426,529	163,133	563,555
Exposure to credit institutions (covered bonds)	27,247,457	19,232,415	24,590,563
Derivatives	-	0	-
<b>Total Cover Pool</b>	<b>311,173,400</b>	<b>285,097,229</b>	<b>304,955,259</b>
<b>Asset-coverage</b>	<b>105.85 %</b>	<b>105.34 %</b>	<b>105.34 %</b>

Liquidity Coverage Ratio (LCR)	31.03.2024	31.03.2023	2023
Liquid assets	5,370,063	3,666,279	7,503,941
Cash outflow next 30 days	3,129,150	3,507,950	7,354,936
LCR ratio	171.61 %	104.51 %	102.03 %

Net Stable Funding Ratio (NSFR)	31.03.2024	31.03.2023	2023
Available amount of stable funding	288,672,933	273,104,692	291,177,249
Required amount of stable funding	236,704,784	226,365,654	234,399,335
NSFR ratio	121.95 %	120.65 %	124.22 %

## Note 17 Capital Adequacy

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

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

The European Union has approved new regulatory requirements, CRD IV, which is implemented in Norway. The requirement of 18.06 percent total capital for SpareBank 1 Boligkreditt includes:

- Minimum core equity Pillar 1: 4.5 per cent.
- Additional Tier 1 equity capital 1.5 per cent and additional Tier 2 capital 2.0 per cent (can be held as Tier 1 and Tier 2, alternatively as core equity capital).
- Conservation buffer: 2.5 per cent core capital.
- Systemic risk buffer: 4.3 per cent core.
- Countercyclical buffer: 2.5 per cent core equity.
- Pillar 2: 0.8 per cent core equity

With a management buffer of 0.8 per cent added, the target for capital coverage is 18.9 per cent as of March 31, 2024.



Capital. NOK 1 000	31.03.2024	31.03.2023	2023
Share capital	8,464,015	7,797,215	7,797,215
Premium share fund	4,234,655	3,901,255	3,901,255
Other equity capital	-513,715	132,385	-337,399
<b>Common equity</b>	<b>12,184,956</b>	<b>11,830,855</b>	<b>11,361,071</b>
Intangible assets	-152	-192	-162
Declared share dividend	-	-	-
100% deduction of expected losses exceeding loss provisions IRB (CRD IV)	-515,685	-483,226	-513,437
Prudent valuation adjustment (AVA)	-36,314	-25,762	-33,094
Deferred taxes	-	-	-
<b>Core equity capital</b>	<b>11,632,805</b>	<b>11,321,676</b>	<b>10,814,378</b>
Hybrid bond	900,000	900,000	900,000
<b>Tier 1 equity capital</b>	<b>12,532,805</b>	<b>12,221,676</b>	<b>11,714,378</b>
Supplementary capital (Tier 2)	1,725,000	1,425,000	1,466,500
<b>Total capital</b>	<b>14,257,805</b>	<b>13,646,676</b>	<b>13,180,878</b>

Risk-weighted assets. NOK 1 000	31.03.2024	31.03.2023	2023
<b>Credit risk IRB</b>			
First lien residential mortgages	60,660,287	55,511,707	58,822,307
<b>Total credit risk IRB</b>	<b>60,660,287</b>	<b>55,511,707</b>	<b>58,822,307</b>
<b>Credit risk standardised approach</b>			
Derivatives and exposures to credit institutions	4,285,707	3,855,569	3,994,290
Covered bonds	2,739,892	1,960,135	2,430,890
Regional governments or local authorities	1,182,109	394,796	81,748
Other items	405,353	226,096	1,385,509
<b>Total credit risk standardised approach</b>	<b>8,613,061</b>	<b>6,436,596</b>	<b>7,892,437</b>
<b>Market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational risk	255,805	174,178	255,805
CVA Risk	4,870,065	5,013,334	5,192,865
<b>Total risk-weighted assets</b>	<b>74,399,218</b>	<b>67,135,814</b>	<b>72,163,415</b>

Capital coverage	31.03.2024	31.03.2023	2023
Capital coverage (requirement w/all buffers, 18.1%)	19.16 %	20.33 %	18.27 %
Tier 1 capital coverage (requirement w/all buffers, 16.1%)	16.85 %	18.20 %	16.23 %
Core capital coverage (requirement w/all buffers, 14.6%)	15.64 %	16.86 %	14.99 %
Leverage ratio (requirement 3.0%)	3.74 %	4.01 %	3.61 %

## Note 18 Related parties

The Company has 280.545 MNOK loans to customers. These are loans acquired from shareholder banks at market values (i.e. nominal value).

### SpareBank 1 SMN

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

### SpareBank 1 - Alliance

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

### SpareBank 1 Næringskreditt AS

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

## Note 19 Collateral received

NOK 1 000	31.03.2024	31.03.2023	2023
Collateral	8,249,792	4,828,201	4,896,717
<b>Total</b>	<b>8,249,792</b>	<b>4,828,201</b>	<b>4,896,717</b>

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

# Contact Information

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