

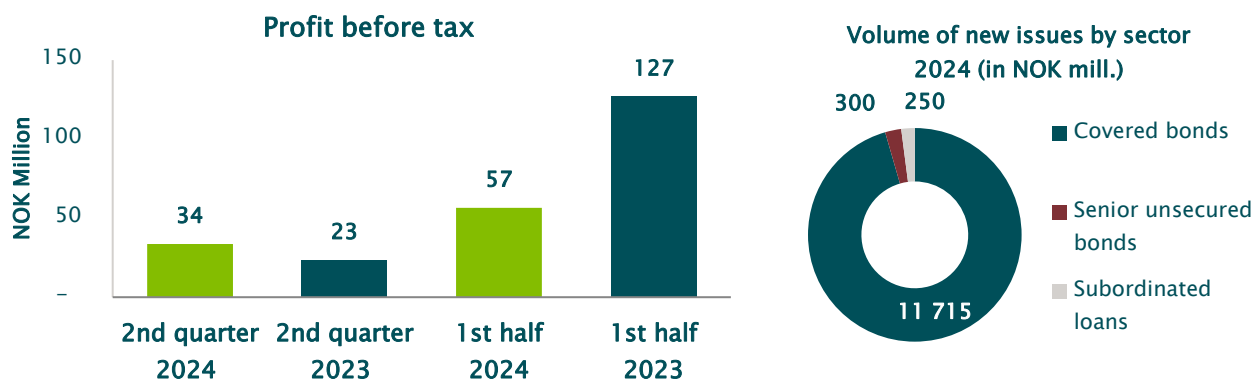
Eika Boligkreditt AS

Interim report for the second quarter and first half of 2024

Unaudited



Highlights



Second quarter 2024

- Pre-tax profit of NOK 33.6 million (2023: profit of NOK 23.4 million)
- Total comprehensive loss of NOK 39.6 million (2023: income of NOK 69.2 million)
- Mark-to-market effect of basis swaps negative at NOK 97.7 million (2023: positive at NOK 63.8 million)
- Financing of the Eika banks, excluding the Local Bank Alliance, up by 2.5 per cent, corresponding to an annualised growth of 10.1 per cent
- Commissions to owner banks of NOK 176.8 million (2023: NOK 145.2 million)
- NOK 0.6 billion in bonds issued (2023: NOK 6.2 billion)

First half of 2024

- Pre-tax profit of NOK 56.6 million (2023: profit of NOK 126.9 million)
- Total comprehensive loss of NOK 116.4 million (2023: income of NOK 139.2 million)
- Mark-to-market effect of basis swaps negative at NOK 245.1 million (2023: positive at NOK 56.6 million)
- Financing of the Eika banks, excluding the Local Bank Alliance, up by 4.1 per cent (2023: 8.1 per cent)
- Commissions to owner banks of NOK 319.8 million (2023: NOK 260.9 million)
- NOK 12.3 billion in bonds issued (2023: NOK 11.7 billion)

No full or limited external auditing of the figures for the second quarter or first half-year has been undertaken.

REPORT FOR THE SECOND QUARTER AND FIRST HALF OF 2024

Introduction

Eika Boligkreditt's main purpose is to ensure that the local banks in the Eika Alliance have access to long-term and competitive funding by issuing covered bonds. An important part of the company's business concept is to increase the competitiveness of the owner banks by improving their access to external funding in the Norwegian and international financial markets, with regard to the tenor of loans, their terms and the depth of access. The object of the company's business is to reduce risk for the owner banks. At 30 June 2024, the owner banks had NOK 100.8 billion in total financing with Eika Boligkreditt and had thereby reduced the need for their own market and deposit financing by a corresponding amount.

Eika Boligkreditt is licensed as a credit institution and entitled to raise debt in the market through the issuance of covered bonds. Norwegian regulations for covered bonds were adopted in 2007, and this type of bond has become an important source of financing for the lending activities of banks and credit institutions. By concentrating financing activities relating to covered bonds in Eika Boligkreditt, the owner banks have secured a player in the bond market with the necessary wherewithal to secure competitive terms and depth of access to financing, both in Norway and internationally.

Profit and loss account for the second quarter and first half-year

Amount in NOK thousand	2nd quarter 2024	2nd quarter 2023	1st half 2024	1st half 2023
Total interest income	1 696 252	1 274 999	3 336 192	2 505 617
Net interest income	200 023	159 817	384 051	327 879
Commission costs	167 319	142 403	304 052	254 046
Total gain and losses on financial instruments at fair value	14 599	20 218	5 326	86 290
Profit before tax	33 608	23 396	56 563	126 854
Comprehensive income (taking account of fair value changes in basis swaps)	(39 573)	69 240	(116 426)	139 178

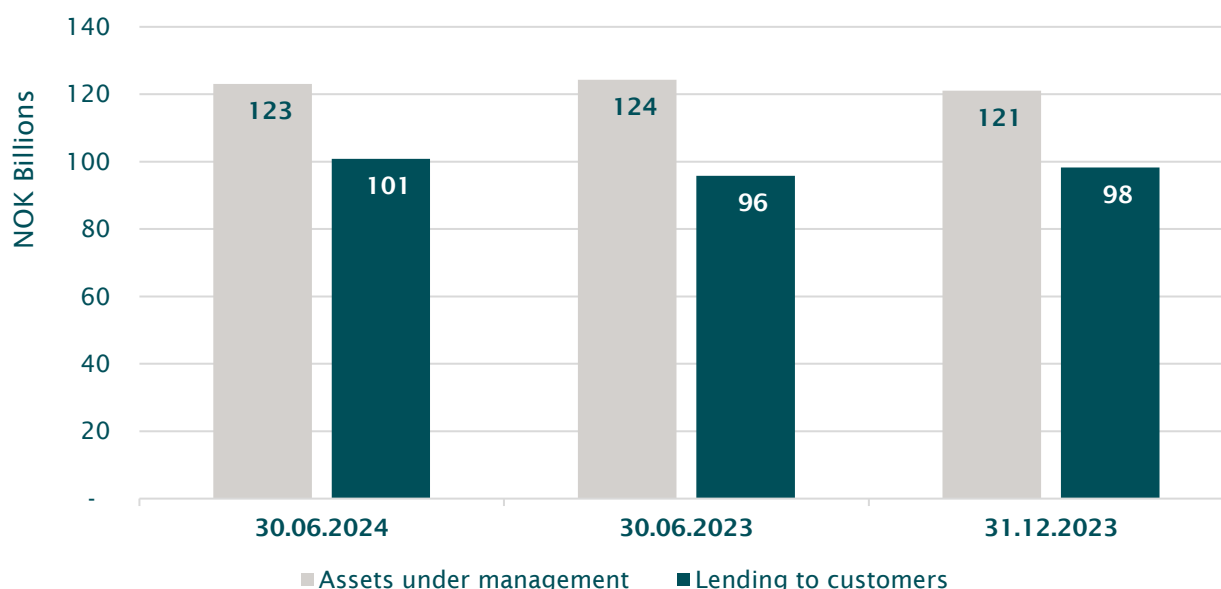
The company's interest income in the second quarter 2024 was 33 per cent higher than in the same period the year before. This increase is attributable to higher interest rates on residential mortgages and a higher lending volume compared with the same period in 2023. Net interest income in the second quarter was up by 25.2 per cent from the same period last year because of higher margins on residential mortgages, with interest rates paid by mortgagees rising more than rates on borrowings. Net interest income was reduced by a NOK 6.9 million contribution to the Norwegian Banks Guarantee Fund's resolution fund, which is recognised as an interest expense. Total commission (portfolio and arrangement) payments to the owner banks in the second quarter came to NOK 176.8 million. This is 21.6 per cent more than in the same period in 2023. The increase is attributable to the banks' higher lending margins. The mark-to-market effect of financial instruments recognised at fair value in profit and loss was positive at NOK 14.6 million. This is a decrease of NOK 5.6 million compared with the same period last year, and is attributable to changes in value resulting from interest rate adjustments. The pre-tax profit for the second quarter 2024 was NOK 33.6 million, up by NOK 10.2 million on the same period of 2023.

An increase of 33.1 per cent in the company's interest income in the first six months compared with the same period of 2023 primarily reflected the upward adjustments it made to interest rates on residential mortgages in line with the rising interbank rate and the growth in lending volume. Net interest income in the first half of 2024 is 17.1 per cent up on the corresponding period last year. The increase is attributable to higher lending margins as a result of interest rates on residential mortgages payable by customers increasing more than the rates payable on borrowings. Net interest income was also affected by a NOK 13.9 million contribution to the Norwegian Banks Guarantee Fund's resolution fund, which is recognised as an interest expense. Total commission (portfolio and arrangement) payments were 22.6 per cent higher in the first half of 2024 than in the same period in 2023. The increase is attributable to the banks' higher lending margins. The mark-to-market effect of financial instruments at fair value was positive at NOK 5.3 million, which is NOK 81 million lower than in the same period last year. Pre-tax profit for the first half of 2024 came to NOK 56.6 million, NOK 70.3 million down on the same period in 2023.

Interest on tier 1 perpetual bonds totalled NOK 12.9 million in the second quarter and NOK 25.8 million in the first half of 2024. This cost is not presented as an interest expense in the profit and loss account, but as a reduction in equity in the balance sheet.

Total comprehensive income for the second quarter includes a mark-to-market effect of basis swaps that was negative at NOK 97.7 million (2023: positive at NOK 63.8 million). The mark-to-market effect of basis swaps in the first six months of 2024 was negative at NOK 245.1 million (2023: positive at NOK 56.6 million). Over the term of the derivatives, the effect of such value changes will be zero. The accounting effects will thereby reverse until the derivatives mature. This means that the mark-to-market effect of basis swaps only impacts accruals relating to unrealised gains and losses in the financial statements. Unless Eika Boligkreditt realises the derivative agreement prematurely, such mark-to-market effects do not result in realised gains or losses over the term of the derivative.

Balance sheet and liquidity



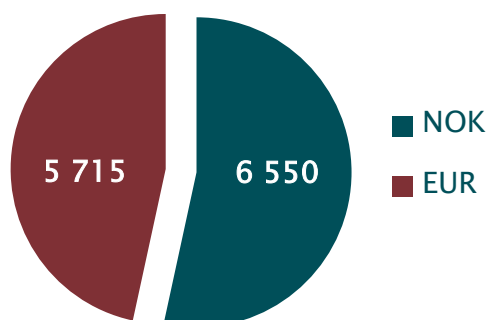
Assets under management by Eika Boligkreditt amounted to NOK 123.1 billion at 30 June 2024, up by NOK 2.1 billion from 31 December 2023. Financing of the owner banks (residential mortgage lending to customers at nominal value excluding accrued interest and changes to the fair value of residential mortgages) totalled NOK 100.9 billion, representing a net increase of NOK 1.8 billion in the second quarter and NOK 4.8 billion for the past 12 months. This is equivalent to a net growth in lending of 5 per cent year-on-year. Looking exclusively at the Eika banks and excluding running-down by the Local Bank Alliance (LBA), the portfolio showed net growth of NOK 2.3 billion in the second quarter and NOK 8.2 billion over the past 12 months, excluding accrued interest and changes to the fair value of residential mortgages. This is equivalent to a net growth of 9.6 per cent in lending year-on-year.

Borrowing

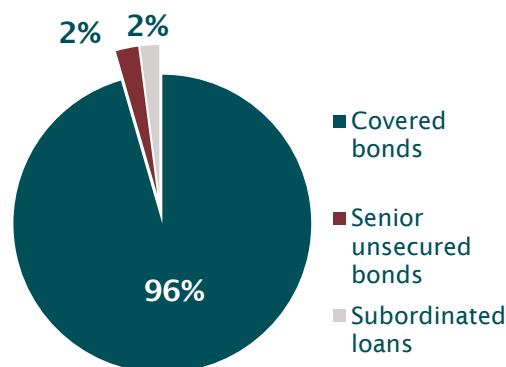
Eika Boligkreditt issued bonds (excluding tier 1 perpetual bonds) with a nominal value of NOK 550 million in the second quarter 2024, compared with NOK 6.2 billion in the same period of 2023. The volume issued in the second quarter of 2024 comprised NOK 300 million in a senior unsecured bond and NOK 250 million in subordinated loans.

During the first six months of 2024, Eika Boligkreditt issued bonds (excluding tier 1 perpetual bonds) with a nominal value of NOK 12.3 billion, compared with NOK 11.7 billion in the same period in 2023. The volume issued in the first six months of 2024 comprised NOK 11.7 billion in covered bonds, NOK 300 million in a senior unsecured bond and NOK 250 million in subordinated loans.

Issuance by currency (in NOK mill) in 2024



Issuance by sector (in %) in 2024



Of the bonds issued in 2024, 53.4 per cent were denominated in Norwegian kroner (NOK) and 46.6 per cent in euro (EUR). Covered bonds accounted for 96 per cent of the total volume issued.

The table below shows the issues (excluding tier 1 perpetual bonds) undertaken in 2024, 2023 and 2022.

New issues (amounts in NOK million)	1st half 2024	1st half 2023	2023	2022
Covered bonds (issued in EUR)	5 715	5 922	5 922	10 194
Covered bonds (issued in NOK)	6 000	5 500	7 500	14 200
Senior unsecured bonds and certificates (issued in NOK)	300	250	1 000	-
Subordinated loans (issued in NOK)	250	-	-	375
Total issued	12 265	11 672	14 422	24 769

The average tenor for covered bonds issued in 2024 has been 5.1 years. At 30 June, the average tenor for the company's borrowing portfolio was 3.82 years, compared with 3.89 years at 1 January.

The table below shows a breakdown of the company's borrowing in various instruments.

Carrying value in NOK million	30.06.2024	30.06.2023	31.12.2023	31.12.2022
Covered bonds	109 203	109 178	106 573	109 617
Senior unsecured bonds	2 700	2 787	3 303	2 819
Senior unsecured certificates	-	-	-	-
Subordinated loans	908	778	779	813
Total borrowing including accrued interest	112 811	112 743	110 655	113 249

Total borrowing by the company at 30 June came to NOK 112.8 billion, an increase of NOK 2.2 billion from 1 January.

Liquidity

At the close of the second quarter 2024, the company had a liquidity portfolio of NOK 19.3 billion, of which NOK 1.6 billion related to repo agreements. The liquidity portfolio includes cash collateral of NOK 2.2 billion received from counterparties to derivative contracts. Cash collateral received is held as bank deposits, repo agreements and various high-quality securities.

New developments in the alliance

On 4 July, the Financial Supervisory Authority of Norway approved the merger of Tysnes Sparebank and Haugesund Sparebank. The merged bank is now called Haugesund Sparebank. Both banks are members of the Eika Alliance. The banks expect the merger to be completed on 1 November 2024.

Sandnes Sparebank and Hjelmeland Sparebank merged on 1 August. The merged bank is now called Rogaland Sparebank. Rogaland Sparebank is the largest bank in the Eika Alliansen.

On 10 June, the Norwegian Competition Authority gave the green light for the merger between Totens Sparebank and Sparebank 1 Østlandet. Final approval by the Financial Supervisory Authority of Norway remains to be granted.

On 17 June, the Financial Supervisory Authority of Norway approved the merger between Hjørtedal og Gransherad Sparebank and Skue Sparebank. The banks merged on 1 August and is now called Skue Sparebank.

On 29 April, the boards of Eidsberg Sparebank and Marker Sparebank approved an agreement to merge the two banks. The merged bank will be known as Marker og Eidsberg Sparebank. Both banks are members of the Eika Alliance. Based on figures at the close of the third quarter 2023, the merged bank will have business capital of around NOK 17 billion.

On 15 May, Skudenes & Aakra Sparebank and Eika Gruppen signed an agreement that will result in the bank joining the Eika Alliance by the end of 2025. The agreement is contingent on the approval of the Financial Supervisory Authority of Norway. The bank is currently affiliated with DSS and is the second bank to leave DSS and join Eika in the past six months.

On 28 June, the Financial Supervisory Authority of Norway approved the merger between Eika Forsikring and Fremtind Forsikring. The transaction is expected to be finalised on 1 October.

In 2012, the owner banks established a Note Purchase Agreement (NPA). Under the terms of this agreement, the owner banks have an obligation to purchase covered bonds issued by Eika Boligkreditt if the company's liquidity situation indicates that such purchases are necessary. During the second quarter, the terms of the agreement with the owner banks were renegotiated in order to ensure that the purchase obligation does not actually increase the owner banks' future capital requirement. In the revised agreement, the secondary liability has been removed and the owner banks' primary liability is limited such that the total amount of covered bonds issued under the NPA cannot exceed 20 per cent of the total amount of the covered bonds issued by the company. In connection with this amendment to the agreement, a supplement to Eika Boligkreditt's bond programme was published at the beginning of May. As an extension of this process, the company reassessed the desirable level of liquidity for the company going forward. As a result, the planned level of average liquidity in the company will be reduced over the next 12 months from around NOK 20 billion to NOK 15 billion. This means that the company's covered bond financing requirement will fall in the second half-year.

Risk management and capital adequacy

Eika Boligkreditt had a total primary capital of NOK 7.7 billion at 30 June 2024. This is a net increase of approx. NOK 0.4 billion since the start of the year, taking into account the allocation of funds. The change is attributable primarily to the issue of NOK 300 million in equity during the second quarter. In addition, the company raised a subordinated loan of NOK 250 million and redeemed a subordinated loan of NOK 121 million in the second quarter.

Capital adequacy is calculated in accordance with the standardised method specified in the Capital Requirements Regulation (CRR).

The basis for calculating the capital adequacy ratio at 30 June amounted to NOK 38.9 billion. After accounting for growth in overall lending and changes in the company's liquidity portfolio, operational risk and CVA risk,

the calculation basis for capital adequacy at 30 June 2024 was NOK 0.2 billion higher than at 1 January. Eika Boligkreditt's primary capital ratio is calculated as a proportion of this basis.

The table below presents developments in the capital adequacy ratio.

Amounts in NOK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Risk-weighted assets	38 855	38 721	38 644
Total primary capital (tier 2 capital)	7 742	7 346	7 327
Capital adequacy ratio in per cent	19.9 %	19.0 %	19.0 %

The requirement for a countercyclical buffer stands at 2.5 per cent. This buffer is intended to improve the capital adequacy of the banks and prevent their credit practice from strengthening an economic downturn. The company's systemic risk buffer was increased from 3 per cent to 4.5 per cent with effect from 31 December 2023.

The company's capital targets are specified as follows:

· Core tier 1 capital ratio:	14.78%	(16.1% at 30 June 2024)
· Tier 1 capital ratio:	16.37%	(17.6% at 30 June 2024)
· Tier 2 capital ratio:	18.50%	(19.9% at 30 June 2024)

These targets are adequate in relation to legal requirements, the company's Pillar II requirement of 0.5 per cent and its Pillar II guidance of 0.5 per cent. As shown above, the applicable buffer requirements were fulfilled at 30 June 2024, with a core tier 1 capital adequacy of 16.1 per cent.

Outlook

The company's net financing of the owner banks increased by NOK 1.8 billion in the second quarter 2024, and by NOK 4.8 billion over the past four quarters. The past year's net portfolio increase corresponds to a 12-month growth of 5 per cent. The credit indicator published by Statistics Norway (SSB) in June 2024 showed a 12-month increase of 3.3 per cent in Norwegian household debt, down from 3.4 per cent at 31 December 2023 and 3.7 per cent at the close of the second quarter 2023, but up from 3.0 per cent in March/April.

In Norges Bank's latest lending survey, the banks reported that demand for residential mortgages was slightly higher in the second quarter 2024. The banks reported lower demand for residential mortgages in the previous three quarters. The last time they reported increased demand was in the second quarter 2020. The banks expect demand for residential mortgages to remain unchanged in the third quarter. Credit practice with respect to households and the use of interest-only repayments was virtually unchanged in the second quarter, and the banks expect no change in the third quarter. Overall, the banks reported a slight increase in the lending margin on residential mortgages but expect no change in the third quarter. At the same time, the banks reported slightly heightened competition in the second quarter.

The house price report published by Real Estate Norway (Eiendom Norge) showed that the average price for residential property in Norway fell by 0.2 per cent in June. Adjusted for seasonal variations, prices rose by 0.4 per cent. Thus far in 2024, house prices in Norway have risen by 8.0 per cent, which is higher than anyone anticipated at the start of the year. Ålesund and its hinterland experienced the biggest price rise in the first half of 2024, at 11.4 per cent. Fredrikstad/Sarpsborg were at the other end of the scale, with a price rise of just 5.4 per cent. Despite certain regional differences, house prices generally have risen significantly so far this year. Normally, the bulk of the growth in house prices comes in the first half of the year – particularly the first quarter. We expect a robust second-hand housing market going forward, although prices will rise less strongly in the second half-year, in keeping with the normal seasonal pattern.

The credit spread for the company's covered bonds with a five-year tenor in Norwegian kroner narrowed by 12 basis points in the first six months of 2024 to a level 0.42 percentage points above the three-month Nibor. Over the past four quarters, the spread in Norwegian kroner narrowed by 13 basis points. Credit spreads

indicated by potential arrangers for a new-issue transaction with a similar tenor in the euro market narrowed during the first half-year by an estimated 11 basis points, giving a spread of 0.25 percentage points at 30 June. Over the past 12 months, the corresponding credit spread in euro has widened by 2 basis points. The currency basis for a five-year tenor to hedge the amount from euro back to Norwegian kroner is about 1 basis point, a narrowing of 9 basis points during the first half of the year. The contraction over the past 12 months is no less than 21 basis points. For 2024, it was expected that the credit spreads for covered bonds in euro could widen slightly more in the first six months, but less than we have seen in the past two years. So far, credit spreads have improved more than we expected at the start of the year.

The Norwegian economy remained stagnant throughout 2023 and development has remained weak so far in 2024. There are, however, several factors that indicate the economy will soon pick up again. With lower interest rates and noticeable wage growth, the SSB expects household consumption to increase, which will lead to an upturn in economic activity as a result of increased public spending and a rise in housing investments. The SSB's forecasts show a clear upswing in activity in the Norwegian economy in 2025, with the economic cycle approaching a neutral position from 2026. The forecasts presume a cut in the policy rate towards the end of the year.

There was an active market for new covered-bond issues in both euro and Norwegian kroner in the first half of 2024. About NOK 117 billion in covered bonds was issued in the Norwegian market. In the euro market EUR 120 billion was issued. Norwegian residential mortgage companies have issued six covered bonds in the first half of 2024 (corresponding to EUR 4.75 billion), which means that almost 70 per cent of their issue activity during the period was in Norwegian kroner. Compared with 2023, activity relating to the issue of covered bonds in both euro and Norwegian kroner is expected to be slightly reduced in 2024. In 2024, NOK 164 billion is due to mature in the Norwegian market, while EUR 143 billion is due to mature in the euro market. Bonds worth around NOK 160–170 billion and EUR 160–170 billion respectively are expected to be issued.

Eika Boligkreditt issued covered bonds in the amount of EUR 500 million and NOK 6 billion in the first quarter. In the second quarter, the company raised subordinated loans worth NOK 250 million and issued senior unsecured bonds worth NOK 300 million. In 2023, it issued NOK 13.4 billion in covered bonds, NOK 1 billion in senior unsecured bonds and NOK 275 million in tier 1 perpetual bonds. So far in 2024, the company has issued NOK 11.7 billion in covered bonds.

Oslo, 14 August 2024

The board of directors of Eika Boligkreditt AS

Rune Iversen
Chair

Geir Magne Tjøland

Kristin Steinfeldt-Foss

Lena Jørundland

Gro Furunes Skårsmoen

Terje Svendsen

Odd-Arne Pedersen
CEO

DECLARATION PURSUANT TO SECTION 5-6 OF THE SECURITIES TRADING ACT

We hereby confirm that, to the best of our knowledge, the company's interim financial statements for the period from 1 January to 30 June 2024 have been prepared in accordance with applicable accounting standards, and that the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and financial results of the business.

To the best of our knowledge, the directors' half-year report provides a true and fair overview of important events in the accounting period and their influence on the financial statements, and a description of the most important risk factors and uncertainties facing the business in the next accounting period.

Oslo, 14 August 2024

The board of directors of Eika Boligkreditt AS

Rune Iversen
Chair

Geir Magne Tjøland

Kristin Steinfeldt-Foss

Lena Jørundland

Gro Furunes Skårsmoen

Terje Svendsen

Odd-Arne Pedersen
CEO

Statement of comprehensive income

Amounts in NOK 1 000	Notes	2Q 2024	2Q 2023	1st half 2024	1 st half 2023	2023
INTEREST INCOME						
Interest from loans to customers at amortised cost		1 333 622	979 792	2 628 295	1 908 770	4 269 825
Interest from loans to customers at fair value		104 588	92 554	210 894	182 154	399 891
Interest from loans and receivables on credit institutions		27 575	18 480	54 410	37 440	79 689
Interest from bonds, certificates and financial derivatives		221 037	175 649	423 894	359 366	789 111
Other interest income at amortised cost		8 828	7 927	17 483	16 613	33 888
Other interest income at fair value		601	597	1 215	1 273	2 487
Total interest income		1 696 252	1 274 999	3 336 192	2 505 617	5 574 890
INTEREST EXPENSES						
Interest on debt securities issued		1 450 907	1 073 647	2 859 430	2 107 595	4 812 138
Interest on subordinated loan capital		13 222	10 513	26 033	20 488	45 437
Contribution to the Norwegian Banks' Guarantee Fund's Resolution Fund		6 926	5 757	13 853	11 728	23 242
Other interest expenses		25 172	25 264	52 825	37 927	93 091
Total interest expenses		1 496 229	1 115 181	2 952 141	2 177 738	4 973 908
Net interest income		200 023	159 817	384 051	327 879	600 982
Commission costs		167 319	142 403	304 052	254 046	432 293
Net interest income after commissions costs		32 704	17 414	79 999	73 833	168 689
Income from portfolio sale	Note 3	–	–	–	–	5 358
Income from shares in associated company		6 638	5 151	10 854	8 858	15 991
Total income from shares	Note 4	6 638	5 151	10 854	8 858	15 991
NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE						
Net gains and losses on bonds and certificates	Note 5	13 496	(1 625)	14 911	(1 265)	(1 941)
Net gains and losses on fair value hedging on debt securities issued	Note 5, 6	(1 991)	8 223	142	43 551	5 038
Net gains and losses on financial derivatives	Note 5	(16 434)	151 851	24 726	123 142	(74 774)
Net gains and losses on loans at fair value	Note 5	19 529	(138 230)	(34 453)	(79 139)	79 682
Total gains and losses on financial instruments at fair value		14 599	20 218	5 326	86 290	8 006
SALARIES AND GENERAL ADMINISTRATIVE EXPENSES						
Salaries, fees and other personnel expenses		8 531	8 201	17 103	15 858	33 135
Administrative expenses		9 671	8 688	18 954	22 085	41 202
Total salaries and administrative expenses		18 201	16 889	36 057	37 942	74 337
Depreciation		872	948	1 716	1 853	3 754
Other operating expenses		1 259	1 549	1 843	2 333	3 752
PROFIT BEFORE TAXES		33 608	23 396	56 563	126 854	116 201
Taxes		3 523	1 781	5 001	24 547	11 941
PROFIT FOR THE PERIOD		30 086	21 615	51 562	102 307	104 260
ITEMS TRANSFERRABLE TO PROFIT AND LOSS						
Net gains and losses on bonds and certificates	Note 5	4 843	(315)	21 072	(7 424)	28 065
Net gains and losses on basis swaps	Note 5	(97 722)	63 816	(245 056)	56 585	(262 407)
Taxes on other comprehensive income		23 220	(15 875)	55 996	(12 290)	58 586
COMPREHENSIVE INCOME FOR THE PERIOD		(39 573)	69 240	(116 426)	139 178	(71 497)
Price per share				4.10409	4.37183	4.20184

The total comprehensive loss of NOK 116.4 million is transferred from other equity. NOK 25.8 million is attributable to the tier 1 perpetual bond investors, while NOK 10.9 million is attributable to the fund for valuation differences.

Balance sheet

Amounts in NOK 1 000	Notes	30.06.2024	30.06.2023	31.12.2023
ASSETS				
Lending to and receivables from credit institutions		2 838 975	1 445 536	1 032 100
Lending to customers	Note 6, 7	100 835 758	95 778 459	98 261 282
Other financial assets	Note 8	95 435	2 611 656	90 488
Bonds and certificates at fair value	Note 6,9	16 455 261	20 226 305	17 939 199
Financial derivatives	Note 6,10	2 689 524	4 183 007	3 578 984
Shares	Note 4,11	1 650	1 650	1 650
Shares in associated company	Note 4	53 088	52 540	59 673
Deferred tax assets		114 864	4 484	63 869
Intangible assets		248	610	392
Right-of-use assets	Note 12	10 351	13 325	11 643
TOTAL ASSETS		123 095 153	124 317 573	121 039 280
LIABILITIES AND EQUITY				
Liabilities				
Loans from credit institutions	Note 13	2 165 415	3 380 473	2 750 578
Financial derivatives	Note 6,10	1 287 491	1 151 490	962 500
Debt securities issued	Note 14	111 902 964	111 964 881	109 875 931
Other liabilities		85 897	152 200	82 460
Pension liabilities		875	325	605
Lease obligations	Note 12	10 405	13 316	11 746
Subordinated loan capital	Note 15	907 938	778 363	779 252
TOTAL LIABILITIES		116 360 985	117 441 048	114 463 071
Equity				
Share capital		1 501 040	1 405 153	1 428 559
Share premium		4 309 343	4 005 230	4 081 824
Other paid-in equity		477 728	477 728	477 728
Fund for unrealised gains		-	123 706	-
Fund for valuation differences		-	152	16 143
Other equity		(128 942)	129 558	(3 044)
Tier 1 perpetual bonds		575 000	735 000	575 000
TOTAL EQUITY		6 734 168	6 876 526	6 576 209
TOTAL LIABILITIES AND EQUITY		123 095 153	124 317 573	121 039 280

Statement of changes in equity

Amounts in NOK 1 000	Share capital ¹	Share premium ¹	Other paid in equity ²	Fund for unrealised gains ³	Fund for valuation differences ⁴	Retained earnings: other equity ⁵	Tier 1 perpetual bonds ⁶	Total equity
Balance sheet as at 31 December 2022	1 405 153	4 005 230	477 728	123 706	14 255	7 979	692 000	6 726 050
Result for the period	-	-	-	-	-	69 661	11 031	80 692
Other income and expenses	-	-	-	-	-	(10 756)	-	(10 756)
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	78	(11 031)	(10 953)
Disbursed dividends for 2022	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	(117 000)	(117 000)
Balance sheet as at 31 March 2023	1 405 153	4 005 230	477 728	123 706	14 255	66 963	575 000	6 668 035
Result for the period	-	-	-	-	(14 104)	23 557	12 161	21 614
Other income and expenses	-	-	-	-	-	47 626	-	47 626
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	(861)	(12 161)	(13 022)
Disbursed dividends for 2022	-	-	-	-	-	(7 728)	-	(7 728)
Hybrid capital	-	-	-	-	-	-	160 000	160 000
Balance sheet as at 30 June 2023	1 405 153	4 005 230	477 728	123 706	152	129 558	735 000	6 876 526
Result for the period	-	-	-	-	-	(64 185)	15 686	(48 499)
Other income and expenses	-	-	-	-	-	(75 471)	-	(75 471)
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	102	(15 686)	(15 584)
Disbursed dividends for 2022	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 September 2023	1 405 153	4 005 230	477 728	123 706	152	(9 995)	735 000	6 736 973
Result for the period	-	-	-	(123 706)	15 991	36 307	14 145	(57 262)
Other income and expenses	-	-	-	-	-	(29 443)	-	(29 443)
Equity issue	23 406	76 594	-	-	-	-	-	100 000
Interest tier 1 capital	-	-	-	-	-	86	(14 145)	(14 059)
Disbursed dividends for 2022	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	(160 000)	(160 000)
Balance sheet as at 31 December 2023	1 428 559	4 081 824	477 728	-	16 143	(3 044)	575 000	6 576 209
Result for the period	-	-	-	-	-	8 586	12 890	21 476
Other income and expenses	-	-	-	-	-	(98 329)	-	(98 329)
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	77	(12 890)	(12 813)
Disbursed dividends for 2023	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 March 2024	1 428 559	4 081 824	477 728	-	16 143	(92 709)	575 000	6 486 544
Result for the period	-	-	-	-	(16 143)	33 348	12 880	30 086
Other income and expenses	-	-	-	-	-	(69 659)	-	(69 659)
Equity issue	72 481	227 519	-	-	-	-	-	300 000
Interest tier 1 capital	-	-	-	-	-	77	(12 880)	(12 803)
Disbursed dividends for 2023	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 June 2024	1 501 040	4 309 343	477 728	-	-	(128 942)	575 000	6 734 168

The specification of equity comprises accounting items pursuant to the provisions in the Norwegian Private Limited Liability Companies Act:

¹Share capital and the share premium comprises paid-in capital.

²Other paid-in capital comprises paid-in capital which has earlier been taken from the share premium reserve.

³The fund for unrealised gains comprises value changes on financial instruments at fair value.

⁴ The fund for valuation differences comprises the positive difference between the carried amount in the balance sheet and the acquisition price for investments in shares in associated companies.

⁵Other equity comprises earned and retained profits.

⁶Tier 1 perpetual bonds form part of tier 1 capital pursuant to section 3a of the Norwegian regulations concerning the calculation of regulatory capital. A regulatory right of redemption also exists. Should government regulations introduce changes which affect the extent to which the capital can be regarded as tier 1 capital, the bonds can be redeemed at a price equal to 100 per cent plus accrued interest. The company has recognised the following tier 1 perpetual bonds as equity:

- Tier 1 perpetual bond, issued NOK 100 million in 2022, with interest terms of three months Nibor plus 3.15 per cent. The loan provides for a call at 11 May 2027, and thereafter on each banking day in the subsequent interest period and thereafter on each interest payment date.
- Tier 1 perpetual bond, issued NOK 200 million in 2022, with interest terms of three months Nibor plus 4.40 per cent. The loan provides for a call at 14 September 2027, and thereafter on each banking day in the subsequent interest period and thereafter on each interest payment date.
- Tier 1 perpetual bond, issued NOK 275 million in 2023, with interest terms of three months Nibor plus 4.25 per cent. The loan provides for a call at 21 September 2028, and thereafter on each banking day in the subsequent interest period to 21 December 2028, and thereafter on each interest payment date.

Eika Boligkreditt has the right to pay no interest to the investors. Interest is not recognised as interest expense in the profit and loss account, but as a reduction to equity.

Statement of cash flows

Amounts in NOK 1 000	2Q 2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	(116 426)	(71 497)
Taxes	(50 995)	(46 645)
Income taxes paid	(12 299)	(13 063)
Ordinary depreciation	144	437
Non-cash pension costs	270	605
Change in loans to customers	(2 574 476)	(2 290 236)
Change in bonds and certificates	1 483 939	6 581 873
Change in financial derivatives and debt securities issued	223 549	488 626
Interest expenses	2 874 790	4 837 034
Paid interest	(2 899 941)	(4 848 199)
Interest income	(3 317 492)	(5 538 504)
Received interests	3 328 063	5 654 145
Changes in other assets	(15 519)	(177 761)
Changes in short-term liabilities and accruals	40 837	33 361
Net cash flow relating to operating activities	(1 035 555)	(13 101 195)
INVESTING ACTIVITIES		
Payments related to acquisition of fixed assets	-	-
Share of profit/loss in associated companies	(10 854)	(15 991)
Payments from shares in associated companies	17 440	14 104
Net cash flow relating to investing activities	6 585	(223)
FINANCING ACTIVITIES		
Gross receipts from issuance of bonds and commercial paper	12 088 505	14 622 882
Gross payments of bonds and commercial paper	(9 070 569)	(18 566 553)
Gross receipts on issue of subordinated loan capital	-	-
Gross payments of subordinated loan capital	128 686	(34 004)
Gross receipts from issue of loan from credit institution	-	-
Gross payments from loan from credit institution	(585 163)	(363 295)
Gross receipts from issuing tier 1 perpetual bonds	-	275 000
Gross payments from issuing tier 1 perpetual bonds	-	(392 000)
Interest to the hybrid capital investors	(25 615)	(53 615)
Payments of dividend	-	(7 728)
Paid-up new share capital	300 000	100 000
Net cash flow from financing activities	2 835 843	12 973 800
Net changes in lending to and receivables from credit institutions	1 806 873	188 975
Lending to and receivables from credit institutions at 1 January	1 032 100	843 126
Lending to and receivables from credit institutions at end of period	2 838 975	1 032 100

Notes

Note 1 – Accounting policies

General

Eika Boligkreditt will prepare financial statements for 2024 in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). Financial assets and liabilities are measured at amortised cost, at fair value through profit or loss or at fair value through other comprehensive income. Note 1 in the annual financial statements for 2023 provides more details about accounting principles pursuant to the IFRS.

The financial statements for the second quarter of 2024 have been prepared in accordance with IAS 34 Interim financial reporting.

Note 2 – Use of estimates and discretion

In the application of the accounting policies described in note 1 in the annual financial statements for 2023, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities which are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Lending, non-performing/doubtful loans and writedowns

Pursuant to IFRS 9, provisions for losses will be recognised on the basis of expected credit losses in the light of relevant information available at the reporting date. The combination of low loan-to-value ratio in the residential mortgage portfolio and the credit guarantees provided by the owner banks implies that the company does not expect significant effects on EBK's profit or equity. See note 13 and 13.2.2 in the annual financial statements for 2023 for further information.

No loans were written down at 30 June 2024.

Fair value of financial instruments

Eika Boligkreditt applies various measurement methods to determine the fair value of financial instruments which are not traded in an active market. The chosen methods are based on market conditions at the end of the reporting period. This means that, if observable market data are not available, the company will make assumptions and apply discretion as to what the market will base its evaluation of corresponding financial instruments on. More information about the financial instruments can be found in notes 4, 5, 6, 7, 9 and 11.

Note 3 – Income from portfolio sale

Amounts in NOK 1 000	2024	2023
Total income from portfolio sale	-	5 358

On 13 September 2023, the board of Eika Boligkreditt approved an agreement with OBOS-banken and OBOS BBL on the purchase of the residential mortgage portfolio held by OBOS-banken in Eika Boligkreditt AS. At its meeting of 9 February 2016, Eika Boligkreditt resolved to terminate its distribution agreement with OBOS-banken following the decision by OBOS to establish a wholly-owned residential mortgage company. An agreement was entered into in October 2016 on continued distribution responsibility pursuant to the distribution agreement. At 31 August 2023, OBOS-banken had a portfolio in Eika Boligkreditt corresponding to NOK 931 million. In addition to the principal of the residential mortgages, the bank paid NOK 5.4 million in compensation for early redemption of its financing with Eika Boligkreditt.

Note 4 – Shares at fair value recognised in profit and loss and shares in associated company

Shares classified at fair value recognised in profit and loss

Amounts in NOK 1 000	Number of shares	Cost price	Book value 30 jun 2024	Owner share
Nordic Credit Rating AS	10 000	2 500	1 650	1.67 %
Total	10 000	2 500	1 650	

Shares in associated company

Assets in associated companies are recognised using the equity method.

Amounts in NOK 1 000	Number of shares	Owner share
Eiendomsverdi AS	470 125	25.0 %
Total	470 125	

Amounts in NOK 1 000	2024	2023
Carrying amount at 1 January	59 673	57 785
Addition/disposal	-	-
Revaluation at acquisition cost	-	-
Share of profit/loss	10 854	15 991
Dividend	(17 440)	(14 104)
Carrying amount	53 088	59 673

EBK's investment in Eiendomsverdi is treated as an associated company calculated in accordance with the equity method. The shares in Eiendomsverdi is valued at the overall acquisition price on the basis of a staged acquisition adjusted for EBK's share of the profit and dividend received. The positive difference between the carried amount in the balance sheet and the acquisition price is recognised in fund for valuation differences.

Note 5 – Net gain and loss on financial instruments at fair value

Net gains and losses on financial instruments at fair value recognised through profit and loss

Amounts in NOK 1 000	2nd quarter 2024	2nd quarter 2023	1st half 2024	1st half 2023	2023
Net gains and losses on bonds and certificates including currency effects ¹	13 496	(1 625)	14 911	(1 265)	(1 941)
Net gains and losses on loans at fair value	19 529	(138 230)	(34 453)	(79 139)	79 682
Net gains and losses on financial debts, hedged ²	1 655 614	119 632	1 235 958	(1 294 329)	(1 121 617)
Net gains and losses on interest swaps related to lending	(16 434)	151 851	24 726	123 142	(74 774)
Net gains and losses on interest and currency swaps related to liabilities ²	(1 657 605)	(111 410)	(1 235 816)	1 337 880	1 126 655
Net gains and losses on financial instruments at fair value	14 599	20 218	5 326	86 290	8 006

¹ The accounting line comprises net realised gain and loss on bonds and certificates, and currency effects related to cash collateral received and reinvested cash collateral in foreign currencies.

² The company utilises hedge accounting for long-term borrowing in foreign currency, where the cash flow arising from the derivative contract is matched 1:1 with the hedging object.

Net gains and losses on financial instruments at fair value recognised through comprehensive income

Amounts in NOK 1 000	2nd quarter 2024	2nd quarter 2023	1st half 2024	1st half 2023	2023
Net gains and losses on bonds and certificates	1 007	(1 543)	12 117	1 535	45 755
Net gains and losses on interest-rate swaps related to bonds and certificates	3 836	1 228	8 955	(8 959)	(17 690)
Net gains and losses on basis swaps ³	(97 722)	63 816	(245 056)	56 585	(262 407)
Net gains and losses on financial instruments at fair value	(92 879)	63 502	(223 984)	49 161	(234 343)

³ Total comprehensive loss for 2024 includes negative NOK 245.1 million related to changes in fair value of basis swaps.

Basis swaps are derivative contracts used in connection with long-term borrowing in foreign currency, whereby the foreign currency is converted to Norwegian kroner. These are hedging instruments, and the value is zero over the term of the instrument. As a rule, the company holds both its borrowings and hedging instruments until maturity. This means that changes to margins only have accrual effects with respect to unrealised gains or losses in the accounts, and no realised gains or losses over the tenor of the derivative unless Eika Boligkreditt terminates the derivative early. Gain or loss related to basis swaps will be reclassified to profit and loss if the hedge is terminated early.

Eika Boligkreditt utilises interest-rate and currency swaps in order to convert borrowing in foreign currencies to Norwegian kroner. A typical example is when a loan raised in euros is converted to Norwegian kroner through an interest-rate and currency swap which includes a basis swap. In this case, Eika Boligkreditt would pay a Norwegian interest rate with a margin of three months Nibor in the swap and receive a euro interest rate in the swap which corresponds to the coupon it pays on the loan in euros. Derivatives are valued at fair value, while the hedged bond is valued in accordance with the principles which apply for hedge accounting.

Note 6 – Derivatives and hedging

The purpose of all derivative transactions in Eika Boligkreditt is to reduce the interest rate and currency risk. Interest rate swaps, where Eika Boligkreditt receives a fixed interest rate and pays a floating interest rate, are used to convert issued bonds and certificates from a fixed rate to a floating rate exposure. Financing at a floating rate would reduce the risk for the company, since most lending is done at a floating interest rate. Interest rate swaps where Eika Boligkreditt receives a floating interest rate and pays a fixed interest rate are used to hedge the interest rate margin from lending at a fixed interest rate.

	30 Jun 2024		31 Dec 2023	
Assets	Nominal amount	Fair value	Nominal amount	Fair value
Amounts in NOK 1 000				
Interest rate swap lending ¹	6 036 814	312 364	6 236 527	303 732
Interest rate and currency swap ²	35 292 325	2 361 574	35 540 225	3 262 324
Interest swap placement	271 020	15 586	268 188	12 928
Total financial derivative assets including accrued interest	41 600 159	2 689 524	42 044 940	3 578 984
Liabilities	Nominal amount	Fair value	Nominal amount	Fair value
Amounts in NOK 1 000				
Interest rate swap lending ¹	535 620	4 677	849 565	18 227
Interest rate and currency swap ²	27 505 925	1 278 531	25 990 925	943 221
Interest swap placement	210 924	4 283	39 244	1 052
Total financial derivative liabilities including accrued interest	28 252 469	1 287 491	26 879 734	962 500

¹ The hedging instruments related to the lending portfolio with fixed interest rate are rebalanced when necessary.

² The nominal amount is converted to the historical currency exchange rate.

Fair value and cash flow hedging on debt securities issued

Eika Boligkreditt applies fair value hedging on fixed-rate financial liabilities. The hedge object is the swap interest element of the financial liabilities. Interest and currency swaps are used as hedging instruments.

The basis margin related to foreign currency from financial instruments is separated out by excluding this earmarking of the fair-value hedge and the currency element in the hedge is identified as a cash flow hedge. This implies that changes in the basis swap, which arise when entering a currency swap to covert the company's borrowing in foreign currency to Norwegian kroner, are recognised as a cash flow hedge. Changes in fair value related to the basis margin will therefore be recognised in other comprehensive income.

	30 Jun 2024		31 Dec 2023	
Amounts in NOK 1 000	Nominal amount	recognised in balance sheet	Nominal amount	recognised in balance sheet
Hedging instruments: interest rate and currency swaps ^{1,2}	62 798 250	902 654	61 531 150	2 153 715
Hedged items: financial commitments incl foreign exchange ²	62 798 250	(1 227 517)	61 531 150	(2 218 419)
Net capitalised value without accrued interest	-	(324 863)	-	(64 705)

¹ The nominal amount is converted to historical currency exchange rate.

² The book value of the hedging instruments is their net market value less accrued interest. The book value of the hedged objects is less accrued interest and the cumulative change in value associated with the hedged risk is an adjustment of financial liabilities at amortised cost.

Gains and losses on fair value hedging recorded in profit and loss

Amounts in NOK 1 000	2nd quarter 2024	2nd quarter 2023	1st half 2024	1st half 2023	2023
Hedging instruments	(1 657 605)	(1 11 410)	(1 235 816)	1 337 880	1 126 654
Hedged items	1 655 614	119 632	1 235 958	(1 294 329)	(1 121 617)
Net gains/losses (ineffectiveness) recorded in profit and loss³	(1 991)	8 223	142	43 551	5 038

³ Changes in the value of financial instruments related to changes in basis swaps are recognized in other comprehensive income. See note 5 for more information.

Note 7 – Lending to customers

Amounts in NOK 1 000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Instalment loans - retail market	97 769 183	91 917 617	95 143 338
Instalment loans - housing cooperatives	3 160 351	4 181 573	3 183 494
Accrued interest instalment loans	260 236	171 851	259 995
Adjustment fair value lending to customers ¹	(354 012)	(492 582)	(325 545)
Total lending before specific and general provisions for losses including accrued interest	100 835 758	95 778 459	98 261 282
Impairments on lending to customers	-	-	-
Total lending to and receivables from customers including accrued interest	100 835 758	95 778 459	98 261 282

¹The table below shows fair value lending to customers.

With effect from 10 December 2019, the company increased its maximum loan-to-value (LTV) ratio for residential mortgages from 60 per cent of the property's value to 75 per cent. Prior to 10 December 2019, all lending related to residential mortgages fell within the 60 per cent LTV limit at origination.

Provision for losses

Pursuant to IFRS 9, provision for losses must be recognised on the basis of the expected credit loss indicated by relevant information available at the reporting date.

Eika Boligkreditt had no non-performing engagements at 30 June 2024 where instalments due remained unpaid beyond 90 days. The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy.

Loss in the accounts is calculated on the basis of the loss model pursuant to IFRS 9. Non-performing engagements are presented in step 3, where an individual impairment is to be carried out per customer without the use of models. Credit guarantees provided by the owner banks in combination with the low LTV ratio for the mortgage portfolio, reduce provision for loss. The company has calculated that expected loss on residential mortgages will amount to NOK 3.1 million at 30 June 2024, compared to NOK 4.4 million at 31 December 2023. This assessment rests on new assumptions about the development of house prices in the time to come. As a result of credit guarantees of NOK 2 billion from the owner banks at 30 June 2024, this implies no accounting loss for the company in the second quarter of 2024.

See note 13.2.2 in the annual financial statements for 2023 for further information.

30 Jun 2024

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	94 268 981	94 268 981
Fixed rate loans	6 920 789	6 566 777
Total lending including accrued interest	101 189 770	100 835 758

30 Jun 2023

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	88 467 656	88 467 656
Fixed rate loans	7 803 385	7 310 803
Total lending including accrued interest	96 271 041	95 778 459

31 Dec 2023

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	91 118 736	91 118 736
Fixed rate loans	7 468 090	7 142 545
Total lending including accrued interest	98 586 827	98 261 282

Calculation of fair value of loans: The margin on the loans is considered to be on market terms. The market value of variable rate loans is therefore measured as equal to amortised cost. The market value of fixed-rate loans is correspondingly measured as equal to amortised cost adjusted for the present value of the difference between the loans' fixed rate of interest and the applicable offered fixed rate at the balance sheet date.

Note 8 – Other financial assets

Amounts in NOK 1 000	30.06.2024	30.06.2023	31.12.2023
Prepaid expenses	15 816	13 269	1 165
Defined contribution pension schemes	735	-	389
Repo agreements ¹	-	2 503 447	-
Accrued interests ¹	-	(598)	-
Short-term receivables	78 885	95 538	88 934
Total other financial assets	95 435	2 611 656	90 488

¹ With effect from the third quarter of 2023, the company has reclassified repo agreements from Other financial assets to Lending to and receivables from credit institutions. Figures from earlier periods have not been restated.

Note 9 – Bonds and certificates at fair value

30 June 2024

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	6 078 085	6 117 641	6 119 281
Credit institutions	6 479 000	6 528 760	6 557 451
Government bonds	3 772 890	3 800 610	3 778 528
Total bonds and certificates at fair value including accrued interest	16 329 975	16 447 011	16 455 261
Change in value charged recognised through profit and loss to other comprehensive income ¹			8 250

The average effective interest rate is 5.50 per cent annualised. The calculation is based on a weighted fair value of NOK 17.5 billion. The calculation takes account of a return of NOK 471.9 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

30 June 2023

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	7 545 857	7 596 665	7 592 981
Credit institutions	8 254 000	8 308 484	8 289 373
Government bonds	4 336 314	4 368 454	4 343 951
Total bonds and certificates at fair value including accrued interest	20 136 171	20 273 603	20 226 305
Change in value charged recognised through profit and loss to other comprehensive income ¹			(47 298)

The average effective interest rate is 3.54 per cent annualised. The calculation is based on a weighted fair value of NOK 20.6 billion. The calculation takes account of a return of NOK 357.7 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

31 December 2023

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair value
Municipalities	5 171 674	5 217 302	5 218 282
Credit institutions	8 475 000	8 536 742	8 546 464
Government bonds	4 263 533	4 284 177	4 174 454
Total bonds and certificates at fair value including accrued interest	17 910 207	18 038 221	17 939 199
Change in value charged recognised through profit and loss to other comprehensive income ¹			(99 021)

The average effective interest rate is 4.26 per cent annualised. The calculation is based on a weighted fair value of NOK 19.2 billion. The calculation takes account of a return of NOK 817 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

¹ The change in value is primarily related to agio effects on bonds denominated in euros (reinvested cash collateral received) recognised through profit and loss. Corresponding agio effects on loans to credit institutions are also recognised through profit and loss as net gains and losses on bonds and certificates.

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Average term to maturity	1.6	1.6	2.0
Average duration	0.1	0.1	0.1

All the bonds are rated AA-/Aa3 or better if the maturity exceeds 100 days, and A-/A3 if the maturity is 100 days or fewer. The rating is performed by an internationally recognised rating agency.

Note 10 – Coverpool

Section 11-7 of the Regulations relating to Financial Institutions, which came into effect on 8 July 2022, requires overcollateralisation of at least 5 per cent of the value of covered bonds in the cover pool. The 5 per cent requirement is calculated on the basis of nominal values (nominal value of hedged foreign exchange rates, not including accrued interest), while the company's own holding of covered bonds is also taken into account. Eika Boligkreditt has pledged to maintain an overcollateralisation of at least 2.75 per cent in their EMTCN-programme. But the precondition for an overcollateralisation below five per cent is that the Aaa rating for the bonds is maintained. An overcollateralisation of 2 per cent is also necessary to maintain the Aaa rating from Moody's Investor Service. In the calculation of overcollateralisation in accordance with the rating and the loan programme nominal values have been used.

Calculation of overcollateralisation at nominal value (calculated in accordance with section 11-7 of the financial institutions regulations)

Amounts in NOK 1 000	Nominal values including retained bonds		
	30 Jun 2024	30 Jun 2023	31 Dec 2023
Loans to customers without accrued interest	100 929 534	96 101 969	98 327 079
Loans not qualified for the cover pool ¹	(1 240 575)	(1 031 727)	(1 023 913)
Substitute assets:			
Substitute assets ²	16 972 471	20 701 002	16 107 448
Substitute assets excluded from calculation of overcollateralisation for LCR purposes ³	(300 000)	(300 000)	(250 000)
Total cover pool	116 361 430	115 471 244	113 160 614
The cover pool's overcollateralisation	108.45%	107.95%	109.24%

Covered bonds issued

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Covered bonds	107 290 250	106 384 150	103 589 150
Retained bonds (covered bonds) ⁴	-	580 000	-
Total covered bonds	107 290 250	106 964 150	103 589 150

¹ Residential mortgages without legal protection, non-performing engagements and any share of loans with a loan-to-value (LTV) ratio in excess of 80% are excluded when calculating the carrying amount in the balance sheet.

² Substitute assets include loans to and receivables from credit institutions, including underlying security in repo agreements as well as bonds and certificates at nominal value.

³ Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation.

⁴ When calculating the 5 per cent requirement, account has been taken of the company's retained covered bonds.

Calculation of overcollateralisation using nominal values (calculated in accordance with the requirements in the company's borrowing programme and Moody's Investors Service methodology)

Amounts in NOK 1 000	Nominal values		
	30 Jun 2024	30 Jun 2023	31 Dec 2023
Lending to customers without accrued interest	100 929 534	96 101 969	98 327 079
Loans not qualified for the cover pool ⁵	(1 152 379)	(971 285)	(976 976)
Substitute assets:			
Substitute assets ^{2,6}	16 972 471	20 701 002	16 107 448
Total cover pool	116 749 626	115 831 686	113 457 551
The cover pool's overcollateralisation	108.82%	108.88%	109.53%

Covered bonds issued			
	30 Jun 2024	30 Jun 2023	31 Dec 2023
Covered bonds	107 290 250	106 384 150	103 589 150
Total covered bonds	107 290 250	106 384 150	103 589 150

⁵ Residential mortgages without legal protection have been excluded when calculating the carrying amount in the balance sheet.

⁶ The calculations of overcollateralisation in previous periods have also been restated in accordance with Moody's Investor Service methodology.

If the overcollateralisation is calculated on the basis of fair values, with the exception of the credit spread for the covered bonds, and the company's retained covered bonds is taken into account, the overcollateralisation comes to 8 per cent.

Note 11 – Fair value hierarchy

Eika Boligkreditt measures financial instruments at fair value and classifies the related fair value at three different levels which are based on the market conditions at the balance sheet date.

Level 1: Financial instruments where the value is based on quoted prices in an active market

Included in Level 1 are financial instruments where the value is based on quoted prices in active markets for identical assets. Quoted prices are obtained from Bloomberg. The company's investments in government bonds are included in this category.

Level 2: Financial instruments where the value is based on observable market data

Level 2 comprises financial instruments which are valued using market information not consisting of quoted prices but which may be either directly or indirectly observable. Indirectly observable market data entail that the price is derived from corresponding financial instruments and commitments on which the market has based its valuation. This category consists of the fair value of interest and currency swaps based on swap curves and investments in bonds and certificates not issued by a national state. Market data are obtained from an acknowledged provider of market data.

Level 3: Financial instruments where the value is based on information other than observable market data

Level 3 includes fixed-interest mortgages and shares at fair value over profit and loss. The fair value of the fixed-interest mortgages is their amortised cost adjusted for the present value of the difference between the mortgage's fixed interest rate and the applicable fixed interest rate offered on the balance sheet date. Shares are valued on the basis of discounted cash flows.

30 June 2024

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed rate)	-	-	6 566 777
Bonds and certificates	2 040 049	14 415 212	-
Financial derivatives	-	2 689 524	-
Shares classified at fair value recognised in profit or loss	-	-	1 650
Total financial assets	2 040 049	17 104 736	6 568 427
Financial liabilities			
Financial derivatives	-	1 287 491	-
Total financial liabilities	-	1 287 491	-

No significant transactions between the different levels took place in 2024.

31 December 2023

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed rate)	-	-	7 142 545
Bonds and certificates	2 686 804	15 252 395	-
Financial derivatives	-	3 578 984	-
Shares classified as available for sale	-	-	1 650
Total financial assets	2 686 804	18 831 380	7 144 195
Financial liabilities			
Financial derivatives	-	962 500	-
Total financial liabilities	-	962 500	-

No significant transactions between the different levels took place in 2023.

Detailed statement of assets classified as level 3 assets

2024		Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2024	Other comprehensive income	30 Jun 2024
Amounts in NOK 1 000	01 Jan 2024						
Lending to customers (fixed-rate loans)	7 142 545	319 035	(860 350)	-	(34 453)	-	6 566 777
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	7 144 195	319 035	(860 350)	-	(34 453)	-	6 568 427

2023		Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2023	Other comprehensive income	31 Dec 2023
Amounts in NOK 1 000	01 Jan 2023						
Lending to customers (fixed-rate loans)	7 941 705	935 321	(1 814 164)	-	79 682	-	7 142 545
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	7 943 355	935 321	(1 814 164)	-	79 682	-	7 144 195

Interest rate sensitivity of assets classified as Level 3 at 30 June 2024

A one-percentage point increase in all interest rates would reduce the value of the company's fixed-rate loans at fair value by NOK 163.9 million. The effect of a decrease in interest rates would be an increase of NOK 163.9 million in the value of fixed-rate loans at fair value. The amounts are calculated by duration, which is the remaining portion of the fixed interest period.

Changes in fair value of fixed-rate loans attributable to a change in credit risk

Since the company's fixed-rate lending at fair value has an unchanged credit spread, no change in fair value is attributable to a change in the credit risk. That applies both for 30 June 2024 and cumulatively.

Detailed statement of changes in debt related to currency changes

2024		01 Jan 2024	Issued/matured	Currency changes	30 Jun 2024
Amounts in NOK 1 000					
Change in debt securities issued ¹		56 903 438	727 100	231 060	57 861 598
Total		56 903 438	727 100	231 060	57 861 598

2023		01 Jan 2023	Issued/matured	Currency changes	31 Dec 2023
Amounts in NOK 1 000					
Change in debt securities issued ¹		63 891 383	(6 137 300)	(850 646)	56 903 438
Total		63 891 383	(6 137 300)	(850 646)	56 903 438

¹The table shows currency changes related to bonds issued in foreign currencies. Currency changes related to liabilities with credit institutions are not shown.

Note 12 – Leases

IFRS 16 on lease accounting requires that all leases are recognised in the balance sheet by recognising the beneficial use of an asset as an asset, while making provision for the lease obligation as a liability. Eika Boligkreditt has leases, covering office premises and car leasing which is subject to this standard. The beneficial use and lease obligation are recognised as NOK 10.4 million and NOK 10.4 million respectively, in the company's balance sheet at 30 June 2024, representing the present value of future rent payments over the duration of the lease. The lease duration which forms the basis for calculating future rent payments corresponds to the remaining period until the termination of the lease (as of 30 June 2024 this was about 3 years for leasing of office premises and about 1.4 years for car leasing). Possible options are not added to the lease duration. In addition, the beneficial use is depreciated over the duration of the lease while interest on the lease obligation is expensed. Depreciation is presented together with other depreciation in the statement of comprehensive income, while interest is included in financial expenses in the statement of comprehensive income. Interest costs are calculated by applying the discount rate (the company's incremental borrowing rate) to the lease obligation.

Note 13 – Loans from credit institutions

Agreements with counterparties regulating trades in OTC derivatives require collateral to be provided in certain cases. Eika Boligkreditt has been provided with such collateral in the form of cash. The cash is managed by Eika Boligkreditt for the duration of the collateral provision and are recognised on the balance sheet as an asset with an associated liability. At 30 June 2024, Eika Boligkreditt had received cash collateral of NOK 2.2 billion posted by counterparties in derivative contracts. Cash collateral received is held in bank deposits, repo agreements and in various high-quality bonds.

Note 14 – Debt securities issued

Covered bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	30 Jun 2024	30 Jun 2023	31 Dec 2023
NO0010625346	1 500 000	NOK	Fixed	4.60 %	2011	2026	1 549 659	1 549 750	1 515 204
NO0010669922	1 000 000	NOK	Fixed	4.00 %	2013	2028	1 017 137	1 016 831	1 036 984
NO0010687023	150 000	NOK	Fixed	4.10 %	2013	2028	155 040	155 040	151 965
NO0010763022	850 000	NOK	Fixed	2.25 %	2016	2031	849 987	849 447	859 279
NO0010780687	700 000	NOK	Fixed	2.60 %	2016	2027	702 285	702 218	711 351
NO0010815376	1 600 000	NOK	Fixed	2.67 %	2018	2033	1 609 822	1 608 991	1 630 766
NO0010821192	8 050 000	NOK	Floating	3M Nibor + 0.34 %	2018	2023	-	4 223 706	-
NO0010863178	7 250 000	NOK	Floating	3M Nibor + 0.25 %	2019	2024	3 100 847	7 264 813	6 676 002
NO0010881162	6 000 000	NOK	Floating	3M Nibor + 0.41 %	2020	2025	6 039 685	6 032 228	6 039 914
NO0010921067	10 500 000	NOK	Floating	3M Nibor + 0.75 %	2021	2026	10 625 306	10 672 969	10 651 773
NO0011135105	6 000 000	NOK	Floating	3M Nibor + 0.50 %	2021	2026	6 043 373	6 060 918	6 053 125
NO0012475609	6 000 000	NOK	Floating	3M Nibor + 0.42 %	2022	2027	6 002 742	6 002 386	6 004 786
NO0012708827	2 000 000	NOK	Fixed	4.00 %	2022	2032	2 052 644	2 051 464	2 012 144
NO0012728643	1 700 000	NOK	Fixed	4.33 %	2022	2034	1 810 885	1 816 565	1 776 962
NO0012807421	7 500 000	NOK	Floating	3M Nibor + 0.48 %	2023	2028	7 581 070	5 546 101	7 581 679
NO0013135301	6 000 000	NOK	Floating	3M Nibor + 0.57 %	2024	2029	5 998 916	-	-
XS1397054245	500 000	EUR	Fixed	0.375 %	2016	2023	-	-	-
XS1566992415	500 000	EUR	Fixed	0.375 %	2017	2024	-	5 856 388	5 623 910
XS1725524471	500 000	EUR	Fixed	0.375 %	2017	2025	5 704 272	5 849 829	5 617 586
XS1869468808	500 000	EUR	Fixed	0.50 %	2018	2025	5 718 101	5 864 097	5 606 708
XS1945130620	500 000	EUR	Fixed	0.875 %	2019	2029	5 696 068	5 841 574	5 623 707
XS1969637740	10 000	EUR	Fixed	1.245 %	2019	2039	114 382	117 418	113 189
XS1997131591	60 000	EUR	Fixed	1.112 %	2019	2039	684 945	703 121	677 358
XS2085864911	5 000	EUR	Fixed	0.56 %	2019	2039	57 136	58 649	56 032
XS2133386685	500 000	EUR	Fixed	0.01 %	2020	2027	5 733 106	5 897 644	5 644 322
XS2234711294	500 000	EUR	Fixed	0.01 %	2020	2028	5 752 521	5 919 524	5 664 344
XS2353312254	500 000	EUR	Fixed	0.125 %	2021	2031	5 674 883	5 821 695	5 582 597
XS2482628851	500 000	EUR	Fixed	1.625 %	2022	2030	5 679 501	5 824 653	5 628 551
XS2536806289	500 000	EUR	Fixed	2.50 %	2022	2028	5 783 382	5 930 154	5 614 732
XS2636611332	500 000	EUR	Fixed	3.25 %	2023	2033	5 655 902	5 799 907	5 650 898
XS2787826382	500 000	EUR	Fixed	2.875 %	2024	2029	5 724 124	-	-
Value adjustments							(3 914 770)	(5 859 728)	(3 233 051)
Total covered bonds including accrued interest ¹							109 202 951	109 178 350	106 572 817

¹ For covered bonds linked to the company's cover pool, an overcollateralisation requirement of 2.75 per cent applies in accordance with the company's borrowing programme (Euro Medium Term Covered Note Programme). But the precondition for an overcollateralisation below five per cent is that the Aaa rating for the bonds is maintained. An overcollateralisation of 2 per cent is required to maintain the Aaa rating that Moody's Investors Service has accorded to the company's bonds.

Senior unsecured bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	30 Jun 2024	30 Jun 2023	31 Dec 2023
NO0010834716	500 000	NOK	Fixed	3.01 %	2018	2025	306 131	306 062	301 581
NO0010841620	300 000	NOK	Fixed	2.87 %	2019	2026	303 740	303 684	308 017
NO0010845936	500 000	NOK	Floating	3M Nibor + 0.78 %	2019	2024	-	300 737	300 937
NO0010849433	500 000	NOK	Floating	3M Nibor + 0.74 %	2019	2024	-	300 137	300 194
NO0010874944	300 000	NOK	Floating	3M Nibor + 0.58 %	2020	2025	302 125	301 733	302 101
NO0010891351	500 000	NOK	Floating	3M Nibor + 0.50 %	2020	2023	-	251 104	-
NO0010904642	500 000	NOK	Floating	3M Nibor + 0.65 %	2020	2024	504 138	503 423	504 101
NO0010918113	300 000	NOK	Floating	3M Nibor + 0.45 %	2021	2024	-	302 312	302 997
NO0012899915	250 000	NOK	Floating	3M Nibor + 1.25 %	2023	2028	252 521	252 118	252 628
NO0013013979	250 000	NOK	Floating	3M Nibor + 1.24 %	2023	2028	250 576	-	250 579
NO0013101576	500 000	NOK	Floating	3 M Nibor + 0.87%	2023	2026	500 765	-	500 797
NO0013251207	300 000	NOK	Floating	3 M Nibor + 0.60%	2024	2027	301 078	-	-
Value adjustments							(21 060)	(34 782)	(20 817)
Total senior unsecured bonds including accrued interest							2 700 013	2 786 530	3 303 114

Total debt securities issued including accrued interest							111 902 964	111 964 881	109 875 931
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Note 15 – Subordinated loan capital

Subordinated loan capital - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	30 Jun 2024	30 Jun 2023	31 Dec 2023
NO0010864333	250 000	NOK	Floating	3M Nibor + 1.55% ¹	2019	2029	129 078	250 039	250 145
NO0010917735	150 000	NOK	Floating	3M Nibor + 1.04% ²	2021	2026	151 590	151 257	151 617
NO0012618927	375 000	NOK	Floating	3M Nibor + 2.20% ³	2022	2027	377 468	377 068	377 491
NO0013265900	250 000	NOK	Floating	3M Nibor + 1.65% ⁴	2024	2029	249 803	-	-
Total subordinated loan capital including accrued interest							907 938	778 363	779 252

¹ Subordinated loan of NOK 250 million maturing on 27 September 2029, with a redemption right (call) on 27 September 2024 and thereafter quarterly at each interest date. A regulatory and a tax related call are also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

² Subordinated loan of NOK 150 million maturing on 20 January 2031, with a redemption right (call) on 20 January 2026 and thereafter quarterly at each interest date. A regulatory and a tax related call are also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

³ Subordinated loan of NOK 375 million maturing on 18 November 2032, with a redemption right (call) on 18 August 2027 and thereafter on each banking day in the subsequent interest period and thereafter on each interest payment date. A regulatory and a tax related call are also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

⁴ Subordinated loan of NOK 250 million maturing on 27 December 2034, with a redemption right (call) on 27 September 2029 and thereafter on each banking day (including the next interest payment date) in the subsequent interest period and thereafter on each interest payment date. A regulatory and a tax related call are also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

Note 16 – Capital adequacy ratio

Amounts in NOK 1 000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Share capital	1 501 040	1 405 153	1 428 559
Share premium	4 309 343	4 005 230	4 081 824
Other paid-in equity	477 728	477 728	477 728
Other equity ¹	(189)	(531)	(343)
Total equity recognised in the balance sheet (without tier 1 perpetual bonds)	6 287 922	5 887 580	5 987 768
Fund for unrealised gains	-	123 706	-
Fund for valuation differences	-	152	16 143
Intangible assets	(248)	(610)	(392)
Deferred tax assets ²	-	-	-
Prudent valuation adjustments of fair valued positions without accrued interest	(23 577)	(28 230)	(25 371)
Total core tier 1 capital	6 264 097	5 982 597	5 978 147
Core capital adequacy ratio (core tier 1 capital)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Risk-weighted assets	38 854 960	38 288 363	38 644 408
Core tier 1 capital	6 264 097	5 982 597	5 978 147
Core tier 1 capital ratio	16.1%	15.6%	15.5%
Total core tier 1 capital	6 264 097	5 982 597	5 978 147
Tier 1 perpetual bonds	575 000	735 000	575 000
Total tier 1 capital	6 839 097	6 717 597	6 553 147
Capital adequacy ratio (tier 1 capital)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Risk-weighted assets	38 854 960	38 288 363	38 644 408
Tier 1 capital	6 839 097	6 717 597	6 553 147
Tier 1 capital ratio	17.6%	17.5%	17.0%
Total tier 1 capital	6 839 097	6 717 597	6 553 147
Subordinated loans	903 037	774 103	774 249
Total primary capital (tier 2 capital)	7 742 134	7 491 699	7 327 397
Capital adequacy ratio (tier 2 capital)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Risk-weighted assets	38 854 960	38 288 363	38 644 408
Total primary capital (tier 2 capital)	7 742 134	7 491 699	7 327 397
Capital adequacy ratio	19.9%	19.6%	19.0%
Required capital corresponding to eight per cent of calculation basis	3 108 397	3 063 069	3 091 553
Surplus equity and subordinated capital	4 633 737	4 428 630	4 235 844
The capital adequacy ratio is calculated using the standard method in Basel II.			
30 June 2024			
Risk-weighted assets	Risk-weighted assets	Capital requirement	
Credit risk ³	37 902 154	3 032 172	
Operational risk	262 527	21 002	
CVA risk ⁴	690 278	55 222	
Total	38 854 960	3 108 397	
Leverage ratio	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total leverage ratio exposure	123 133 964	127 267 586	120 787 645
Tier 1 capital	6 839 097	6 717 597	6 553 147
Leverage ratio	5.6 %	5.3 %	5.4 %

The company applies the standardised approach for calculating credit risk and the basic indicator approach for calculating operational risk.

¹Pursuant to the rules for hedge accounting set out in IFRS 9, changes in fair value relating to cross-currency interest rate swaps may be recognised as cash-flow hedging. Because it is possible to disaggregate the basis spread as cash-flow hedging under IFRS 9, changes in value relating to the basis spread are neutralised in line with Article 33(1) of the CRR when calculating core tier 1 capital. This is the same as was the case for cash-flow hedging under IAS 39.

²Deferred tax assets attributable to temporary differences and amounting to less than 10 per cent of core tier 1 capital are not deducted from core tier 1 capital, but risk-weighted by 250 per cent. See the changes to the calculation regulations which came into force on 30 September 2014.

³The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy.

On the basis of this new standard for assessing defaults, these are estimated to amount to NOK 24.8 million at 30 June 2024. This definition of default will affect the company's calculation of capital adequacy, where mortgages defined as in default have their risk weighting in the calculation base changed from 35 to 100 per cent, assuming that the LTV for the defaulting mortgages is below 100 per cent. The mortgages can also be deducted from tier 1 capital pursuant to article 47c of the CRR if the mortgage is entered into after 26 April 2019.

⁴At 30 June 2024, Eika Boligkreditt accounts for the risk of credit valuation adjustment (CVA) when calculating capital requirements for credit risk. This represents a supplement to the capital requirement for credit risk related to counterparty risk for derivatives.

The risk-weighted assets at 30 June amounted to NOK 38.9 billion and represents a quantification of the company's risk. After accounting for growth in overall lending and changes in the company's liquidity portfolio, operational risk and CVA risk, the calculation basis for capital adequacy at 30 June 2024 was NOK 0.2 billion higher than at 1 January.

At all times, the company must have a buffer in relation to the minimum capital adequacy requirement of eight per cent. This buffer must be sufficient to cover relevant risks which could affect the company. The company's internal capital adequacy assessment process (ICAAP) is pursued to ensure that it has an adequate buffer in relation to the minimum requirement. The company plans to capitalise continued growth in the residential mortgage portfolio and capital requirements. The company's capital targets are a core tier 1 capital ratio of 14.78 per cent, a tier 1 capital ratio of 16.37 per cent and a tier 2 capital ratio of 18.5 per cent. These targets are adequate in relation to the legal requirements, the company's Pillar 2 demands, and capital requirements based on the company's internal assessment of risk (0.5 per cent). As can be seen above, the applicable buffer requirement was met at 30 June 2024 with a core tier 1 capital ratio of 16.1 per cent.

The company has a shareholder agreement which commits the owner banks, under given circumstances, to provide Eika Boligkreditt with necessary capital. More information on the shareholder agreement can be found in note 27 in the annual financial statements for 2023.

Note 17 – Contingency and overdraft facilities

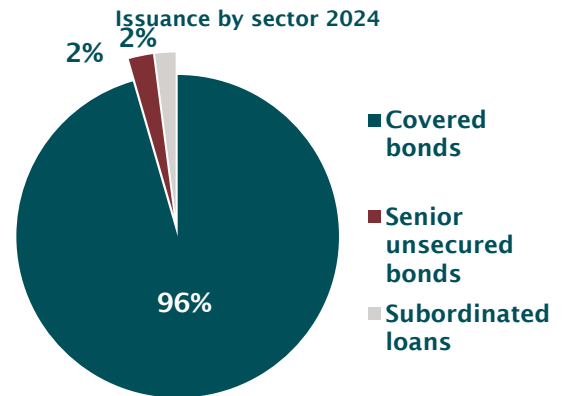
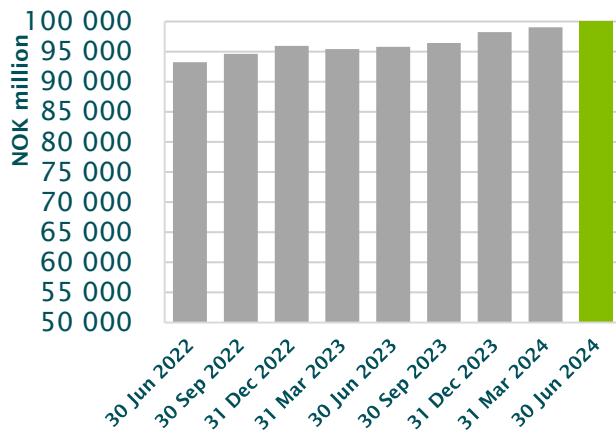
The company has an overdraft facility with DNB Bank ASA (DNB). Note 23 in the annual financial statements for 2023 provides a more detailed presentation of the overdraft with DNB. In 2012, the company established a Note Purchase Agreement (NPA) with the owner banks concerning the purchase of covered bonds, whereby the owner banks have accepted a liquidity obligation towards Eika Boligkreditt. Under the terms of this agreement, the owner banks have an obligation to purchase covered bonds issued by Eika Boligkreditt if the company's liquidity situation indicates that such purchases are necessary. During the second quarter, the terms of the agreement with the owner banks were renegotiated in order to ensure that the purchase obligation does not actually increase the owner banks' future capital requirement. In the revised agreement, the secondary liability has been removed and the owner banks' primary liability is limited such that the total amount of covered bonds issued under the NPA cannot exceed 20 per cent of the total amount of the covered bonds issued by the company. More information on the note purchase agreement can be found in note 23 to the annual financial statements for 2023.

Note 18 – Risk management

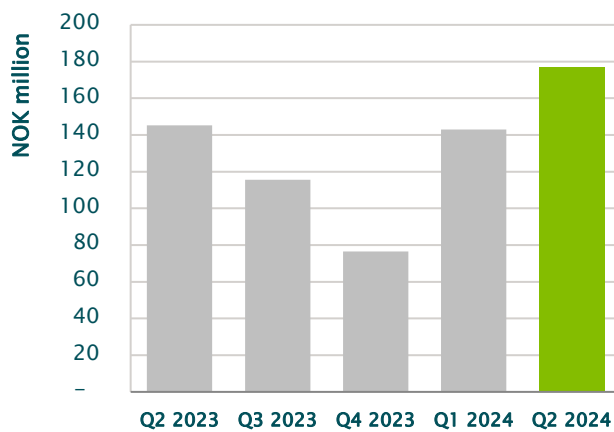
Eika Boligkreditt AS has established a framework for risk management and control in the company, which defines risk willingness and the principles for managing risk and capital. The value of financial assets and liabilities fluctuates as a result of risk in the financial markets. Note 3 in the annual report for 2023 describes the company's financial risk, which also applies to financial risk in 2024.

Key figures – Development

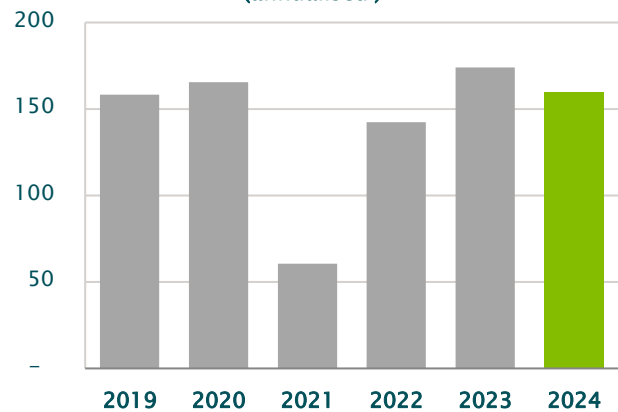
Lending to customers



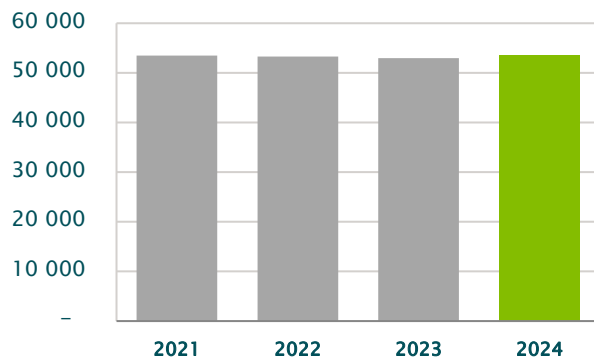
Distributor commissions



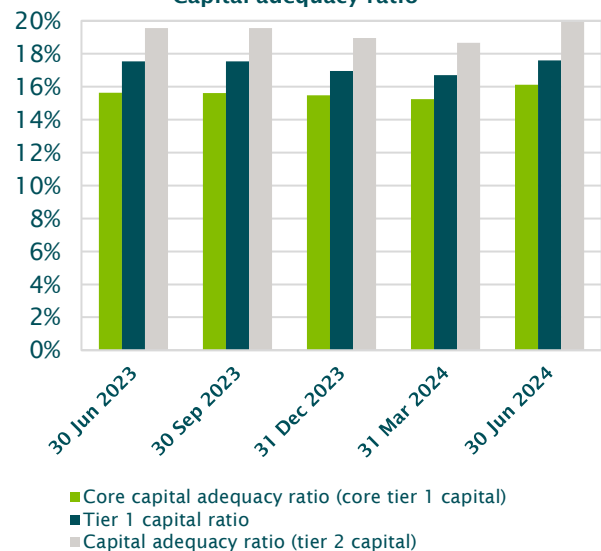
Net interest income after commissions costs (annualised)



Number of loans



Capital adequacy ratio



Key figures

Amounts in NOK 1 000	30 Jun 2024	30 Jun 2023	31 Dec 2023
Balance sheet development			
Lending to customers	100 835 758	95 778 459	98 261 282
Debt securities issued	111 902 964	111 964 881	109 875 931
Subordinated loan capital	907 938	778 363	779 252
Equity	6 734 168	6 876 526	6 576 209
Equity in % of total assets	5.5	5.5	5.4
Average total assets ¹	121 856 475	123 783 814	122 256 092
Total assets	123 095 153	124 317 573	121 039 280
Rate of return/profitability			
Fee and commission income in relation to average total assets, annualised (%)	0.5	0.5	0.4
Sum operating expenses in relation to average lending to customers (%)	0.079	0.088	0.085
Return on equity before tax, annualised (%) ²	1.9	1.7	2.0
Total assets per full-time position	6 838 620	6 906 532	6 370 488
Cost/income ratio (%) ³	49.5	111.3	48.5
Financial strength			
Core tier 1 capital	6 264 097	5 093 751	5 978 147
Tier 1 capital	6 839 097	5 668 751	6 553 147
Total primary capital (tier 2 capital)	7 742 134	6 393 237	7 327 397
Risk-weighted assets	38 854 960	38 346 625	38 644 408
Core tier 1 capital ratio (%)	16.1	13.3	15.5
Tier 1 capital ratio (%)	17.6	14.8	17.0
Capital adequacy ratio % (tier 2 capital)	19.9	16.7	19.0
Leverage ratio (%) ⁴	5.6	4.6	5.4
NSFR total indicator in % ⁵	118	116	115
Defaults in % of gross loans	0.02	0.06	0.02
Loss in % of gross loans	-	-	-
Staff			
Number of full-time positions at end of period	18.0	18.0	19.0
Liquidity Coverage Ratio (LCR)⁶:			
30 Jun 2024	Total	NOK	EUR
Stock of HQLA	1 758 276	300 000	127 958
Net outgoing cash flows next 30 days	1 024 064	307 990	127 653
LCR indicator (%)	172 %	97 %	100 %
30 Jun 2023	Totalt	NOK	EUR
Stock of HQLA	2 571 356	300 000	194 067
Net outgoing cash flows next 30 days	1 880 778	350 824	145 805
LCR indicator (%)	137 %	86 %	133 %
31 Dec 2023	Total	NOK	EUR
Stock of HQLA	2 359 377	250 000	187 659
Net outgoing cash flows next 30 days	1 696 792	266 074	161 418
LCR indicator (%)	139 %	94 %	116 %

¹ Total assets are calculated as a quarterly average for the last period.

² Annualised profit before tax as a percentage of average equity on a quarterly basis (return on equity).

³ Total operating expenses in % of net interest income after commissions costs.

⁴ Leverage ratio is calculated in accordance with the CRR/CRD IV regulatory.

⁵ NSFR total indicator: Is calculated in accordance with the CRR/CRD IV regulations and is based on the Basel Committee recommendations.

⁶ Liquidity coverage ratio (LCR):
$$\frac{\text{High-quality liquid assets}}{\text{Net outgoing cash flows next 30 days}}$$

LCR indicators: Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation. At 30 June 2024, liquid assets totalling NOK 300 million in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation.

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