



Q3



Third quarter 2022

(Unaudited)

Sbanken Boligkreditt AS

Key figures

In NOK thousand	Reference	Jan-Sep 22	Jan-Sep 21	2021
Summary of income statement				
Net interest income		115 000	312 076	386 982
Net other income		-9 472	-20 734	-21 258
Total income		105 528	291 342	365 724
Other operating expenses		-7 857	-8 725	-10 356
Operating profit before loan losses		97 670	282 617	355 368
Loan losses		667	1 034	760
Earnings before tax		98 337	283 650	356 128
Tax expense		-20 070	-60 873	-76 389
Net profit		78 267	222 778	279 739
Balance sheet figures (in million NOK)				
Total loan volume		31 847	36 227	38 135
Covered bonds issued (nominal value)		30 705	30 955	30 405
Covered bonds issued (carried value)		31 274	31 456	30 806
Total assets, end of period		37 628	38 033	39 890
Losses and defaults				
Loss rate (%)	1	0.00%	0.00%	0.00%
Solvency				
Common equity Tier 1 ratio	2	18.1%	17.0%	16.1%
Tier 1 capital ratio		19.8%	18.7%	17.7%
Total capital ratio		22.4%	21.1%	20.0%
Leverage ratio		6.8%	6.6%	6.3%
Other				
Loan to value	3	48.5%	47.9%	49.7%
Cover Pool	4	35 882	36 497	38 682
Over-collateralisation (OC), (nominal)		16.9%	17.9%	27.2%

Alternative Performance Measures

Sbanken Boligkreditt AS (the company) discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are commonly used by analysts, investors and other stakeholders to evaluate the performance of the company in isolation or relative to the financial industry. The measures are provided to give an enhanced insight into the operations, financing and future prospects of the company. Some of the measures are presented in detail in notes to the financial statement and not repeated here.

References

1) Loss rate is calculated as the loan losses of the period divided by the average loan volume of the period. The measure is commonly used by banks and industry analysts to indicate the performance and quality of the lending book. For interim periods the loan losses for the period is annualised using the number of days in the period to the total number of days in the year.

2) Solvency figures are presented including profit for the period. Please refer to note 3 for further detail.

3) Loan-to-Value (LTV) is calculated as the loan amount divided by the estimated value of the property. When calculating a weighted average of LTV for the entire loan book, the credit balance of mortgages is used as weights. The LTV is provided as a measure of lending risk exposure.

4) Cover pool consist of mortgages and supplementary assets eligible according to the covered bonds legislation in Norway. Please refer to note 7 for further detail.

Third Quarter Results

Sbanken Boligkreditt AS had a net profit of NOK 19.4 million in the third quarter of 2022, compared to NOK 85.0 million in the third quarter of 2021.

At the end of the quarter, customer loans amounted to NOK 31.8 (36.2) billion. Outstanding covered bonds amounted to NOK 30.7 (31.0) billion. The average loan-to-value (LTV) ratio was 48.5 (49.7) per cent.

Sbanken Boligkreditt AS ("Sbanken Boligkreditt" or "the company") is a vehicle to fund the Sbanken group by issuing covered bonds based on residential mortgages. The company's offices are located in Bergen, Norway.

All comparable figures refer to the corresponding period previous year unless otherwise stated.

Important events during the quarter

Norges Bank raised the key policy rate with 0.50 percentage points, to 1.75 percent in August, and a further 0.50 percentage points to 2.25 percent in September.

Operating income

Operating income decreased to NOK 26.9 million, compared with NOK 111.8 million in the third quarter of 2021, following a decrease in net interest income to NOK 18.7 (119.2) million and an increase in other operating income to NOK 8.3 (-7.5) million.

Operating expenses

Operating expenses amounted to NOK 2.5 (3.5) million in the quarter and consisted mainly of administrative expenses related to the company's hire of management and administrative resources from Sbanken ASA.

Impairments and losses

Loan losses amounted to NOK 0.2 million in the quarter, compared with a positive NOK 0.2 million in the third quarter of 2021. At the end of the quarter, expected credit losses (ECL) amounted to NOK 4.5 million.

Taxes

The estimated tax expense was NOK 4.7 (23.5) million in the quarter, corresponding to an effective tax rate of 19.5 (21.6) per cent.

Loans to customers

Loans to customers decreased to NOK 31.8 (36.2) billion.

Capitalisation, liquidity and financial position

Sbanken Boligkreditt had total equity of NOK 2.6 billion as of quarter-end. CET1 capital ratio was 18.1 per cent against a regulatory CET1 capital requirement of 13.0 per cent. The tier 1 capital ratio was 19.8 per cent and the total capital ratio 22.4 per cent. The leverage ratio was 6.8 per cent against a regulatory requirement of 3 per cent. The capital ratios do not include retained earnings for 2022.

As of quarter-end, Sbanken Boligkreditt had total liquid assets of NOK 5.3 (1.5) billion.

Sbanken Boligkreditt had NOK 30.7 (31.0) billion in outstanding debt issued as covered bonds as of 30 September 2022. Covered bonds issued by Sbanken Boligkreditt have been assigned the highest rating from Moody's Investors Service (Aaa) with stable outlook, last confirmed 17 September 2021.

Comments on the results for the first nine months of 2022

Sbanken Boligkreditt AS had a net profit of NOK 78.3 million in the first nine months of 2022, compared with NOK 222.8 million in the first nine months of 2021.

Net interest income decreased to NOK 115.0 (312.1) million. Operating expenses amounted to NOK 7.9 (8.7) million.

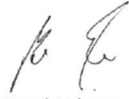
Loan losses for the first nine months of 2022 were positive in the amount of NOK 0.7 million, compared with positive NOK 1.0 million the first nine months of 2021.

Subsequent events

No significant events have occurred after 30 September 2022 that affect the financial statements for the third quarter of 2022.

Bergen, 19 October 2022

The Board of Directors, Sbanken Boligkreditt AS



Henrik Lidman
(Chair)



Bjørn Erik Næss



Jørgen Gudmundsson



Sindre Espenes



Øyvind Telle
(CEO)

Income statement

In NOK thousand	Note	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Interest income	10	211 836	175 940	582 183	524 911	691 894
Interest expense	10	-193 186	-56 717	-467 184	-212 835	-304 913
Net interest income		18 650	119 223	115 000	312 076	386 982
Net gain (loss) on financial instruments	11	8 259	-7 478	-9 472	-20 734	-21 258
Other income		0	0	0	0	0
Other operating income		8 259	-7 478	-9 472	-20 734	-21 258
Total income		26 909	111 745	105 528	291 342	365 724
Personnel expenses	12	-35	-95	-184	-281	-376
Administrative expenses	12	-2 468	-3 411	-7 673	-8 444	-9 980
Profit before loan losses		24 406	108 239	97 670	282 617	355 368
Loan losses	8	-245	230	667	1 034	760
Profit before tax		24 161	108 470	98 337	283 650	356 128
Tax expense		-4 723	-23 454	-20 070	-60 873	-76 389
Profit for the period		19 438	85 016	78 267	222 778	279 739
Attributable to						
Shareholders		16 746	83 156	71 156	215 822	270 791
Tier 1 capital holders		2 692	1 860	7 111	6 956	8 948
Profit for the period		19 438	85 016	78 267	222 778	279 739

Statement of comprehensive income

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Profit for the period	19 438	85 016	78 267	222 778	279 739
Other comprehensive income					
Other comprehensive income that can be reclassified to profit or loss after tax	6 248	467	7 629	-831	2 255
Other items that can not be reclassified to profit or loss after tax	0	0	0	0	0
Total components of other comprehensive income (after tax)	6 248	467	7 629	-831	2 255
Total comprehensive income for the period	25 686	85 483	85 896	221 947	281 994
Attributable to					
Shareholders	22 994	83 623	78 785	214 991	273 046
Tier 1 capital holders	2 692	1 860	7 111	6 956	8 948
Total comprehensive income for the period	25 686	85 483	85 896	221 947	281 994

Balance sheet

In NOK thousand	Note	30.09.22	30.09.21	31.12.21
Assets				
Loans to and receivables from credit institutions	5	4 582 034	678 678	1 000 910
Loans to customers	5,6,7,13	31 842 090	36 222 258	38 129 774
Net loans to customers and credit institutions		36 424 124	36 900 936	39 130 684
Commercial paper and bonds at fair value through other comprehensive income (OCI)	13	758 171	797 012	520 313
Derivatives		442 338	330 210	234 020
Deferred tax assets		1 102	2 995	3 689
Other assets		0	1 278	1 722
Advance payment and accrued income		1 878	993	0
Total assets		37 627 613	38 033 425	39 890 428
Liabilities				
Loans from credit institutions	13	3 338 485	3 427 232	5 873 313
Debt securities issued	9,13	31 273 691	31 455 732	30 805 975
Taxes payable		27 841	81 612	76 686
Other liabilities		64 721	23 387	30 800
Subordinated loan	9	325 000	325 000	325 000
Total liabilities		35 029 738	35 312 962	37 111 774
Equity				
Share capital		850 000	850 000	850 000
Share premium		849 880	849 880	849 880
Additional Tier 1 capital		226 574	226 000	226 136
Other equity		671 421	794 583	852 638
Total equity		2 597 875	2 720 463	2 778 654
Total liabilities and equity		37 627 613	38 033 425	39 890 428

Statement of changes in equity

In NOK thousand	Share capital	Share premium	Additional Tier 1 capital	Changes in fair value through other comprehensive income	Other equity	Total equity
Balance sheet as at 01.01.21	850 000	849 880	225 837	-11 740	821 331	2 735 308
Profit for the period to other equity (01.01.21 - 30.09.21)					215 822	215 822
Profit for the period to Tier 1 capital holders (01.01.21 - 30.09.21)			6 956			6 956
Payments to Tier 1 capital holders (01.01.21 - 30.09.21)			-6 793			-6 793
Net change of financial instruments at fair value through other comprehensive income (01.01.21 - 30.09.21)				-831		-831
Dividend to shareholder					-230 000	-230 000
Balance sheet as at 30.09.21	850 000	849 880	226 000	-12 571	807 153	2 720 463
Profit for the period to other equity (01.10.21 - 31.12.21)					54 969	54 969
Profit for the period to Tier 1 capital holders (01.10.21 - 31.12.21)			1 992			1 992
Payments to Tier 1 capital holders (01.10.21 - 31.12.21)			-1 856			-1 856
Net change of financial instruments at fair value through other comprehensive income (01.10.21 to 31.12.21)				3 086		3 086
Balance sheet as at 31.12.21	850 000	849 880	226 136	-9 485	862 122	2 778 654
Profit for the period to other equity (01.01.22 - 30.09.22)					71 156	71 156
Profit for the period to Tier 1 capital holders (01.01.22 - 30.09.22)			7 111			7 111
Payments to Tier 1 capital holders (01.01.22 - 30.09.22)			-6 673			-6 673
Net change of financial instruments at fair value through other comprehensive income (01.01.22 - 30.09.22)				7 629		7 629
Dividend to shareholder					-260 000	-260 000
Balance sheet as at 30.09.22	850 000	849 880	226 574	-1 856	673 278	2 597 875

Sbanken Boligkreditt AS is a wholly-owned subsidiary of Sbanken ASA.

Statement of cash flows

In NOK thousand	Note	Jan-Sep 22	Jan-Sep 21	2021
Cash flows from operating activities				
Net payments on loans to customers	5,6	6 293 158	-1 045 858	-2 950 422
Interest received on loans to customers	10	568 016	522 893	684 363
Interest received on loans to credit institutions		2 571	2 258	2 755
Interest paid on loans and deposits from credit institution	10	-57 483	-20 065	-32 468
Net receipts/payments from buying and selling financial instruments at fair value	13	-236 476	-723 141	-447 272
Receipts of collateral related to derivatives used in hedge accounting		112 129	-220 790	-324 708
Interest received from commercial paper and bonds	10	5 888	1 349	2 999
Other interest cost		-7 511	-5 053	-5 053
Payments related to administrative expenses	11	-7 758	-7 856	-10 072
Payments related to personnel expenses		-191	-285	-376
Taxes paid		-68 478	-46 759	-67 592
Other receipts/payments		765	5 963	-3 990
Net cash flows from operating activities		6 604 630	-1 537 344	-3 151 836
Cash flows from investment activities				
Net cash flows from investment activities		0	0	0
Cash flows from financing activities				
Paid dividend to shareholders		-260 000	-230 000	-230 000
Receipts on issued covered bonds	9	5 000 000	7 000 000	7 000 000
Payments on matured and redeemed covered bonds	9	-4 692 290	-6 728 443	-7 255 609
Interest paid on covered bonds	10	-411 560	-217 145	-289 226
Net receipts on loans and deposits from credit institution	13	-2 646 956	801 192	3 351 192
Receipts on subordinated loan	9	0	175 000	175 000
Payments on matured and redeemed subordinated loans	9	0	-175 000	-175 000
Interest paid on subordinated loan	10	-6 027	-5 190	-17 363
Receipts on share capital and share premium	EQ	0	0	0
Receipts on issued additional Tier1 capital		0	0	0
Interest paid on additional Tier 1 capital	EQ	-6 673	-6 793	-8 649
Net cash flows from financing activities		-3 023 506	613 621	2 550 345
Total net cash flows		3 581 124	-923 723	-601 491
Cash at the beginning of the period		1 000 910	1 602 401	1 602 401
Cash at the end of the period		4 582 034	678 678	1 000 910
Change in cash		3 581 124	-923 723	-601 491
Cash				
Loans to credit institutions		4 582 034	678 678	1 000 910
Total cash		4 582 034	678 678	1 000 910

EQ = see statement of changes in equity.

Notes

Note 1 – Accounting Principles

The quarterly financial statement for Sbanken Boligkreditt AS has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and adopted by the EU. A description of the accounting principles applied in the preparation of the financial statements appears in the annual report for 2021. There have been no changes or amendments to accounting principles in the period.

When preparing the financial statements, the management makes estimates, judgments and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the critical accounting estimates and areas where judgment is applied appear in note 2 in the annual report for 2021.

New and revised standards effective from 1 January 2022

Sbanken Boligkreditt AS has not applied any new accounting standards effective from 1 January 2022.

New and revised standards effective from 1 January 2023 or later

Standards and interpretations that will enter into force for the annual periods beginning 1 January 2023 or later have not been used in the preparation of the financial statements. For Sbanken Boligkreditt AS no new standards will have material effect.

Note 2 – Segment information

Sbanken Boligkreditt AS has only one reporting segment, which comprises residential mortgages to private individuals. Management monitors the company only in relation to this segment.

Note 3 – Capital adequacy

The capital adequacy regulations are intended to improve institutions' risk management and achieve closer concordance between risk and capital. The applicable regulations for Norwegian banks are adapted to the EU's capital adequacy regulations for credit institutions and investment firms (CRD/CRR). Sbanken Boligkreditt AS uses the standard method to establish the risk weighted volume for credit risk and the standardised approach for operational risk. At the balance sheet date, no exposure was included in the volume for market risk.

In NOK thousand	30.09.22		30.09.21		31.12.21	
	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume
Central governments	0	0	175 280	0	25 223	0
Regional governments	1 102	2 755	2 995	7 488	3 689	9 222
Multilateral Development Banks	153 467	0	93 930	0	93 521	0
Institutions	4 601 203	920 241	726 728	145 346	1 064 958	212 992
Secured by mortgages on immovable property	31 725 016	11 119 589	36 108 047	12 650 330	38 018 708	13 321 577
Exposures in default	117 074	117 074	114 211	114 211	111 066	111 066
Covered bonds	604 704	60 471	527 802	52 780	401 569	40 157
Other items	1 878	1 878	2 271	2 271	1 721	1 721
Total credit risk, standardised method ¹	37 204 444	12 222 008	37 751 264	12 972 426	39 720 455	13 696 735
Credit value adjustment risk (CVA risk)		2 213		14 963		18 831
Operational risk		495 738		432 159		495 738
Total risk- weighted volume		12 719 959		13 419 548		14 211 304
Capital base						
Share capital		850 000		850 000		850 000
Share premium		849 880		849 880		849 880
Other equity		600 265		578 761		581 847
Additional Tier 1 capital		226 574		226 000		226 136
Profit for the period		71 156		215 822		270 791
Total booked equity		2 597 875		2 720 463		2 778 654
Additional Tier 1 capital instruments included in total equity		-226 574		-226 000		-226 136
Common equity Tier 1 capital instruments		2 371 301		2 494 463		2 552 518
<i>Deductions</i>						
Value adjustment due to the requirements for prudent valuation (AVA)		-758		-797		-520
Part of interim or year-end profit not eligible ²		-71 156		-215 822		-260 000
Common equity Tier 1 capital		2 299 387		2 277 844		2 291 998
Additional Tier 1 capital		225 000		225 000		225 000
Tier 1 capital		2 524 387		2 502 844		2 516 998
Tier 2 capital		325 000		325 000		325 000
Own funds (primary capital)		2 849 387		2 827 844		2 841 998
Specification of capital requirements						
Minimum requirements CET1 capital	4.5%	572 398	4.5%	603 880	4.5%	639 509
Capital conservation buffer	2.5%	317 999	2.5%	335 489	2.5%	355 283
Systemic risk buffer	3.0%	381 599	3.0%	402 586	3.0%	426 339
Countercyclical capital buffer	1.5%	190 799	1.0%	134 195	1.0%	142 113
Additional Tier 1 capital	1.5%	190 799	1.5%	201 293	1.5%	213 170
Tier 2 capital	2.0%	254 399	2.0%	268 391	2.0%	284 226
Total minimum and buffer requirements own funds (primary capital)	15.0%	1 907 994	14.5%	1 945 834	14.5%	2 060 639
<i>Available CET1 capital after buffer requirements</i>		<i>836 592</i>		<i>801 693</i>		<i>728 754</i>
<i>Available Own funds (primary capital)</i>		<i>941 393</i>		<i>882 009</i>		<i>781 358</i>
Capital ratio %						
Common equity Tier 1 capital		18.1%		17.0%		16.1%
Additional Tier 1 capital		1.8%		1.7%		1.6%
Tier 2 capital		2.6%		2.4%		2.3%
Total capital ratio		22.4%		21.1%		20.0%

¹ The specification is according to EBA reporting framework.

² Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 is adjusted for proposed dividend.

Note 4 – Leverage ratio

The leverage ratio requirements is a supplement to the risk-weighted minimum capital requirements and states that the capital base in financial institutions shall also comprise a defined percentage of the value of the company's assets and off-balance-sheet liabilities, calculated without risk weighting. The capital ratio consists of Tier 1 capital and the exposure target follows the rules in the Commission Delegated Regulation (EU) 2015-62. The minimum leverage ratio requirement for Norwegian banks and credit institutions is three per cent.

The table below shows the calculation for the company, on the basis of existing rule proposals and with credit conversion factors based on the current standardised approach, subject to a floor of 10 per cent.

In NOK thousand		30.09.22	30.09.21	31.12.21
Exposure value on derivatives		19 169	48 050	64 047
Loans and advances and other assets		37 185 275	37 703 214	39 656 408
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		37 204 444	37 751 264	39 720 455
Tier 1 capital		2 524 387	2 502 844	2 516 998
Leverage ratio % ¹⁾		6.8 %	6.6 %	6.3 %
Leverage Ratio requirements				
Minimum requirements	3.0%	1 116 133	1 132 538	1 191 614
Buffer requirements credit institutions	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	3.0%	1 116 133	1 132 538	1 191 614
<i>Available Tier 1 capital after minimum and buffer requirements</i>		<i>1 408 254</i>	<i>1 370 306</i>	<i>1 325 384</i>

¹ Including 0 per cent of the profit for the first nine months of 2022 and 2021. Year-end 2021 is adjusted for proposed dividend.

Note 5 – Loans to credit institutions and customers

Gross carrying amount - Loans to credit institutions				
30.09.22				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers)	1 000 910	0	0	1 000 910
Transfers between stages	0	0	0	0
Opening balance gross carrying amount (after transfers)	1 000 910	0	0	1 000 910
Net new financial assets originated or derecognised	3 581 124	0	0	3 581 124
Changes in interest accrual	0	0	0	0
Closing balance gross carrying amount	4 582 034	0	0	4 582 034
Maturity:				
In NOK thousands				
Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	4 582 034	0	0	4 582 034
Total	4 582 034	0	0	4 582 034
Gross carrying amount - Loans to customers				
30.09.22				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers)	36 843 621	1 174 358	116 992	38 134 971
Transfers to Stage 1 (12-months ECL)	203 496	-200 714	-2 782	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-543 163	559 643	-16 480	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-30 404	-35 024	65 428	0
Net new financial assets originated or derecognised	-6 093 332	-159 072	-40 775	-6 293 179
Changes in interest accrual	4 061	771	-5	4 827
Other movements	0	0	0	0
Closing balance gross carrying amount 30.09.22	30 384 279	1 339 962	122 378	31 846 619
Gross carrying amount - Loans to credit institutions				
31.12.21				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers)	1 602 401	0	0	1 602 401
Transfers between stages	0	0	0	0
Opening balance gross carrying amount (after transfers)	1 602 401	0	0	1 602 401
Net new financial assets originated or derecognised	0	0	0	0
Financial assets that have been derecognised	-601 491	0	0	-601 491
Changes in interest accrual	0	0	0	0
Closing balance gross carrying amount	1 000 910	0	0	1 000 910
Maturity:				
In NOK thousands				
Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	1 000 910	0	0	1 000 910
Total	1 000 910	0	0	1 000 910

Gross carrying amount - Loans to customers

31.12.21

In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance gross carrying amount (before transfers)	33 601 597	1 497 218	84 706	35 183 521
Transfers to Stage 1 (12-months ECL)	626 181	-626 181	0	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-524 533	526 860	-2 327	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-31 392	-59 808	91 200	0
Net new financial assets originated or derecognised	3 169 300	-163 384	-55 454	2 950 462
Changes in interest accrual	2 468	-347	-1 133	988
Other movements	0	0	0	0
Closing balance gross carrying amount 31.12.21	36 843 621	1 174 358	116 992	38 134 971

Note 6 – Loans to customers by geographical area

Lending by geographical area

In NOK thousand	30.09.22		31.12.21	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.4%	14 464 537	45.9%	17 512 904
Oslo	19.9%	6 344 706	20.6%	7 870 110
Southern Norway	2.1%	653 419	1.8%	705 020
Western Norway	20.5%	6 530 738	19.7%	7 529 846
Central Norway	5.0%	1 600 861	4.8%	1 813 811
Northern Norway	7.1%	2 252 358	7.1%	2 703 280
Total gross lending by geographical area	100.0%	31 846 619	100.0%	38 134 971

Note 7 – Loan-to-value (LTV) and cover pool

In NOK thousand	30.09.22		31.12.21		
Debt related to securities issued, nominal value		30 705 000		30 405 000	
Debt related to securities issued, carried value		31 273 691		30 805 975	
Loans to customers (gross) ¹		31 804 101		38 097 706	
Average size of loan per customer		1 944		1 941	
Number of loans		16 358		19 620	
Weighted average since issuing of the loans (months)		60		55	
Weighted average remaining maturity (months)		260		262	
Average LTV (percent)		48.5		49.7	
Cover pool					
		30.09.22		31.12.21	
Loans secured with mortgages		31 804 101		38 097 706	
Not eligible for the over-collateralisation calculation		-173 049		-198 070	
Net loans that are in the over-collateralisation		31 631 052		37 899 635	
Supplementary assets		4 251 093		782 779	
Total cover pool for the over-collateralisation calculation		35 882 145		38 682 414	
		Nominal value	Carried value	Nominal value	Carried value
Over-collateralisation (percent)		16.9	14.7	27.2	25.6
Amount surpassing legal minimum requirements and requirements as indicated by rating agency		4 563 045	3 982 980	7 669 314	7 260 320

¹Excluding accrued interest.

Note 8 – Loan losses

Expected credit loss (ECL)				
January - September 2022				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance ECL 01.01.22	199	442	4 556	5 197
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	10	-166	-24	-180
Transfers to Stage 2	-29	180	-23	128
Transfers to Stage 3	-1	-19	329	309
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-97	-87	148	-36
<i>Other changes:</i>				
New financial assets originated	161	126	0	287
Financial assets that have been derecognised	-67	-62	-1 047	-1 176
Write-offs, covered by previous write-downs			0	0
Changes to model assumption and methodologies	0	0	0	0
Other movements	0	0	0	0
Closing balance ECL 30.09.22	176	414	3 939	4 529

Specification of loan losses

In NOK thousands	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Changes in ECL, stage 1	9	-36	23	-28	-75
Changes in ECL, stage 2	-175	66	28	485	542
Changes in ECL, stage 3	-79	201	616	577	293
Write-offs	0	0	0	0	0
Recoveries of previously written off loans	0	0	0	0	0
Net cost of loan losses in the period	-245	230	667	1 034	760

Expected credit loss (ECL)

January - December 2021				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance ECL 01.01.21	125	984	4 848	5 957
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	14	-403	0	-389
Transfers to Stage 2	-15	134	0	119
Transfers to Stage 3	-1	-89	552	462
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-161	-428	-133	-722
<i>Other changes:</i>				
New financial assets originated	342	453	129	924
Financial assets that have been derecognised	-105	-209	-840	-1 154
Write-offs, covered by previous write-downs			0	0
Changes to model assumption and methodologies	0	0	0	0
Other movements	0	0	0	0
Closing balance ECL 31.12.21	199	442	4 556	5 197

Note 9 – Issued debt

Carried at amortised cost:

In NOK thousand	Currency	30.09.22	31.12.21
Bonds issued	NOK	31 273 691	30 805 975
Subordinated loan	NOK	325 000	325 000
Total debt securities issued		31 598 691	31 130 975

Specification of covered bonds as at 30.09.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Covered bonds						
NO0010790603	Sbanken Boligkreditt AS	3 900 000	NOK	Floating	10.02.23	3 901 657
NO0010887078	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	17.06.24	5 000 000
NO0010878978	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	20.06.25	5 000 000
NO0010958093	Sbanken Boligkreditt AS	7 000 000	NOK	Floating	20.11.26	7 110 003
NO0012483835	Sbanken Boligkreditt AS	5 000 000	NOK	Floating	29.03.27	5 000 000
XS1813051858	Sbanken Boligkreditt AS	500 000	EURO	Fixed	26.04.23	5 262 031
Total covered bonds						31 273 691

All covered bond loans have “soft bullet” with the possibility to extend the maturity with one year.

Subordinated loan

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ¹	Carrying value
NO0010821853	Sbanken Boligkreditt AS	150 000	NOK	Floating	26.04.2028	150 000
NO0011012536	Sbanken Boligkreditt AS	175 000	NOK	Floating	28.05.2031	175 000
Total subordinated loan		325 000				325 000

¹First possible call date for the issuer is 5 years before date of maturity. The loan agreement has covenants to qualify as Tier 2 capital.

Changes of debt securities:

	31.12.21	January - September 2022				30.09.22
		Issued	Matured	Redeemed	Other adjustments	
Covered bonds (nominal)	30 405 000	5 000 000	0	-4 700 000	0	30 705 000
Subordinated loan	325 000	0	0	0	0	325 000
Total	30 730 000	5 000 000	0	-4 700 000	0	31 030 000

Note 10 – Net interest income

Net interest income					
In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Loans to and receivables from credit institutions	1 197	739	2 571	2 258	2 755
Loans to customers	207 288	174 280	572 823	520 697	685 391
Commercial paper and bonds	3 351	922	6 790	1 956	3 748
Total interest income	211 836	175 940	582 183	524 911	691 894
Loans and deposits from credit institutions	-23 088	-7 234	-57 483	-20 065	-32 468
Debt securities issued	-165 774	-47 016	-398 310	-183 519	-260 500
Subordinated loan	-2 446	-1 202	-6 027	-5 190	-6 622
Other interest expense	-1 878	-1 263	-5 364	-4 060	-5 323
Total interest expense	-193 186	-56 717	-467 184	-212 835	-304 913
Net interest income	18 650	119 223	115 000	312 076	386 982

All interest income from customers is related to residential mortgages.

Note 11 – Net gain (loss) on financial instruments

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
1) Financial instruments at fair value through profit and loss:					
Gain/(loss) on derivatives (used in hedge accounting)	8 938	1 238	1 979	1 726	1 444
Total gain/(loss) on financial instruments at fair value through profit and loss	8 938	1 238	1 979	1 726	1 444
2) Financial instruments at amortised cost:					
Gain (loss) by repurchase of own bonds at amortised cost	-658	-8 716	-9 175	-22 457	-22 457
Total gain (loss) on financial instruments at amortised cost	-658	-8 716	-9 175	-22 457	-22 457
3) Currency items:					
Gain (loss) on currency items	-21	0	-23	-4	28
Total gain (loss) on currency items	-21	0	-23	-4	28
4) Realisation of financial instruments at fair value through other comprehensive income					
Gain/(loss) by realisation of financial instruments:	0	0	-2 253	0	-274
Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income	0	0	-2 253	0	-274
Total gain (loss) on financial instruments recognised through profit and loss	8 259	-7 478	-9 472	-20 734	-21 258

Note 12 – Administrative expenses

Other administrative expenses

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Consultants and other external services	-2 468	-3 411	-7 537	-8 313	-9 846
Other operating expenses	0	0	-136	-131	-134
Total other administrative expenses	-2 468	-3 411	-7 673	-8 444	-9 980

Personnel expenses

In NOK thousand	Q3 22	Q3 21	Jan-Sep 22	Jan-Sep 21	2021
Board remuneration	-31	-83	-161	-246	-330
Payroll tax	-4	-12	-23	-35	-46
Total personnel expenses	-35	-95	-184	-281	-376

Note 13 – Fair value of financial instruments

In NOK thousand	30.09.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Loans to and receivables from credit institutions (ac)	4 582 034	4 582 034	1 000 910	1 000 910
Loans to customers (ac)	31 842 090	31 842 090	38 129 774	38 129 774
Commercial paper and bonds at fair value through OCI	758 171	758 171	520 313	520 313
Derivatives (used in hedge accounting)	442 338	442 338	234 020	234 020
Other assets (ac)	2 981	2 981	5 411	5 411
Total assets financial instruments	37 627 613	37 627 613	39 890 429	39 890 429
Liabilities				
Loans and deposits from credit institutions (ac)	3 338 485	3 338 485	5 873 313	5 873 313
Debt securities issued (ac)	31 273 691	31 149 873	30 805 975	30 897 494
Other liabilities (ac)	64 271	64 271	30 800	30 800
Subordinated loan (ac)	325 000	317 340	325 000	326 408
Total liabilities financial instruments	35 001 447	34 869 969	37 035 088	37 128 015

(ac) = assets and liabilities booked at amortised cost.

30.09.2022

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	442 338	0	442 338
Commercial paper and bonds at fair value through OCI	0	758 171	0	758 171
Total	0	1 200 509	0	1 200 509
Derivatives (used in hedge accounting)	0	0	0	0
Total	0	0	0	0

Financial instruments measured at fair value level 3

In NOK thousand

	Total
Opening balance 1 January 2022	0
Net gain/(loss) on financial instruments (unrealised)	0
Acquisitions / exits	0
Sale	0
Settlement	0
Transferred from Level 1 or Level 2	0
Transferred to Level 1 or Level 2	0
Other	0
Closing balance at 30 September 2022	0

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to September 2022.

31.12.2021

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	234 020	0	234 020
Commercial paper and bonds at fair value through OCI	0	520 313	0	520 313
Total	0	754 333	0	754 333
Derivatives (used in hedge accounting)	0	0	0	0
Total	0	0	0	0

Financial instruments measured at fair value level 3

In NOK thousand

	Total
Opening balance 1 January 2021	0
Net gain/(loss) on financial instruments (unrealised)	0
Acquisitions / exits	0
Sale	0
Settlement	0
Transferred from Level 1 or Level 2	0
Transferred to Level 1 or Level 2	0
Other	0
Closing balance at 31 December 2021	0

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to December 2021.

Note 14 – Related party transactions

Liabilities to and receivables from Sbanken ASA

In NOK thousand	30.09.22	30.09.21	31.12.21
Liability related to overdraft facility to Sbanken ASA	3 008 333	3 105 290	5 655 290
Receivables related to deposits in Sbanken ASA	4 250 942	356 774	782 646
Sbanken ASAs ownership of covered bonds issued by Sbanken Boligkreditt AS	3 215 040	8 485 707	7 538 556
Sbanken ASAs ownership of subordinated loan issued by Sbanken Boligkreditt AS	325 000	325 000	325 000
Sbanken ASAs ownership of additional Tier 1 capital issued by Sbanken Boligkreditt AS	225 000	225 000	225 000

Transactions with Sbanken ASA

In NOK thousand	01.01.22 - 30.09.22	01.01.21 - 30.09.21	01.01.21 - 31.12.21
Purchase of services in line with service agreement	6 477	6 509	8 652
Interest expense on overdraft facility	57 483	20 065	32 468
Interest income on deposits	1 871	837	1 055
Interest on covered bonds issued by Sbanken Boligkreditt AS	101 814	57 663	81 018
Interest on subordinated loan issued by Sbanken Boligkreditt AS	6 027	5 190	6 622
Share of result related to Sbanken ASAs ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	7 111	6 956	8 948

Note 15 – Subsequent events

There have not been any significant events subsequent to 30.09.22 that affect the financial statements for Q3 2022.

Sbanken

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<https://sbanken.no/IR/IR-english/funding-and-rating/funding>

<https://sbanken.no/IR/funding-og-rating/funding-no>