



Q2



Second quarter 2023

(Unaudited)

Sbanken Boligkreditt AS

# Key figures

In NOK thousand	Reference	Jan-Jun 23	Jan-Jun 22	2022
<b>Summary of income statement</b>				
Net interest income		28 710	96 350	109 582
Net other income		2 732	-17 731	-6 443
<b>Total income</b>		<b>31 442</b>	<b>78 619</b>	<b>103 139</b>
Other operating expenses		-4 176	-5 355	-10 369
<b>Operating profit before loan losses</b>		<b>27 266</b>	<b>73 264</b>	<b>92 771</b>
Loan losses		2 504	912	-397
<b>Earnings before tax</b>		<b>29 770</b>	<b>74 176</b>	<b>92 374</b>
Tax expense		-4 974	-15 346	-18 008
<b>Net profit</b>		<b>24 796</b>	<b>58 829</b>	<b>74 366</b>
<b>Balance sheet figures (in million NOK)</b>				
Total loan volume		27 541	34 549	32 885
Covered bonds issued (nominal value)		25 500	31 155	31 255
Covered bonds issued (carried value)		25 577	31 638	31 771
Total assets, end of period		30 436	38 192	38 762
<b>Losses and defaults</b>				
Loss rate (%)	1	0.00%	0.00%	0.00%
<b>Solvency</b>				
Common equity Tier 1 ratio	2	22.5%	17.2%	18.2%
Tier 1 capital ratio		24.6%	18.9%	19.9%
Total capital ratio		27.5%	21.4%	22.4%
Leverage ratio		8.5%	6.6%	6.7%
<b>Other</b>				
Loan to value	3	48.7%	48.2%	52.1%
Cover Pool	4	28 170	36 832	36 188
Over-collateralisation (OC), (nominal)		10.5%	18.2%	15.8%

## 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.

# Second Quarter Results

Sbanken Boligkreditt AS had a net profit of NOK 15.0 million in the second quarter of 2023, compared with a profit of NOK 24.2 million in the second quarter of 2022.

At the end of the quarter, customer loans amounted to NOK 27.5 (34.5) billion. Outstanding covered bonds amounted to NOK 25.5 (31.2) billion. The average loan-to-value (LTV) ratio was 48.7 (48.2) per cent.

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Sbanken Boligkreditt AS ("Sbanken Boligkreditt" or "the company") is a vehicle to fund the banking operations marketed as "Sbanken – et konsept fra DNB" by issuing covered bonds based on residential mortgages. The company's office is located in Bergen, Norway.

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

## Important events during the quarter

The parent company Sbanken ASA was merged into DNB Bank ASA on 2 May 2023. Sbanken Boligkreditt AS is from that date a fully owned subsidiary of DNB Bank ASA.

Norges Bank raised the key policy rate with 0.25 percentage points, to 3.25 percent in May and a further 0.5 percentage points, to 3.75 in June.

## Operating income

Operating income decreased to NOK 17.4 million, from NOK 33.6 million in the second quarter of 2022, following a decrease in net interest income to NOK 16.3 (43.0) million and an increase in other operating income to NOK 1.1 (-9.4) million.

## Operating expenses

Operating expenses amounted to NOK 1.6 (2.6) million in the quarter and consisted mainly of administrative expenses related to the company's hire of management and administrative resources from Sbanken ASA and DNB Bank ASA.

## Impairments and losses

Loan losses amounted to NOK 2.4 million in the quarter, compared with NOK 0.1 million in the second quarter of 2022. At the end of the quarter, expected credit losses (ECL) amounted to NOK 3.1 million.

## Taxes

The estimated tax expense was NOK 3.2 (6.8) million in the quarter, corresponding to an effective tax rate of 17.6 per cent in the quarter, compared with an effective tax rate of 21.9 per cent in the second quarter of 2022.

## Loans to customers

Loans to customers decreased to NOK 27.5 (34.5) billion.

## Capitalisation, liquidity and financial position

Sbanken Boligkreditt had total equity of NOK 2.6 billion as of quarter-end. The CET1 capital ratio was 22.5 per cent against a regulatory CET1 capital requirement of 12.5 per cent. The tier 1 capital ratio was 24.6 per cent and the total capital ratio 27.5 per cent. The leverage ratio was 8.5 per cent against a regulatory requirement of 3 per cent. The capital ratios include zero per cent retained earnings for the second quarter.

As of quarter-end, Sbanken Boligkreditt had total liquid assets of NOK 2.9 (3.3) billion.

Sbanken Boligkreditt had NOK 25.5 (31.2) billion in outstanding debt issued as covered bonds as of 30 June 2023. Covered bonds issued by Sbanken Boligkreditt have been assigned the highest rating from Moody's Investors Service (Aaa) with stable outlook, last confirmed 4 April 2023.

## Subsequent events

No significant events have occurred after 30 June 2023 that affect the financial statements for the second quarter of 2023.

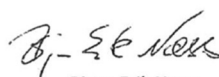
Sbanken Boligkreditt AS is expected to be merged with DNB Boligkreditt AS in September 2023.

Bergen, 11 July 2023

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	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Interest income	10	316 937	196 969	637 176	370 347	867 997
Interest expense	10	-300 605	-153 951	-608 466	-273 997	-758 415
<b>Net interest income</b>		<b>16 332</b>	<b>43 018</b>	<b>28 710</b>	<b>96 350</b>	<b>109 582</b>
Net gain (loss) on financial instruments	11	1 117	-9 373	2 732	-17 731	-6 443
Other income		0	0	0	0	0
<b>Other operating income</b>		<b>1 117</b>	<b>-9 373</b>	<b>2 732</b>	<b>-17 731</b>	<b>-6 443</b>
<b>Total income</b>		<b>17 449</b>	<b>33 645</b>	<b>31 442</b>	<b>78 619</b>	<b>103 139</b>
Personnel expenses	12	-34	-47	-69	-150	-219
Administrative expenses	12	-1 614	-2 623	-4 107	-5 205	-10 150
<b>Profit before loan losses</b>		<b>15 801</b>	<b>30 975</b>	<b>27 266</b>	<b>73 264</b>	<b>92 771</b>
Loan losses	8	2 446	91	2 504	912	-397
<b>Profit before tax</b>		<b>18 247</b>	<b>31 066</b>	<b>29 770</b>	<b>74 176</b>	<b>92 374</b>
Tax expense		-3 212	-6 817	-4 974	-15 346	-18 008
<b>Profit for the period</b>		<b>15 035</b>	<b>24 249</b>	<b>24 796</b>	<b>58 829</b>	<b>74 366</b>
Attributable to						
Shareholders		11 391	21 950	17 637	54 410	63 890
Tier 1 capital holders		3 644	2 299	7 159	4 419	10 476
<b>Profit for the period</b>		<b>15 035</b>	<b>24 249</b>	<b>24 796</b>	<b>58 829</b>	<b>74 366</b>

# Statement of comprehensive income

In NOK thousand	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Profit for the period	15 035	24 249	24 796	58 829	74 366
Other comprehensive income					
Other comprehensive income that can be reclassified to profit or loss after tax	-1 099	-4 445	-502	1 381	7 895
Other items that can not be reclassified to profit or loss after tax	0	0	0	0	0
<b>Total components of other comprehensive income (after tax)</b>	<b>-1 099</b>	<b>-4 445</b>	<b>-502</b>	<b>1 381</b>	<b>7 895</b>
<b>Total comprehensive income for the period</b>	<b>13 936</b>	<b>19 804</b>	<b>24 294</b>	<b>60 210</b>	<b>82 261</b>
Attributable to					
Shareholders	10 292	17 505	17 135	55 791	71 785
Tier 1 capital holders	3 644	2 299	7 159	4 419	10 476
<b>Total comprehensive income for the period</b>	<b>13 936</b>	<b>19 804</b>	<b>24 294</b>	<b>60 210</b>	<b>82 261</b>

# Balance sheet

In NOK thousand	Note	30.06.23	30.06.22	31.12.22
<b>Assets</b>				
Loans to and receivables from credit institutions	5	903 130	2 810 147	3 975 372
Loans to customers	5,6,7,13	27 538 316	34 544 588	32 879 091
<b>Net loans to customers and credit institutions</b>		<b>28 441 445</b>	<b>37 354 735</b>	<b>36 854 463</b>
Commercial paper and bonds at fair value through other comprehensive income (OCI)	13	1 988 922	489 969	1 496 918
Derivatives		0	338 804	408 670
Deferred tax assets		1 924	4 831	2 052
Other assets		0	0	0
Advance payment and accrued income		3 776	3 756	0
<b>Total assets</b>		<b>30 436 066</b>	<b>38 192 094</b>	<b>38 762 104</b>
<b>Liabilities</b>				
Loans from credit institutions	13	1 870 161	3 323 774	3 973 326
Debt securities issued	9,13	25 577 296	31 638 441	31 771 486
Taxes payable		4 700	25 084	18 608
Other liabilities		50 524	305 272	82 472
Subordinated loan	9	325 000	325 000	325 000
<b>Total liabilities</b>		<b>27 827 681</b>	<b>35 617 570</b>	<b>36 170 892</b>
<b>Equity</b>				
Share capital		850 000	850 000	850 000
Share premium		849 880	849 880	849 880
Additional Tier 1 capital		226 948	226 216	226 909
Other equity		681 557	648 427	664 423
<b>Total equity</b>		<b>2 608 385</b>	<b>2 574 523</b>	<b>2 591 212</b>
<b>Total liabilities and equity</b>		<b>30 436 066</b>	<b>38 192 094</b>	<b>38 762 104</b>

# 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
<b>Balance sheet as at 01.01.22</b>	<b>850 000</b>	<b>849 880</b>	<b>226 136</b>	<b>-9 485</b>	<b>862 122</b>	<b>2 778 654</b>
Profit for the period to other equity (01.01.22 - 31.12.22)					63 890	63 890
Profit for the period to Tier 1 capital holders (01.01.22 - 31.12.22)			10 476			10 476
Payments to Tier 1 capital holders (01.01.22 - 31.12.22)			-9 703			-9 703
Net change of financial instruments at fair value through other comprehensive income (01.01.22 - 31.12.22)				7 895		7 895
Dividend to shareholder					-260 000	-260 000
<b>Balance sheet as at 31.12.22</b>	<b>850 000</b>	<b>849 880</b>	<b>226 909</b>	<b>-1 590</b>	<b>666 012</b>	<b>2 591 212</b>
Profit for the period to other equity (01.01.23 - 30.06.23)					17 637	17 637
Profit for the period to Tier 1 capital holders (01.01.23 - 30.06.23)			7 159			7 159
Payments to Tier 1 capital holders (01.01.23 - 30.06.23)			-7 120			-7 120
Net change of financial instruments at fair value through other comprehensive income (01.01.23 - 30.06.23)				-502		-502
Dividend to shareholder					0	0
<b>Balance sheet as at 30.06.23</b>	<b>850 000</b>	<b>849 880</b>	<b>226 948</b>	<b>-2 092</b>	<b>683 649</b>	<b>2 608 385</b>

Sbanken Boligkreditt AS is a wholly-owned subsidiary of DNB Bank ASA. The former parent company Sbanken ASA was merged into DNB Bank ASA on 2 May 2023.

# Statement of cash flows

In NOK thousand	Note	Jan-Jun 23	Jan-Jun 22	2022
<b>Cash flows from operating activities</b>				
Net payments on loans to customers	5,6	5 338 786	3 588 502	5 273 922
Interest received on loans to customers	10	604 603	363 131	823 561
Interest received on loans to credit institutions		1 070	1 373	2 941
Interest paid on loans and deposits from credit institution	10	-57 827	-34 395	-87 799
Net receipts/payments from buying and selling financial instruments at fair value	13	-489 108	32 016	-968 240
Receipts of collateral related to derivatives used in hedge accounting		-363 318	100 771	145 295
Interest received from commercial paper and bonds	10	31 954	3 508	13 831
Other interest cost		-7 552	-7 511	-7 531
Payments related to administrative expenses	11	-4 513	-4 724	-9 994
Payments related to personnel expenses		-69	-155	-224
Taxes paid		-18 612	-68 478	-76 685
Other receipts/payments		118	-6 647	1 918
<b>Net cash flows from operating activities</b>		<b>5 035 532</b>	<b>3 967 391</b>	<b>5 110 995</b>
<b>Cash flows from investment activities</b>				
<b>Net cash flows from investment activities</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>				
Paid dividend to shareholders		0	0	-260 000
Receipts on issued covered bonds	9	2 000 000	5 000 000	6 500 000
Payments on matured and redeemed covered bonds	9	-7 775 269	-4 241 390	-5 654 610
Interest paid on covered bonds	10	-578 192	-258 535	-657 496
Net receipts on loans and deposits from credit institution	13	-1 739 847	-2 650 310	-2 045 281
Receipts on subordinated loan	9	0	0	0
Payments on matured and redeemed subordinated loans	9	0	0	0
Interest paid on subordinated loan	10	-7 346	-3 580	-9 443
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	-7 120	-4 339	-9 703
<b>Net cash flows from financing activities</b>		<b>-8 107 774</b>	<b>-2 158 154</b>	<b>-2 136 533</b>
<b>Total net cash flows</b>		<b>-3 072 242</b>	<b>1 809 237</b>	<b>2 974 462</b>
Cash at the beginning of the period		3 975 372	1 000 910	1 000 910
Cash at the end of the period		903 130	2 810 147	3 975 372
<b>Change in cash</b>		<b>-3 072 242</b>	<b>1 809 237</b>	<b>2 974 462</b>
<b>Cash</b>				
Loans to credit institutions		903 130	2 810 147	3 975 372
<b>Total cash</b>		<b>903 130</b>	<b>2 810 147</b>	<b>3 975 372</b>

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 2022. 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 2022.

### **New and revised standards effective from 1 January 2023**

Sbanken Boligkreditt AS has not applied any new accounting standards effective from 1 January 2023.

### **New and revised standards effective from 1 January 2024 or later**

Standards and interpretations that will enter into force for the annual periods beginning 1 January 2024 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	30.06.23		30.06.22		31.12.22	
	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume
Central governments	0	0	0	0	0	0
Regional governments	1 924	4 810	4 831	12 076	2 052	5 131
Multilateral Development Banks	610 864	0	153 922	0	153 108	0
Institutions	903 130	180 626	2 829 151	565 830	4 106 374	821 275
Secured by mortgages on immovable property	27 423 954	9 623 084	34 413 979	12 060 272	32 772 925	11 491 412
Exposures in default	118 137	118 137	130 609	130 609	106 166	106 166
Covered bonds	1 378 058	137 806	336 047	33 605	1 343 811	134 381
Other items	3 776	3 776	3 756	3 756	0	
<b>Total credit risk, standardised method <sup>1</sup></b>	<b>30 439 843</b>	<b>10 068 239</b>	<b>37 872 295</b>	<b>12 806 148</b>	<b>38 484 436</b>	<b>12 558 365</b>
Credit value adjustment risk (CVA risk)		0		3 138		8 555
Operational risk		423 250		495 738		425 123
<b>Total risk- weighted volume</b>		<b>10 491 489</b>		<b>13 305 024</b>		<b>12 992 043</b>
<b>Capital base</b>						
Share capital		850 000		850 000		850 000
Share premium		849 880		849 880		849 880
Other equity		663 920		594 018		600 533
Additional Tier 1 capital		226 948		226 216		226 909
Profit for the period		17 637		54 410		63 890
<b>Total booked equity</b>		<b>2 608 385</b>		<b>2 574 524</b>		<b>2 591 212</b>
Additional Tier 1 capital instruments included in total equity		-226 948		-226 216		-226 909
<b>Common equity Tier 1 capital instruments</b>		<b>2 381 437</b>		<b>2 348 308</b>		<b>2 364 303</b>
<i>Deductions</i>						
Value adjustment due to the requirements for prudent valuation (AVA)		-1 989		-490		-1 497
Part of interim or year-end profit not eligible <sup>2</sup>		-17 637		-54 410		0
<b>Common equity Tier 1 capital</b>		<b>2 361 811</b>		<b>2 293 408</b>		<b>2 362 806</b>
Additional Tier 1 capital		225 000		225 000		225 000
<b>Tier 1 capital</b>		<b>2 586 811</b>		<b>2 518 408</b>		<b>2 587 806</b>
Tier 2 capital		295 000		325 000		325 000
<b>Own funds (primary capital)</b>		<b>2 881 811</b>		<b>2 843 408</b>		<b>2 912 806</b>
<b>Specification of capital requirements</b>						
Minimum requirements CET1 capital	4.5%	472 117	4.5%	598 726	4.5%	584 642
Capital conservation buffer	2.5%	262 287	2.5%	332 626	2.5%	324 801
Systemic risk buffer	3.0%	314 745	3.0%	399 151	3.0%	389 761
Countercyclical capital buffer	2.5%	262 287	1.5%	199 575	2.0%	259 841
Additional Tier 1 capital	1.5%	157 372	1.5%	199 575	1.5%	194 881
Tier 2 capital	2.0%	209 830	2.0%	266 100	2.0%	259 841
<b>Total minimum and buffer requirements own funds (primary capital)</b>	<b>16.0%</b>	<b>1 678 638</b>	<b>15.0%</b>	<b>1 995 754</b>	<b>15.5%</b>	<b>2 013 767</b>
<i>Available CET1 capital after buffer requirements</i>		<i>1 083 939</i>		<i>763 330</i>		<i>803 761</i>
<i>Available Own funds (primary capital)</i>		<i>1 203 173</i>		<i>847 654</i>		<i>899 040</i>
<b>Capital ratio %</b>						
Common equity Tier 1 capital		22.5%		17.2%		18.2%
Additional Tier 1 capital		2.1%		1.7%		1.7%
Tier 2 capital		2.8%		2.4%		2.5%
<b>Total capital ratio</b>		<b>27.5%</b>		<b>21.4%</b>		<b>22.4%</b>

<sup>1</sup> The specification is according to EBA reporting framework.

<sup>2</sup> Including 0 per cent of the profit for the first half-year of 2023 and 2022. Year-end 2022 includes fully retained earnings with no 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		30.06.23	30.06.22	31.12.22
Exposure value on derivatives		0	19 004	131 002
Loans and advances and other assets		30 436 066	37 853 291	38 353 434
Regulatory adjustments included in Tier 1 capital		0	0	0
<b>Total leverage exposure</b>		<b>30 436 066</b>	<b>37 872 295</b>	<b>38 484 436</b>
<b>Tier 1 capital</b>		<b>2 586 811</b>	<b>2 518 408</b>	<b>2 587 806</b>
<b>Leverage ratio % <sup>1)</sup></b>		<b>8.5 %</b>	<b>6.6 %</b>	<b>6.7 %</b>
<b>Leverage Ratio requirements</b>				
Minimum requirements	3.0%	913 082	1 136 169	1 154 533
Buffer requirements credit institutions	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	<b>3.0%</b>	<b>913 082</b>	<b>1 136 169</b>	<b>1 154 533</b>
<i>Available Tier 1 capital after minimum and buffer requirements</i>		<i>1 673 729</i>	<i>1 382 239</i>	<i>1 433 273</i>

<sup>1)</sup> Including 0 per cent of the profit for the first half-year of 2023 and 2022. Year-end 2022 includes fully retained earnings with no dividend.

## Note 5 – Loans to credit institutions and customers

Gross carrying amount - Loans to credit institutions				
30.06.23				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance gross carrying amount (before transfers)</b>	3 975 372	0	0	3 975 372
Transfers between stages	0	0	0	0
<b>Opening balance gross carrying amount (after transfers)</b>	3 975 372	0	0	3 975 372
Net new financial assets originated or derecognised	-3 072 242	0	0	-3 072 242
Changes in interest accrual	0	0	0	0
<b>Closing balance gross carrying amount</b>	<b>903 130</b>	<b>0</b>	<b>0</b>	<b>903 130</b>
<b>Maturity:</b>				
In NOK thousands				
Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	903 130	0	0	903 130
<b>Total</b>	<b>903 130</b>	<b>0</b>	<b>0</b>	<b>903 130</b>

Gross carrying amount - Loans to customers				
30.06.23				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance gross carrying amount (before transfers)</b>	31 185 891	1 586 299	112 495	32 884 685
Transfers to Stage 1 (12-months ECL)	196 480	-196 243	-237	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-537 924	541 347	-3 423	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-19 598	-40 086	59 684	0
Net new financial assets originated or derecognised	-5 011 572	-295 371	-31 691	-5 338 634
Changes in interest accrual	-5 448	293	510	-4 645
Other movements	0	0	0	0
<b>Closing balance gross carrying amount 30.06.23</b>	<b>25 807 829</b>	<b>1 596 239</b>	<b>137 338</b>	<b>27 541 406</b>

Gross carrying amount - Loans to credit institutions				
31.12.22				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance gross carrying amount (before transfers)</b>	1 000 910	0	0	1 000 910
Transfers between stages	0	0	0	0
<b>Opening balance gross carrying amount (after transfers)</b>	1 000 910	0	0	1 000 910
Net new financial assets originated or derecognised	2 974 462	0	0	2 974 462
Changes in interest accrual	0	0	0	0
<b>Closing balance gross carrying amount</b>	<b>3 975 372</b>	<b>0</b>	<b>0</b>	<b>3 975 372</b>

**Maturity:**

In NOK thousands

Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	3 975 372	0	0	3 975 372
<b>Total</b>	<b>3 975 372</b>	<b>0</b>	<b>0</b>	<b>3 975 372</b>

**Gross carrying amount - Loans to customers**

31.12.22

In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance gross carrying amount (before transfers)</b>	<b>36 843 621</b>	<b>1 174 358</b>	<b>116 992</b>	<b>38 134 971</b>
Transfers to Stage 1 (12-months ECL)	203 565	-196 801	-6 764	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-798 021	811 445	-13 424	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-40 856	-27 563	68 419	0
Net new financial assets originated or derecognised	-5 043 632	-177 293	-53 282	-5 274 207
Changes in interest accrual	21 214	2 153	554	23 921
Other movements	0	0	0	0
<b>Closing balance gross carrying amount 31.12.22</b>	<b>31 185 891</b>	<b>1 586 299</b>	<b>112 495</b>	<b>32 884 685</b>

**Note 6 – Loans to customers by geographical area**

Lending by geographical area

In NOK thousand	30.06.23		31.12.22	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.6%	12 545 983	45.6%	14 983 609
Oslo	19.5%	5 368 356	19.4%	6 392 359
Southern Norway	2.0%	543 704	2.1%	675 418
Western Norway	20.8%	5 718 349	20.9%	6 866 792
Central Norway	5.0%	1 379 999	5.0%	1 635 005
Northern Norway	7.2%	1 985 015	7.1%	2 331 502
<b>Total gross lending by geographical area</b>	<b>100.0%</b>	<b>27 541 406</b>	<b>100.0%</b>	<b>32 884 685</b>

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

In NOK thousand	30.06.23		31.12.22	
Debt related to securities issued, nominal value	25 500 000		31 255 000	
Debt related to securities issued, carried value	25 577 296		31 771 486	
Loans to customers (gross) <sup>1</sup>	27 482 154		32 823 160	
Average size of loan per customer	1 928		2 000	
Number of loans	14 252		16 414	
Weighted average since issuing of the loans (months)	63		59	
Weighted average remaining maturity (months)	257		263	
Average LTV (percent)	48.7		52.1	
<b>Cover pool</b>	<b>30.06.23</b>		<b>31.12.22</b>	
Loans secured with mortgages	27 482 154		32 823 160	
Not eligible for the over-collateralisation calculation	-214 779		-247 342	
<b>Net loans that are in the over-collateralisation</b>	<b>27 267 375</b>		<b>32 575 818</b>	
Supplementary assets	903 120		3 611 899	
<b>Total cover pool for the over-collateralisation calculation</b>	<b>28 170 495</b>		<b>36 187 717</b>	
	<b>Nominal value</b>	<b>Carried value</b>	<b>Nominal value</b>	<b>Carried value</b>
Over-collateralisation (percent)	10.5	10.1	15.8	13.9
Amount surpassing legal minimum requirements and requirements as indicated by rating agency	2 160 495	2 081 653	4 307 617	3 780 801

<sup>1</sup>Excluding accrued interest.

## Note 8 – Loan losses

Expected credit loss (ECL)				
January - June 2023				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance ECL 01.01.23</b>	<b>374</b>	<b>816</b>	<b>4 404</b>	<b>5 594</b>
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	6	-106	0	-100
Transfers to Stage 2	-29	316	-30	257
Transfers to Stage 3	-1	-39	610	570
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-105	-167	69	-203
<i>Other changes:</i>				
New financial assets originated	0	0	0	0
Financial assets that have been derecognised	-57	-120	-2 850	-3 027
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
<b>Closing balance ECL 30.06.23</b>	<b>188</b>	<b>700</b>	<b>2 203</b>	<b>3 090</b>

### Specification of loan losses

In NOK thousands	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Changes in ECL, stage 1	99	30	186	14	-175
Changes in ECL, stage 2	177	151	116	202	-374
Changes in ECL, stage 3	2 171	-90	2 201	696	152
Write-offs	0	0	0	0	0
Recoveries of previously written off loans	0	0	0	0	0
<b>Net cost of loan losses in the period</b>	<b>2 446</b>	<b>91</b>	<b>2 504</b>	<b>912</b>	<b>-397</b>

### Expected credit loss (ECL)

January - December 2022				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
<b>Opening balance ECL 01.01.22</b>	<b>199</b>	<b>442</b>	<b>4 556</b>	<b>5 197</b>
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	12	-238	-24	-250
Transfers to Stage 2	-42	452	-29	381
Transfers to Stage 3	-2	-24	790	764
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-23	8	206	191
<i>Other changes:</i>				
New financial assets originated	317	266	0	583
Financial assets that have been derecognised	-87	-90	-1 095	-1 272
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
<b>Closing balance ECL 31.12.22</b>	<b>374</b>	<b>816</b>	<b>4 404</b>	<b>5 594</b>

## Note 9 – Issued debt

Carried at amortised cost:

In NOK thousand	Currency	30.06.23	31.12.22
Bonds issued	NOK	25 577 296	31 771 486
Subordinated loan	NOK	325 000	325 000
<b>Total debt securities issued</b>		<b>25 902 296</b>	<b>32 096 486</b>

Specification of covered bonds as at 30.06.23:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Covered bonds						
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	7 090 329
NO0012483835	Sbanken Boligkreditt AS	8 500 000	NOK	Floating	29.03.27	8 486 967
<b>Total covered bonds</b>		<b>25 500 000</b>				<b>25 577 296</b>

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 <sup>1</sup>	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
<b>Total subordinated loan</b>		<b>325 000</b>				<b>325 000</b>

<sup>1</sup>First 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:

	31.12.22	January - June 2023				30.06.23
		Issued	Matured	Redeemed	Other adjustments	
Covered bonds (nominal)	31 255 000	2 000 000	-4 805 000	-2 950 000	0	25 500 000
Subordinated loan	325 000	0	0	0	0	325 000
<b>Total</b>	<b>31 580 000</b>	<b>2 000 000</b>	<b>-4 805 000</b>	<b>-2 950 000</b>	<b>0</b>	<b>25 825 000</b>



## Note 10 – Net interest income

Net interest income					
In NOK thousand	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Loans to and receivables from credit institutions	0	715	668	1 373	2 941
Loans to customers	295 091	194 941	599 535	365 535	847 197
Commercial paper and bonds	21 846	1 313	36 973	3 439	17 859
<b>Total interest income</b>	<b>316 937</b>	<b>196 969</b>	<b>637 176</b>	<b>370 347</b>	<b>867 997</b>
Loans and deposits from credit institutions	-33 693	-15 192	-56 182	-34 395	-87 799
Debt securities issued	-261 188	-134 372	-541 011	-232 536	-653 913
Subordinated loan	-3 836	-1 891	-7 497	-3 581	-9 443
Other interest expense	-1 888	-2 496	-3 776	-3 485	-7 261
<b>Total interest expense</b>	<b>-300 605</b>	<b>-153 951</b>	<b>-608 466</b>	<b>-273 997</b>	<b>-758 415</b>
<b>Net interest income</b>	<b>16 332</b>	<b>43 018</b>	<b>28 710</b>	<b>96 350</b>	<b>109 582</b>

All interest income from customers is related to residential mortgages.

## Note 11 – Net gain (loss) on financial instruments

In NOK thousand	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
1) Financial instruments at fair value through profit and loss:					
Gain/(loss) on derivatives (used in hedge accounting)	-379	-4 197	1 230	-6 959	-2 683
<b>Total gain/(loss) on financial instruments at fair value through profit and loss</b>	<b>-379</b>	<b>-4 197</b>	<b>1 230</b>	<b>-6 959</b>	<b>-2 683</b>
2) Financial instruments at amortised cost:					
Gain (loss) by repurchase of own bonds at amortised cost	0	-3 176	0	-8 517	-9 998
<b>Total gain (loss) on financial instruments at amortised cost</b>	<b>0</b>	<b>-3 176</b>	<b>0</b>	<b>-8 517</b>	<b>-9 998</b>
3) Currency items:					
Gain (loss) on currency items	1 496	-2	1 502	-2	-24
<b>Total gain (loss) on currency items</b>	<b>1 496</b>	<b>-2</b>	<b>1 502</b>	<b>-2</b>	<b>-24</b>
4) Realisation of financial instruments at fair value through other comprehensive income					
Gain/(loss) by realisation of financial instruments:	0	-1 998	0	-2 253	6 262
<b>Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income</b>	<b>0</b>	<b>-1 998</b>	<b>0</b>	<b>-2 253</b>	<b>6 262</b>
<b>Total gain (loss) on financial instruments recognised through profit and loss</b>	<b>1 117</b>	<b>-9 373</b>	<b>2 732</b>	<b>-17 731</b>	<b>-6 443</b>

## Note 12 – Administrative expenses

### Other administrative expenses

In NOK thousand	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Consultants and other external services	-1 425	-2 487	-3 918	-5 069	-10 014
Other operating expenses	-189	-136	-189	-136	-136
<b>Total other administrative expenses</b>	<b>-1 614</b>	<b>-2 623</b>	<b>-4 107</b>	<b>-5 205</b>	<b>-10 150</b>

### Personnel expenses

In NOK thousand	Q2 23	Q2 22	Jan-Jun 23	Jan-Jun 22	2022
Board remuneration	-29	-48	-60	-131	-192
Payroll tax	-5	1	-9	-19	-27
<b>Total personnel expenses</b>	<b>-34</b>	<b>-47</b>	<b>-69</b>	<b>-150</b>	<b>-219</b>

## Note 13 – Fair value of financial instruments

In NOK thousand	30.06.23		31.12.22	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets</b>				
Loans to and receivables from credit institutions (ac)	903 130	903 130	3 975 372	3 975 372
Loans to customers (ac)	27 538 316	27 538 316	32 879 091	32 879 091
Commercial paper and bonds at fair value through OCI	1 988 922	1 988 922	1 496 918	1 496 918
Derivatives (used in hedge accounting)	0	0	408 670	408 670
Other assets (ac)	5 699	5 699	2 052	2 052
<b>Total assets financial instruments</b>	<b>30 436 066</b>	<b>30 436 066</b>	<b>38 762 104</b>	<b>38 762 104</b>
<b>Liabilities</b>				
Loans and deposits from credit institutions (ac)	1 870 161	1 870 161	3 973 326	3 973 326
Debt securities issued (ac)	25 577 296	25 577 296	31 771 486	31 746 910
Other liabilities (ac)	50 524	50 524	82 472	82 472
Subordinated loan (ac)	325 000	325 000	325 000	318 777
<b>Total liabilities financial instruments</b>	<b>27 822 981</b>	<b>27 822 981</b>	<b>36 152 284</b>	<b>36 121 485</b>

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

**30.06.2023**

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	0	0	0
Commercial paper and bonds at fair value through OCI	0	1 988 922	0	1 988 922
<b>Total</b>	<b>0</b>	<b>1 988 922</b>	<b>0</b>	<b>1 988 922</b>
Derivatives (used in hedge accounting)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial instruments measured at fair value level 3

In NOK thousand

	Total
<b>Opening balance 1 January 2023</b>	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
<b>Closing balance at 30 June 2023</b>	<b>0</b>

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to June 2023.

**31.12.2022**

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	408 670	0	408 670
Commercial paper and bonds at fair value through OCI	0	1 496 918	0	1 496 918
<b>Total</b>	<b>0</b>	<b>1 905 588</b>	<b>0</b>	<b>1 905 588</b>
Derivatives (used in hedge accounting)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial instruments measured at fair value level 3

In NOK thousand

	Total
<b>Opening balance 1 January 2022</b>	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
<b>Closing balance at 31 December 2022</b>	<b>0</b>

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

## Note 14 – Related party transactions

### Liabilities to and receivables from DNB Bank ASA

In NOK thousand	30.06.23	30.06.2022	31.12.22
Liability related to overdraft facility to DNB Bank ASA	1 870 161	3 004 980	3 610 008
Receivables related to deposits in DNB Bank ASA	903 130	2 809 992	3 975 216
DNB Bank ASAs ownership of covered bonds issued by Sbanken Boligkreditt AS	13 567 766	8 240 395	1 695 634
DNB Bank ASAs ownership of subordinated loan issued by Sbanken Boligkreditt AS	325 000	325 000	325 000
DNB Bank ASAs ownership of additional Tier 1 capital issued by Sbanken Boligkreditt AS	225 000	225 000	225 000

### Transactions with Sbanken ASA/DNB Bank ASA

In NOK thousand	01.01.23 - 30.06.23	01.01.22 - 30.06.22	01.01.22 - 31.12.22
Purchase of services in line with service agreement	3 904	4 385	8 496
Interest expense on overdraft facility	56 182	34 395	87 799
Interest income on deposits	1 070	897	2 880
Interest on covered bonds issued by Sbanken Boligkreditt AS	251 776	67 812	124 825
Interest on subordinated loan issued by Sbanken Boligkreditt AS	7 497	3 581	9 443
Share of result related to Sbanken ASA/DNB Bank ASAs ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	7 159	4 419	10 476

## Note 15 – Subsequent events

There have not been any significant events subsequent to 30.06.23 that affect the financial statements for Q2 2023.

# Statement

pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that, to the best of our knowledge, the financial statements for the company for the period 1 January through 30 June 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group and the company taken as a whole.

To the best of our knowledge, the report gives a true and fair:

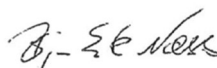
- overview of important events that occurred during the accounting period and their impact on the financial statements.
- description of the principal risks and uncertainties facing the group over the next accounting period.
- description of major transactions with related parties.

**Bergen, 11 July 2023**

The Board of Directors of Sbanken Boligkreditt AS



Henrik Lidman  
(Chair)



Bjørn Erik Næss



Jørgen Gudmundsson



Sindre Espenes



Øyvind Telle  
(CEO)

# Sbanken

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