



Q2



Second quarter 2022

(Unaudited)

Sbanken Boligkreditt AS

Key figures

In NOK thousand	Reference	Jan-Jun 22	Jan-Jun 21	2021
Summary of income statement				
Net interest income		96 350	192 852	386 982
Net other income		-17 731	-13 256	-21 258
Total income		78 619	179 596	365 724
Other operating expenses				
Operating profit before loan losses		73 264	174 377	355 368
Loan losses				
Earnings before tax		74 176	175 180	356 128
Tax expense		-15 346	-37 418	-76 389
Net profit		58 829	137 762	279 739
Balance sheet figures (in million NOK)				
Total loan volume		34 549	38 908	38 135
Covered bonds issued (nominal value)		31 155	34 455	30 405
Covered bonds issued (carried value)		31 638	34 983	30 806
Total assets, end of period		38 192	40 933	39 890
Losses and defaults				
Loss rate (%)	1	0.00%	0.00%	0.00%
Solvency				
Common equity Tier 1 ratio	2	17.2%	15.7%	16.1%
Tier 1 capital ratio		18.9%	17.3%	17.7%
Total capital ratio		21.4%	19.5%	20.0%
Leverage ratio		6.6%	6.1%	6.3%
Other				
Loan to value	3	48.2%	46.8%	49.7%
Cover Pool	4	36 832	39 797	38 682
Over-collateralisation (OC), (nominal)		18.2%	15.5%	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 9 for further detail.

Second Quarter Results

Sbanken Boligkreditt AS had a net profit of NOK 24.2 million in the second quarter of 2022, compared to NOK 72.9 million in the second quarter of 2021.

At the end of the quarter, customer loans amounted to NOK 34.5 (38.9) billion. Outstanding covered bonds amounted to NOK 31.2 (34.5) billion. The average loan-to-value (LTV) ratio was 48.2 (46.8) 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 with 0.50 percentage points, to 1.25 percent in June.

Operating income

Operating income decreased to NOK 33.6 million, compared with NOK 94.8 million in the second quarter of 2021, following a decrease in net interest income to NOK 43.0 (105.1) million and a reduction in negative other operating income to NOK -9.4 (-10.3) million.

Operating expenses

Operating expenses amounted to NOK 2.7 (2.8) 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 a positive NOK 0.1 million in the quarter, compared with a positive NOK 0.9 million in the second quarter of 2021. At the end of the quarter, expected credit losses (ECL) amounted to NOK 4.3 million.

Taxes

The estimated tax expense was NOK 6.8 (19.9) million in the quarter, corresponding to an effective tax rate of 21.9 (21.4) per cent.

Loans to customers

Loans to customers decreased to NOK 34.5 (38.9) billion.

Capitalisation, liquidity and financial position

Sbanken Boligkreditt had total equity of NOK 2.6 billion as of quarter-end. CET1 capital ratio 17.2 was per cent against a regulatory CET1 capital requirement of 13.0 per cent. The tier 1 capital ratio was 18.9 per cent and the total capital ratio 21.4 per cent. The leverage ratio was 6.6 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 3.3 (1.7) billion.

Sbanken Boligkreditt had NOK 31.2 (34.5) billion in outstanding debt issued as covered bonds as of 30 June 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 half-year of 2022

Sbanken Boligkreditt AS had a net profit of NOK 58.8 million in the first half-year of 2022, compared with NOK 137.8 million in the first half-year of 2021.

Net interest income decreased to NOK 96.4 (192.9) million. Operating expenses amounted to NOK 5.4 (5.2) million.

Loan losses for the first half-year of 2022 were positive in the amount of NOK 0.9 million, compared with positive NOK 0.8 million in the first half-year of 2021.

Subsequent events

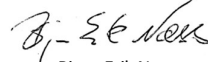
No significant events have occurred after 30 June 2022 that affect the financial statements for the second quarter of 2022.

Bergen, 11 July 2022

The Board of Directors, Sbanken Boligkreditt AS



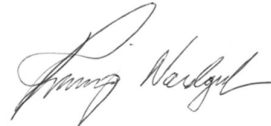
Henrik Lidman
(Chair)



Bjørn Erik Næss



Øyvind Thomassen



Henning Nordgulen
(CEO)

Income statement

In NOK thousand	Note	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Interest income	14	196 969	187 081	370 347	348 971	691 894
Interest expense	14	-153 951	-82 002	-273 997	-156 118	-304 913
Net interest income		43 018	105 079	96 350	192 852	386 982
Net gain (loss) on financial instruments	15	-9 373	-10 275	-17 731	-13 256	-21 258
Other income		0	0	0	0	0
Other operating income		-9 373	-10 275	-17 731	-13 256	-21 258
Total income		33 645	94 804	78 619	179 596	365 724
Personnel expenses	16	-47	-94	-150	-186	-376
Administrative expenses	16	-2 623	-2 755	-5 205	-5 033	-9 980
Profit before loan losses		30 975	91 955	73 264	174 377	355 368
Loan losses	10	91	850	912	803	760
Profit before tax		31 066	92 805	74 176	175 180	356 128
Tax expense	17	-6 817	-19 892	-15 346	-37 418	-76 389
Profit for the period		24 249	72 913	58 829	137 762	279 739
Attributable to						
Shareholders		21 950	70 526	54 410	132 666	270 791
Tier 1 capital holders	13	2 299	2 387	4 419	5 096	8 948
Profit for the period		24 249	72 913	58 829	137 762	279 739

Statement of comprehensive income

In NOK thousand		Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Profit for the period		24 249	72 913	58 829	137 762	279 739
Other comprehensive income						
Other comprehensive income that can be reclassified to profit or loss after tax		-4 445	-4 927	1 381	-6 225	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)		-4 445	-4 927	1 381	-6 225	2 255
Total comprehensive income for the period		19 804	67 986	60 210	131 537	281 994
Attributable to						
Shareholders		17 505	65 599	55 791	126 441	273 046
Tier 1 capital holders	13	2 299	2 387	4 419	5 096	8 948
Total comprehensive income for the period		19 804	67 986	60 210	131 537	281 994

Balance sheet

In NOK thousand	Note	30.06.22	30.06.21	31.12.21
Assets				
Loans to and receivables from credit institutions	5,6	2 810 147	1 484 458	1 000 910
Loans to customers	5,6,7,8,18	34 544 588	38 902 822	38 129 774
Net loans to customers and credit institutions		37 354 735	40 387 280	39 130 684
Commercial paper and bonds at fair value through other comprehensive income (OCI)	18	489 969	204 875	520 313
Derivatives		338 804	333 356	234 020
Deferred tax assets		4 831	4 789	3 689
Other assets		0	529	1 722
Advance payment and accrued income		3 756	2 327	0
Total assets		38 192 094	40 933 156	39 890 428
Liabilities				
Loans from credit institutions	18	3 323 774	2 900 231	5 873 313
Debt securities issued	12,18	31 638 441	34 982 899	30 805 975
Taxes payable	17	25 084	58 430	76 686
Other liabilities		305 272	33 879	30 800
Subordinated loan	12	325 000	325 000	325 000
Total liabilities		35 617 570	38 300 440	37 111 774
Equity				
Share capital		850 000	850 000	850 000
Share premium		849 880	849 880	849 880
Additional Tier 1 capital	13	226 216	226 804	226 136
Other equity		648 427	706 032	852 638
Total equity		2 574 524	2 632 716	2 778 654
Total liabilities and equity		38 192 094	40 933 156	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 - 30.06.21)					132 666	132 666
Profit for the period to Tier 1 capital holders (01.01.21 - 30.06.21)			5 096			5 096
Payments to Tier 1 capital holders (01.01.21 - 30.06.21)			-4 129			-4 129
Net change of financial instruments at fair value through other comprehensive income (01.01.21 - 30.06.21)				-6 225		-6 225
Dividend to shareholder					-230 000	-230 000
Balance sheet as at 30.06.21	850 000	849 880	226 804	-17 965	723 997	2 632 716
Profit for the period to other equity (01.07.21 - 31.12.21)					138 125	138 125
Profit for the period to Tier 1 capital holders (01.07.21 - 31.12.21)			3 852			3 852
Payments to Tier 1 capital holders (01.07.21 - 31.12.21)			-4 520			-4 520
Net change of financial instruments at fair value through other comprehensive income (01.07.21 to 31.12.21)				8 480		8 480
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 - 30.06.22)					54 410	54 410
Profit for the period to Tier 1 capital holders (01.01.22 - 30.06.22)			4 419			4 419
Payments to Tier 1 capital holders (01.01.22 - 30.06.22)			-4 339			-4 339
Net change of financial instruments at fair value through other comprehensive income (01.01.22 - 30.06.22)				1 381		1 381
Dividend to shareholder					-260 000	-260 000
Balance sheet as at 30.06.22	850 000	849 880	226 216	-8 104	656 532	2 574 524

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

Statement of cash flows

In NOK thousand	Note	Jan-Jun 22	Jan-Jun 21	2021
Cash flows from operating activities				
Net payments on loans to customers	5,6	3 588 502	-3 724 180	-2 950 422
Interest received on loans to customers	14	363 131	346 142	684 363
Interest received on loans to credit institutions		1 373	1 519	2 755
Interest paid on loans and deposits from credit institution	14	-34 395	-12 831	-32 468
Net receipts/payments from buying and selling financial instruments at fair value	18	32 016	-129 205	-447 272
Receipts of collateral related to derivatives used in hedge accounting		100 771	-187 277	-324 708
Interest received from commercial paper and bonds	14	3 508	839	2 999
Other interest cost		-7 511	-5 053	-5 053
Payments related to administrative expenses	16	-4 724	-4 658	-10 072
Payments related to personnel expenses		-155	-186	-376
Taxes paid		-68 478	-46 759	-67 592
Other receipts/payments		-6 647	4 506	-3 990
Net cash flows from operating activities		3 967 391	-3 757 143	-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		0	-230 000	-230 000
Receipts on issued covered bonds	12	5 000 000	7 149 800	7 000 000
Payments on matured and redeemed covered bonds	12	-4 241 390	-3 366 886	-7 255 609
Interest paid on covered bonds	14	-258 535	-155 766	-289 226
Net receipts on loans and deposits from credit institution	18	-2 650 310	240 679	3 351 192
Receipts on subordinated loan	12	0	0	175 000
Payments on matured and redeemed subordinated loans	12	0	0	-175 000
Interest paid on subordinated loan	14	-3 580	-4 020	-17 363
Receipts on share capital and share premium	EQ	0	0	0
Receipts on issued additional Tier1 capital	13	0	0	0
Interest paid on additional Tier 1 capital	14	-4 339	5 393	-8 649
Net cash flows from financing activities		-2 158 154	3 639 200	2 550 345
Total net cash flows		1 809 237	-117 943	-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		2 810 147	1 484 458	1 000 910
Change in cash		1 809 237	-117 943	-601 491
Cash				
Loans to credit institutions		2 810 147	1 484 458	1 000 910
Total cash		2 810 147	1 484 458	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 IV/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	30.06.22		30.06.21		31.12.21	
	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume
Central governments	0	0	25 415	0	25 223	0
Regional governments	4 831	12 076	4 789	11 973	3 689	9 222
Multilateral Development Banks	153 922	0	53 558	0	93 521	0
Institutions	2 829 151	565 830	1 532 508	306 502	1 064 958	212 992
Secured by mortgages on immovable property	34 413 979	12 060 272	38 774 556	13 584 897	38 018 708	13 321 577
Exposures in default	130 609	130 609	128 267	128 267	111 066	111 066
Covered bonds	336 047	33 605	125 901	12 590	401 569	40 157
Other items	3 756	3 756	2 856	2 856	1 721	1 721
Total credit risk, standardised method ¹	37 872 295	12 806 148	40 647 850	14 047 085	39 720 455	13 696 735
Credit value adjustment risk (CVA risk)		3 138		17 263		18 831
Operational risk		495 738		432 159		495 738
Total risk- weighted volume		13 305 024		14 496 507		14 211 304
Capital base						
Share capital		850 000		850 000		850 000
Share premium		849 880		849 880		849 880
Other equity		594 018		573 366		581 847
Additional Tier 1 capital		226 216		226 804		226 136
Profit for the period		54 410		132 666		270 791
Total booked equity		2 574 524		2 632 716		2 778 654
Additional Tier 1 capital instruments included in total equity		-226 216		-226 804		-226 136
Common equity Tier 1 capital instruments		2 348 308		2 405 912		2 552 518
<i>Deductions</i>						
Value adjustment due to the requirements for prudent valuation (AVA)		-490		-205		-520
Part of interim or year-end profit not eligible ²		-54 410		-132 666		-260 000
Common equity Tier 1 capital		2 293 408		2 273 041		2 291 998
Additional Tier 1 capital		225 000		225 000		225 000
Tier 1 capital		2 518 408		2 498 041		2 516 998
Tier 2 capital		325 000		325 000		325 000
Own funds (primary capital)		2 843 408		2 823 041		2 841 998
Specification of capital requirements						
Minimum requirements CET1 capital	4.5%	598 726	4.5%	652 343	4.5%	639 509
Capital conservation buffer	2.5%	332 626	2.5%	362 413	2.5%	355 283
Systemic risk buffer	3.0%	399 151	3.0%	434 895	3.0%	426 339
Countercyclical capital buffer	1.5%	199 575	1.0%	144 965	1.0%	142 113
Additional Tier 1 capital	1.5%	199 575	1.5%	217 448	1.5%	213 170
Tier 2 capital	2.0%	266 100	2.0%	289 930	2.0%	284 226
Total minimum and buffer requirements own funds (primary capital)	15.0%	1 995 754	14.5%	2 101 994	14.5%	2 060 639
<i>Available CET1 capital after buffer requirements</i>		763 330		678 426		728 754
<i>Available Own funds (primary capital)</i>		847 654		721 048		781 358
Capital ratio %						
Common equity Tier 1 capital		17.2%		15.7%		16.1%
Additional Tier 1 capital		1.7%		1.6%		1.6%
Tier 2 capital		2.4%		2.2%		2.3%
Total capital ratio		21.4%		19.5%		20.0%

¹ The specification is according to EBA reporting framework.

² Including 0 per cent of the profit for the first quarter 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 and an additional buffer requirement of two per cent for banks.

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		30.06.22	30.06.21	31.12.21
Exposure value on derivatives		19 004	48 050	64 047
Loans and advances and other assets		37 853 291	40 599 800	39 656 408
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		37 872 295	40 647 850	39 720 455
Tier 1 capital		2 518 408	2 498 041	2 516 998
Leverage ratio % ¹⁾		6.6 %	6.1 %	6.3 %
Leverage Ratio requirements				
Minimum requirements	3.0%	1 136 169	1 219 436	1 191 614
Buffer requirements credit institutions	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	3.0%	1 136 169	1 219 436	1 191 614
Available Tier 1 capital after minimum and buffer requirements		1 382 239	1 278 606	1 325 384

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

Note 5 – Maximum exposure to credit risk

Credit risk is defined as the risk of loss resulting from a counterparty not fulfilling its obligations, and any pledged collateral not covering the outstanding claim. The company's maximum credit exposure is the book value of financial assets and any associated off-balance sheet liabilities. The following table shows the company's maximum credit risk exposure to financial instruments, by measurement categories.

30.06.22			
In NOK thousand	Gross carrying amounts	Off-balance sheet amounts	Maximum exposure to credit risk
Loans to and receivables from credit institutions	2 810 147	0	2 810 147
Loans to and receivables from central bank and credit institutions	2 810 147	0	2 810 147
Loans to customers, secured	34 548 873	0	34 548 873
Loans to and receivables from customers	34 548 873	0	34 548 873
Other financial assets with credit risk	3 756	0	3 756
Financial instruments at amortised cost	37 362 776	0	37 362 776
Commercial paper and bonds	489 969	0	489 969
Financial instruments at fair value through other comprehensive income	489 969	0	489 969
Derivatives	338 804	0	338 804
Financial instruments at fair value through profit and loss	338 804	0	338 804
Gross exposure	38 191 549	0	38 191 549
Other financial assets without credit risk	4 831	0	4 831
Impairment	-4 285	0	-4 285
Total net exposure	38 192 094	0	38 192 095

31.12.21			
In NOK thousand	Gross carrying amounts	Off-balance sheet amounts	Maximum exposure to credit risk
Loans to and receivables from credit institutions	1 000 910	0	1 000 910
Loans to and receivables from central bank and credit institutions	1 000 910	0	1 000 910
Loans to customers, secured	38 134 971	0	38 134 971
Loans to and receivables from customers	38 134 971	0	38 134 971
Other financial assets with credit risk	1 722	0	1 722
Financial instruments at amortised cost	39 137 603	0	39 137 603
Commercial paper and bonds	520 313	0	520 313
Financial instruments at fair value through other comprehensive income	520 313	0	520 313
Derivatives	234 020	0	234 020
Financial instruments at fair value through profit and loss	234 020	0	234 020
Gross exposure	39 891 936	0	39 891 936
Other financial assets without credit risk	3 689	0	3 689
Impairment	-5 197	0	-5 197
Total net exposure	39 890 428	0	39 890 428

Note 6 – Loans to credit institutions and customers

Gross carrying amount - Loans to credit institutions				
30.06.22				
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	1 809 237	0	0	1 809 237
Financial assets that have been derecognised	0	0	0	0
Changes in interest accrual	0	0	0	0
Closing balance gross carrying amount	2 810 147	0	0	2 810 147
Maturity:				
In NOK thousands				
Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	2 810 147	0	0	2 810 147
Total	2 810 147	0	0	2 810 147
Gross carrying amount - Loans to customers				
30.06.22				
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)	203 894	-202 092	-1 802	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-385 357	391 081	-5 724	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-39 789	-14 845	54 634	0
Net new financial assets originated or derecognised	-3 421 968	-138 358	-28 260	-3 588 586
Changes in interest accrual	2 053	269	166	2 488
Other movements	0	0	0	0
Closing balance gross carrying amount 31.03.22	33 202 454	1 210 413	136 006	34 548 873
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 7 – Loans to customers by geographical area

Lending by geographical area

In NOK thousand	30.06.22		31.12.21	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.5%	15 720 131	45.9%	17 512 904
Oslo	20.3%	7 025 016	20.6%	7 870 110
Southern Norway	1.9%	665 959	1.8%	705 020
Western Norway	20.2%	6 969 055	19.7%	7 529 846
Central Norway	5.0%	1 724 138	4.8%	1 813 811
Northern Norway	7.1%	2 444 574	7.1%	2 703 280
Total gross lending by geographical area	100.0%	34 548 873	100.0%	38 134 971

Note 8 – Credit risk exposure and collateral

The company's customer exposures comprise the bulk of the company's total credit exposure. A high percentage of the company's lending is collateralised. Collateral in the private retail market essentially comprise fixed property.

The table below shows the relationship between total credit exposure and the associated collateral distributed to exposure class. Lending secured by mortgages includes the percentage distributed of exposure relating to the various loan-to-value levels. The property values on which the calculations are based are updated in the last month of each quarter and are therefore representative of the current market value. The calculation of loan-to-value does not take into account any additional collateral.

In NOK thousand

	30.06.22			31.12.21		
	Distribution as percentage	Gross carrying amounts	Unutilised credit lines	Distribution as percentage	Gross carrying amounts	Unutilised credit lines
Loan-to-value, secured loans						
0 % - 40 %	30.6%	10 563 923	0	28.6%	10 903 960	0
40 % - 60 %	42.4%	14 651 808	0	40.4%	15 404 818	0
60 % - 80 %	26.7%	9 215 267	0	30.4%	11 601 367	0
80 % - 90 %	0.2%	56 797	0	0.3%	113 049	0
90 % - 100 %	0.1%	31 515	0	0.2%	67 053	0
> 100 %	0.1%	29 563	0	0.1%	44 724	0
Residential mortgages	100.0%	34 548 873	0	100.0%	38 134 971	0

The table below shows the percentage allocation of exposures for mortgages for various loan-to-value levels. Where the entire exposure in the table above is placed in a related loan-to-value level, the relative share of the loan exposure at each level is shown in the table below.

In NOK thousand

	30.06.22		31.12.21	
	Distribution as percentage	Gross carrying amounts	Distribution as percentage	Gross carrying amounts
Loan-to-value, residential mortgages (relative distribution)				
0 % - 85 %	99.95%	34 532 793	99.94%	38 110 826
85 % - 100 %	0.02%	7 563	0.04%	14 362
> 100 %	0.02%	8 517	0.03%	9 783
Residential mortgages	100.0%	34 548 873	100.0%	38 134 971

Note 9 – Loan-to-value (LTV) and cover pool

In NOK thousand

	30.06.22		31.12.21		
	Nominal value	Carried value	Nominal value	Carried value	
Debt related to securities issued, nominal value		31 155 000		30 405 000	
Debt related to securities issued, carried value		31 638 441		30 805 975	
Loans to customers (gross) ¹		34 508 589		38 097 706	
Average size of loan per customer		1 963		1 941	
Number of loans		17 573		19 620	
Weighted average since issuing of the loans (months)		58		55	
Weighted average remaining maturity (months)		262		262	
Average LTV (percent)		48.2		49.7	
Cover pool					
		30.06.22		31.12.21	
Loans secured with mortgages		34 508 589		38 097 706	
Not eligible for the over-collateralisation calculation		-167 483		-198 070	
Net loans that are in the over-collateralisation		34 341 106		37 899 635	
Supplementary assets		2 490 783		782 779	
Total cover pool for the over-collateralisation calculation		36 831 889		38 682 414	
		Nominal value	Carried value	Nominal value	Carried value
Over-collateralisation (percent)		18.2	16.4	27.2	25.6
Amount surpassing legal minimum requirements and requirements as indicated by rating agency		5 053 789	4 560 679	7 669 314	7 260 320

¹Excluding accrued interest.

Note 10 – Loan losses

Expected credit loss (ECL)	January - June 2022			
	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
In NOK thousand				
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	5	-126	-6	-127
Transfers to Stage 2	-20	81	0	61
Transfers to Stage 3	-1	-66	220	153
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	-108	-81	-740	-929
<i>Other changes:</i>				
New financial assets originated	218	69	85	372
Financial assets that have been derecognised	-108	-79	-255	-442
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 30.06.22	185	240	3 860	4 285

Specification of loan losses	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
In NOK thousands					
Changes in ECL, stage 1	30	47	14	8	-75
Changes in ECL, stage 2	151	95	202	419	542
Changes in ECL, stage 3	-90	708	696	376	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	91	850	912	803	760

Expected credit loss (ECL)	January - December 2021			
	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
In NOK thousand				
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 11 – Credit-impaired assets and overdue loans

Credit-impaired assets		30.06.22					
In NOK thousand	Principal type of collateral held	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	Net exposure	Provisioning ratio after collateral
Loans to customers:							
Mortgages	Residential property	136 006	-3 860	132 146	132 146	0	100.0%
Total credit-impaired assets		136 006	-3 860	132 146	132 146	0	100.0%

Credit-impaired loans	
In NOK thousand	30.06.22
Overdue loans - more than 90 days	35 631
Other credit-impaired assets	100 375
Total	136 006

Credit-impaired assets		31.12.21					
In NOK thousand	Principal type of collateral held	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	Net exposure	Provisioning ratio after collateral
Loans to customers:							
Mortgages	Residential property	116 992	-4 556	112 436	112 436	0	100.0%
Total credit-impaired assets		116 992	-4 556	112 436	112 436	0	100.0%

Credit-impaired loans	
In NOK thousand	31.12.21
Overdue loans - more than 90 days	42 218
Other credit-impaired assets	74 774
Total	116 992

Note 12 – Issued debt

Carried at amortised cost:

In NOK thousand	Currency	30.06.22	31.12.21
Bonds issued	NOK	31 638 441	30 805 975
Subordinated loan	NOK	325 000	325 000
Total debt securities issued		31 963 441	31 130 975

Specification of covered bonds as at 30.06.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity	Carrying value
Covered bonds						
NO0010790603	Sbanken Boligkreditt AS	4 350 000	NOK	Floating	10.02.23	4 353 126
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	7 116 612
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	5 168 703
Total covered bonds						31 638 441

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 - June 2022				30.06.22
		Issued	Matured	Redeemed	Other adjustments	
Covered bonds (nominal)	30 405 000	5 000 000	0	-4 250 000	0	31 155 000
Subordinated loan	325 000	0	0	0	0	325 000
Total	30 730 000	5 000 000	0	-4 250 000	0	31 480 000

Note 13 – Additional Tier 1 Capital (hybrid capital)

In NOK thousand	Currency	30.06.22	31.12.21
Additional Tier 1 capital	NOK	225 000	225 000
Total Additional Tier 1 capital		225 000	225 000

Specification of additional Tier 1 capital as at 30.06.22:

ISIN	Issuing company	Nominal value	Currency	Interest	Maturity ¹	Carrying amounts
Additional Tier 1 capital						
NO0010821861	Sbanken Boligkreditt AS	100 000	NOK	3M Nibor+3.25 %	Perpetual	100 000
NO0011012544	Sbanken Boligkreditt AS	125 000	NOK	3M Nibor+2.6 %	Perpetual	125 000
Total additional Tier 1 capital		225 000				225 000

¹ The Tier1 capital is perpetual with an option for the issuer to redeem the capital at specific dates, the first time being 5 years after issue.

Change of Additional Tier 1 capital

	31.12.21	January - June 2022				30.06.22
		Issued	Matured	Redeemed	Other adjustments	
Additional Tier 1 capital	225 000	0	0	0	0	225 000
Total	225 000	0	0	0	0	225 000

As at 30 June 2022, NOK 1.2 million in accrued interest related to additional Tier 1 capital.

This has been recognised against additional Tier 1 capital and the carried value including accrued interest is NOK 226.2 million.

Note 14 – Net interest income

Net interest income					
In NOK thousand	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Loans to and receivables from credit institutions	715	665	1 373	1 519	2 755
Loans to customers	194 941	185 792	365 535	346 417	685 391
Commercial paper and bonds	1 313	623	3 439	1 034	3 748
Total interest income	196 969	187 081	370 347	348 971	691 894
Loans and deposits from credit institutions	-15 192	-5 941	-34 395	-12 831	-32 468
Debt securities issued	-134 372	-72 855	-232 536	-136 503	-260 500
Subordinated loan	-1 891	-1 811	-3 581	-3 988	-6 622
Other interest expense	-2 496	-1 396	-3 485	-2 797	-5 323
Total interest expense	-153 951	-82 002	-273 997	-156 118	-304 913
Net interest income	43 018	105 079	96 350	192 852	386 982

All interest income from customers is related to residential mortgages.

Note 15 – Net gain (loss) on financial instruments

In NOK thousand	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
1) Financial instruments at fair value through profit and loss:					
Gain/(loss) on derivatives (used in hedge accounting)	-4 197	1 373	-6 959	488	1 444
Total gain/(loss) on financial instruments at fair value through profit and loss	-4 197	1 373	-6 959	488	1 444
2) Financial instruments at amortised cost:					
Gain (loss) by repurchase of own bonds at amortised cost	-3 176	-11 645	-8 517	-13 741	-22 457
Total gain (loss) on financial instruments at amortised cost	-3 176	-11 645	-8 517	-13 741	-22 457
3) Currency items:					
Gain (loss) on currency items	-2	-4	-2	-4	28
Total gain (loss) on currency items	-2	-4	-2	-4	28
4) Realisation of financial instruments at fair value through other comprehensive income					
Gain/(loss) by realisation of financial instruments:	-1 998	0	-2 253	0	-274
Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income	-1 998	0	-2 253	0	-274
Total gain (loss) on financial instruments recognised through profit and loss	-9 373	-10 275	-17 731	-13 256	-21 258

Note 16 – Administrative expenses

Other administrative expenses

In NOK thousand	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Consultants and other external services	-2 487	-2 634	-5 069	-4 902	-9 846
Other operating expenses	-136	-121	-136	-131	-134
Total other administrative expenses	-2 623	-2 755	-5 205	-5 033	-9 980

Personnel expenses

In NOK thousand	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Board remuneration	-48	-82	-131	-163	-330
Payroll tax	1	-12	-19	-23	-46
Total personnel expenses	-47	-94	-150	-186	-376

Note 17 – Tax expense

In NOK thousand	Q2 22	Q2 21	Jan-Jun 22	Jan-Jun 21	2021
Taxes payable	7 741	19 590	16 877	37 311	76 686
Change in deferred tax	-924	301	-1 531	107	-1 185
Correction of taxes payable previous year	0	0	0	0	888
Total tax expense	6 817	19 892	15 346	37 418	76 389
Reconciliation of the tax expense:					
Profit before tax	31 066	92 805	74 176	175 180	356 128
Expected tax expense at nominal rate of 22 % (in 2022) and 22 % (in 2021)	6 835	20 417	16 319	38 540	78 348
Tax effect from interest to Tier 1 capital holders	-507	-526	-973	-1 122	-1 969
Tax effect from unrealised financial instruments	489	0	0	0	-878
Correction of taxes payable previous year	0	0	0	0	888
Total tax expense	6 817	19 892	15 346	37 418	76 389
Effective tax rate	21.9%	21.4%	20.7%	21.4%	21.4%

Note 18 – Fair value of financial instruments

In NOK thousand	30.06.22		31.12.21	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Loans to and receivables from credit institutions (ac)	2 810 147	2 810 147	1 000 910	1 000 910
Loans to customers (ac)	34 544 588	34 544 588	38 129 774	38 129 774
Commercial paper and bonds at fair value through OCI	489 969	489 969	520 313	520 313
Derivatives (used in hedge accounting)	338 804	338 804	234 020	234 020
Other assets (ac)	8 587	8 587	5 411	5 411
Total assets financial instruments	38 192 094	38 192 094	39 890 429	39 890 429
Liabilities				
Loans and deposits from credit institutions (ac)	3 323 774	3 323 774	5 873 313	5 873 313
Debt securities issued (ac)	31 638 441	31 586 522	30 805 975	30 897 494
Other liabilities (ac)	305 272	305 272	30 800	30 800
Subordinated loan (ac)	325 000	315 215	325 000	326 408
Total liabilities financial instruments	35 592 487	35 530 783	37 035 088	37 128 015

30.06.2022

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	338 804	0	338 804
Commercial paper and bonds at fair value through OCI	0	489 969	0	489 969
Total	0	828 773	0	828 773
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 June 2022	0

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to June 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 19 – Related party transactions

Liabilities to and receivables from Sbanken ASA

In NOK thousand	30.06.22	30.06.21	31.12.21
Liability related to overdraft facility to Sbanken ASA	3 004 980	2 544 777	5 655 290
Receivables related to deposits in Sbanken ASA	2 809 992	1 128 758	782 646
Sbanken ASAs ownership of covered bonds issued by Sbanken Boligkreditt AS	8 240 395	12 040 198	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 - 30.06.22	01.01.21 - 30.06.21	01.01.21 - 31.12.21
Purchase of services in line with service agreement	4 385	4 307	8 652
Interest expense on overdraft facility	34 395	12 831	32 468
Interest income on deposits	897	582	1 055
Interest on covered bonds issued by Sbanken Boligkreditt AS	67 812	36 062	81 018
Interest on subordinated loan issued by Sbanken Boligkreditt AS	3 581	3 988	6 622
Share of result related to Sbanken ASAs ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	4 419	5 096	8 948

Note 20 – Subsequent events

There have not been any significant events subsequent to 30.06.22 that affect the financial statements for Q2 2022.

Statement

pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that, to the best of our knowledge, the half-yearly financial statements for the company for the period 1 January through 30 June 2022 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:

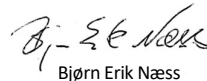
- overview of important events that occurred during the accounting period and their impact on the financial statements
- description of the principal risks and uncertainties facing the group over the next accounting period
- description of major transactions with related parties.

Bergen, 11 July 2022

The Board of Directors of Sbanken Boligkreditt AS



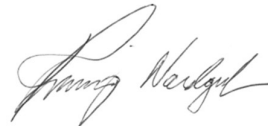
Henrik Lidman
(Chair)



Bjørn Erik Næss



Øyvind Thomassen



Henning Nordgulen
(CEO)

Sbanken

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