



Q1

First quarter 2023

(Unaudited)

Sbanken Boligkreditt AS

Key figures

In NOK thousand	Reference	Q1 23	Q1 22	2022
Summary of income statement				
Net interest income		12 378	53 332	109 582
Net other income		1 615	-8 358	-6 443
Total income		13 993	44 974	103 139
Other operating expenses		-2 528	-2 685	-10 369
Operating profit before loan losses		11 465	42 289	92 771
Loan losses		58	821	-397
Earnings before tax		11 523	43 110	92 374
Tax expense		-1 762	-8 529	-18 008
Net profit		9 761	34 580	74 366
Balance sheet figures (in million NOK)				
Total loan volume		30 261	37 925	32 885
Covered bonds issued (nominal value)		30 305	33 455	31 255
Covered bonds issued (carried value)		31 290	33 682	31 771
Total assets, end of period		38 687	40 797	38 762
Losses and defaults				
Loss rate (%)	1	0.00%	0.00%	0.00%
Solvency				
Common equity Tier 1 ratio	2	19.1%	16.0%	18.2%
Tier 1 capital ratio		20.9%	17.6%	19.9%
Total capital ratio		23.5%	19.8%	22.4%
Leverage ratio		6.8%	6.2%	6.7%
Other				
Loan to value	3	50.8%	49.4%	52.1%
Cover Pool	4	34 438	39 843	36 188
Over-collateralisation (OC), (nominal)		13.6%	19.1%	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.

First Quarter Results

Sbanken Boligkreditt AS had a net profit of NOK 9.8 million in the first quarter of 2023, compared with a profit of NOK 34.6 million in the first quarter of 2022.

At the end of the quarter, customer loans amounted to NOK 30.3 (37.9) billion. Outstanding covered bonds amounted to NOK 30.3 (33.5) billion. The average loan-to-value (LTV) ratio was 50.8 (49.4) 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 office is 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 0.25 percentage points, to 3.00 percent in March.

Operating income

Operating income decreased to NOK 14.0 million, compared with NOK 45.0 million in the first quarter of 2022, following a decrease in net interest income to NOK 12.4 (53.3) million and an increase in other operating income to NOK 1.6 (-8.4) million.

Operating expenses

Operating expenses amounted to NOK 2.5 (2.7) 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 0.1 million in the quarter, compared with NOK 0.8 million in the first quarter of 2022. At the end of the quarter, expected credit losses (ECL) amounted to NOK 5.5 million.

Taxes

The estimated tax expense was NOK 1.8 (8.5) million in the quarter, corresponding to an effective tax rate of 15.3 per cent in the quarter, compared with an effective tax rate of 19.8 per cent in the first quarter of 2022.

Loans to customers

Loans to customers decreased to NOK 30.3 (37.9) 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 19.1 per cent against a regulatory CET1 capital requirement of 12.5 per cent. The tier 1 capital ratio was 20.9 per cent and the total capital ratio 23.5 per cent. The leverage ratio was 6.8 per cent against a regulatory requirement of 3 per cent. The capital ratios include zero per cent retained earnings for the first quarter.

As of quarter-end, Sbanken Boligkreditt had total liquid assets of NOK 7.5 (2.8) billion.

Sbanken Boligkreditt had NOK 30.3 (33.5) billion in outstanding debt issued as covered bonds as of 31 March 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

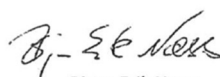
No significant events have occurred after 31 March 2023 that affect the financial statements for the first quarter of 2023.

Bergen, 26 April 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	Q1 23	Q1 22	2022
Interest income	10	320 239	173 378	867 997
Interest expense	10	-307 861	-120 046	-758 415
Net interest income		12 378	53 332	109 582
Net gain (loss) on financial instruments	11	1 615	-8 358	-6 443
Other income		0	0	0
Other operating income		1 615	-8 358	-6 443
Total income		13 993	44 974	103 139
Personnel expenses	12	-35	-103	-219
Administrative expenses	12	-2 493	-2 582	-10 150
Profit before loan losses		11 465	42 289	92 771
Loan losses	8	58	821	-397
Profit before tax		11 523	43 110	92 374
Tax expense		-1 762	-8 529	-18 008
Profit for the period		9 761	34 580	74 366
Attributable to				
Shareholders		6 246	32 460	63 890
Tier 1 capital holders		3 515	2 120	10 476
Profit for the period		9 761	34 580	74 366

Statement of comprehensive income

In NOK thousand	Q1 23	Q1 22	2022
Profit for the period	9 761	34 580	74 366
Other comprehensive income			
Other comprehensive income that can be reclassified to profit or loss after tax	597	5 826	7 895
Other items that can not be reclassified to profit or loss after tax	0	0	0
Total components of other comprehensive income (after tax)	597	5 826	7 895
Total comprehensive income for the period	10 358	40 406	82 261
Attributable to			
Shareholders	6 843	38 286	71 785
Tier 1 capital holders	3 515	2 120	10 476
Total comprehensive income for the period	10 358	40 406	82 261

Balance sheet

In NOK thousand	Note	31.03.23	31.03.22	31.12.22
Assets				
Loans to and receivables from credit institutions	5	5 287 921	2 169 014	3 975 372
Loans to customers	5,6,7,13	30 254 821	37 920 130	32 879 091
Net loans to customers and credit institutions		35 542 742	40 089 144	36 854 463
Commercial paper and bonds at fair value through other comprehensive income (OCI)	13	2 255 353	631 585	1 496 918
Derivatives		881 329	68 318	408 670
Deferred tax assets		1 530	3 142	2 052
Other assets		0	4 634	0
Advance payment and accrued income		5 664	0	0
Total assets		38 686 619	40 796 822	38 762 104
Liabilities				
Loans from credit institutions	13	4 413 509	3 887 304	3 973 326
Debt securities issued	9,13	31 290 147	33 681 937	31 771 486
Taxes payable		1 406	52 072	18 608
Other liabilities		58 620	33 544	82 472
Subordinated loan	9	325 000	325 000	325 000
Total liabilities		36 088 682	37 979 856	36 170 892
Equity				
Share capital		850 000	850 000	850 000
Share premium		849 880	849 880	849 880
Additional Tier 1 capital		226 792	226 162	226 909
Other equity		671 266	890 923	664 423
Total equity		2 597 938	2 816 965	2 591 212
Total liabilities and equity		38 686 619	40 796 822	38 762 104

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 01.01.22	850 000	849 880	226 136	-9 485	862 122	2 778 654
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
Balance sheet as at 31.12.22	850 000	849 880	226 909	-1 590	666 012	2 591 212
Profit for the period to other equity (01.01.23 - 31.03.23)					6 246	6 246
Profit for the period to Tier 1 capital holders (01.01.23 - 31.03.23)			3 515			3 515
Payments to Tier 1 capital holders (01.01.23 - 31.03.23)			-3 632			-3 632
Net change of financial instruments at fair value through other comprehensive income (01.01.23 - 31.03.23)				597		597
Dividend to shareholder					0	0
Balance sheet as at 31.03.23	850 000	849 880	226 792	-993	672 258	2 597 938

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

Statement of cash flows

In NOK thousand	Note	Q1 23	Q1 22	2022
Cash flows from operating activities				
Net payments on loans to customers	5,6	2 624 758	214 135	5 273 922
Interest received on loans to customers	10	305 441	166 925	823 561
Interest received on loans to credit institutions		668	658	2 941
Interest paid on loans and deposits from credit institution	10	-23 916	-19 203	-87 799
Net receipts/payments from buying and selling financial instruments at fair value	13	-754 472	-109 555	-968 240
Receipts of collateral related to derivatives used in hedge accounting		444 208	-193 138	145 295
Interest received from commercial paper and bonds	10	10 265	658	13 831
Other interest cost		-7 552	0	-7 531
Payments related to administrative expenses	11	-2 258	-2 341	-9 994
Payments related to personnel expenses		-36	-99	-224
Taxes paid		-18 612	-34 240	-76 685
Other receipts/payments		-6 655	-1 945	1 918
Net cash flows from operating activities		2 571 839	21 855	5 110 995
Cash flows from investment activities				
Net cash flows from investment activities		0	0	0
Cash flows from financing activities				
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	-2 952 600	-1 956 960	-5 654 610
Interest paid on covered bonds	10	-295 372	-100 138	-657 496
Net receipts on loans and deposits from credit institution	13	-4 025	-1 792 870	-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	-3 661	-1 689	-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	-3 632	-2 094	-9 703
Net cash flows from financing activities		-1 259 290	1 146 249	-2 136 533
Total net cash flows		1 312 549	1 168 104	2 974 462
Cash at the beginning of the period		3 975 372	1 000 910	1 000 910
Cash at the end of the period		5 287 921	2 169 014	3 975 372
Change in cash		1 312 549	1 168 104	2 974 462
Cash				
Loans to credit institutions		5 287 921	2 169 014	3 975 372
Total cash		5 287 921	2 169 014	3 975 372

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	31.03.23		31.03.22		31.12.22	
	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume	Nominal exposure	Risk-Weighted volume
Central governments	0	0	25 126	0	0	0
Regional governments	1 530	3 825	3 142	7 854	2 052	5 131
Multilateral Development Banks	612 322	0	154 576	0	153 108	0
Institutions	5 429 890	1 085 978	2 260 497	452 099	4 106 374	821 275
Secured by mortgages on immovable property	30 136 647	10 572 334	37 800 657	13 242 080	32 772 925	11 491 412
Exposures in default	118 175	118 175	119 473	119 473	106 166	106 166
Covered bonds	1 643 031	164 303	451 882	45 188	1 343 811	134 381
Other items	5 664	5 664	4 634	4 634	0	
Total credit risk, standardised method ¹	37 947 259	11 950 279	40 819 987	13 871 328	38 484 436	12 558 365
Credit value adjustment risk (CVA risk)		9 675		19 605		8 555
Operational risk		425 123		495 738		425 123
Total risk- weighted volume		12 385 077		14 386 671		12 992 043
Capital base						
Share capital		850 000		850 000		850 000
Share premium		849 880		849 880		849 880
Other equity		665 019		858 463		600 533
Additional Tier 1 capital		226 792		226 162		226 909
Profit for the period		6 246		32 460		63 890
Total booked equity		2 597 938		2 816 965		2 591 212
Additional Tier 1 capital instruments included in total equity		-226 792		-226 162		-226 909
Common equity Tier 1 capital instruments		2 371 145		2 590 803		2 364 303
<i>Deductions</i>						
Value adjustment due to the requirements for prudent valuation (AVA)		-2 255		-631		-1 497
Part of interim or year-end profit not eligible ²		-6 246		-292 460		0
Common equity Tier 1 capital		2 362 644		2 297 712		2 362 806
Additional Tier 1 capital		225 000		225 000		225 000
Tier 1 capital		2 587 644		2 522 712		2 587 806
Tier 2 capital		325 000		325 000		325 000
Own funds (primary capital)		2 912 644		2 847 712		2 912 806
Specification of capital requirements						
Minimum requirements CET1 capital	4.5%	557 328	4.5%	647 400	4.5%	584 642
Capital conservation buffer	2.5%	309 627	2.5%	359 667	2.5%	324 801
Systemic risk buffer	3.0%	371 552	3.0%	431 600	3.0%	389 761
Countercyclical capital buffer	2.5%	309 627	1.0%	143 867	2.0%	259 841
Additional Tier 1 capital	1.5%	185 776	1.5%	215 800	1.5%	194 881
Tier 2 capital	2.0%	247 702	2.0%	287 733	2.0%	259 841
Total minimum and buffer requirements own funds (primary capital)	16.0%	1 981 612	14.5%	2 086 067	15.5%	2 013 767
<i>Available CET1 capital after buffer requirements</i>		<i>814 510</i>		<i>715 178</i>		<i>803 761</i>
<i>Available Own funds (primary capital)</i>		<i>931 032</i>		<i>761 644</i>		<i>899 040</i>
Capital ratio %						
Common equity Tier 1 capital		19.1%		16.0%		18.2%
Additional Tier 1 capital		1.8%		1.6%		1.7%
Tier 2 capital		2.6%		2.3%		2.5%
Total capital ratio		23.5%		19.8%		22.4%

¹ The specification is according to EBA reporting framework.

² Including 0 per cent of the profit for the first quarter 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		31.03.23	31.03.22	31.12.22
Exposure value on derivatives		141 969	91 483	131 002
Loans and advances and other assets		37 805 290	40 728 504	38 353 434
Regulatory adjustments included in Tier 1 capital		0	0	0
Total leverage exposure		37 947 259	40 819 987	38 484 436
Tier 1 capital		2 587 644	2 522 712	2 587 806
Leverage ratio % ¹⁾		6.8 %	6.2 %	6.7 %
Leverage Ratio requirements				
Minimum requirements	3.0%	1 138 418	1 224 600	1 154 533
Buffer requirements credit institutions	0.0%	0	0	0
Total minimum and buffer requirements (Tier 1 capital)	3.0%	1 138 418	1 224 600	1 154 533
<i>Available Tier 1 capital after minimum and buffer requirements</i>		<i>1 449 226</i>	<i>1 298 112</i>	<i>1 433 273</i>

¹⁾ Including 0 per cent of the profit for the first quarter 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				
31.03.23				
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)	3 975 372	0	0	3 975 372
Transfers between stages	0	0	0	0
Opening balance gross carrying amount (after transfers)	3 975 372	0	0	3 975 372
Net new financial assets originated or derecognised	1 312 549	0	0	1 312 549
Changes in interest accrual	0	0	0	0
Closing balance gross carrying amount	5 287 921	0	0	5 287 921
Maturity:				
In NOK thousands				
Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	5 287 921	0	0	5 287 921
Total	5 287 921	0	0	5 287 921
Gross carrying amount - Loans to customers				
31.03.23				
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)	31 185 891	1 586 299	112 495	32 884 685
Transfers to Stage 1 (12-months ECL)	129 784	-129 784	0	0
Transfers to Stage 2 (Lifetime ECL - not impaired)	-392 874	394 277	-1 403	0
Transfers to Stage 3 (Lifetime ECL - impaired)	-2 333	-24 651	26 984	0
Net new financial assets originated or derecognised	-2 457 518	-153 069	-13 603	-2 624 190
Changes in interest accrual	-440	338	145	43
Other movements	0	0	0	0
Closing balance gross carrying amount 31.03.23	28 462 510	1 673 410	124 618	30 260 538
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
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	2 974 462	0	0	2 974 462
Changes in interest accrual	0	0	0	0
Closing balance gross carrying amount	3 975 372	0	0	3 975 372

Maturity:

In NOK thousands

Loans with agreed maturity	0	0	0	0
Loans without agreed maturity	3 975 372	0	0	3 975 372
Total	3 975 372	0	0	3 975 372

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
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)	203 565	-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
Closing balance gross carrying amount 31.12.22	31 185 891	1 586 299	112 495	32 884 685

Note 6 – Loans to customers by geographical area

Lending by geographical area

In NOK thousand	31.03.23		31.12.22	
	Percentage	Gross lending	Percentage	Gross lending
Eastern Norway ex. Oslo	45.5%	13 771 115	45.6%	14 983 609
Oslo	19.7%	5 960 745	19.4%	6 392 359
Southern Norway	2.0%	596 533	2.1%	675 418
Western Norway	20.8%	6 291 395	20.9%	6 866 792
Central Norway	4.9%	1 487 180	5.0%	1 635 005
Northern Norway	7.1%	2 153 570	7.1%	2 331 502
Total gross lending by geographical area	100.0%	30 260 538	100.0%	32 884 685

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

In NOK thousand	31.03.23		31.12.22	
Debt related to securities issued, nominal value	30 305 000		31 255 000	
Debt related to securities issued, carried value	30 290 147		31 771 486	
Loans to customers (gross) ¹	30 196 097		32 823 160	
Average size of loan per customer	1 966		2 000	
Number of loans	15 358		16 414	
Weighted average since issuing of the loans (months)	63		59	
Weighted average remaining maturity (months)	260		263	
Average LTV (percent)	50.8		52.1	
Cover pool	31.03.23		31.12.22	
Loans secured with mortgages	30 196 097		32 823 160	
Not eligible for the over-collateralisation calculation	-239 368		-247 342	
Net loans that are in the over-collateralisation	29 956 729		32 575 818	
Supplementary assets	4 481 673		3 611 899	
Total cover pool for the over-collateralisation calculation	34 438 402		36 187 717	
	Nominal value	Carried value	Nominal value	Carried value
Over-collateralisation (percent)	13.6	13.0	15.8	13.9
Amount surpassing legal minimum requirements and requirements as indicated by rating agency	3 527 302	3 542 452	4 307 617	3 780 801

¹Excluding accrued interest.

Note 8 – Loan losses

Expected credit loss (ECL)				
January - March 2023				
In NOK thousand	Stage 1, 12-months ECL	Stage 2, Lifetime ECL (not impaired)	Stage 3, Lifetime ECL (impaired)	Total
Opening balance ECL 01.01.23	374	816	4 404	5 594
<i>Changes in PDs/LGDs/EADs on existing portfolio:</i>				
Transfers to Stage 1	5	-71	0	-66
Transfers to Stage 2	-26	212	-10	176
Transfers to Stage 3	0	-16	165	149
Changes in PDs/LGDs/EADs on existing portfolio, with no transfers	21	25	909	955
<i>Other changes:</i>				
New financial assets originated	0	0	0	0
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
Closing balance ECL 31.03.23	287	876	4 373	5 536

Specification of loan losses

In NOK thousands	Q1 23	Q1 22	2022
Changes in ECL, stage 1	87	-16	-175
Changes in ECL, stage 2	-60	51	-374
Changes in ECL, stage 3	31	786	152
Write-offs	0	0	0
Recoveries of previously written off loans	0	0	0
Net cost of loan losses in the period	58	821	-397

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
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	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
Closing balance ECL 31.12.22	374	816	4 404	5 594

Note 9 – Issued debt

Carried at amortised cost:

In NOK thousand	Currency	31.03.23	31.12.22
Bonds issued	NOK	31 290 147	31 771 486
Subordinated loan	NOK	325 000	325 000
Total debt securities issued		31 615 147	32 096 486

Specification of covered bonds as at 31.03.23:

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	7 096 901
NO0012483835	Sbanken Boligkreditt AS	8 500 000	NOK	Floating	29.03.27	8 486 152
XS1813051858	Sbanken Boligkreditt AS	500 000	EURO	Fixed	26.04.23	5 707 094
Total covered bonds						31 290 147

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:

	31.12.22	January - March 2023				31.03.23
		Issued	Matured	Redeemed	Other adjustments	
Covered bonds (nominal)	31 255 000	2 000 000	0	-2 950 000	0	30 305 000
Subordinated loan	325 000	0	0	0	0	325 000
Total	31 580 000	2 000 000	0	-2 950 000	0	30 630 000

Note 10 – Net interest income

Net interest income			
In NOK thousand	Q1 23	Q1 22	2022
Loans to and receivables from credit institutions	668	658	2 941
Loans to customers	304 444	170 594	847 197
Commercial paper and bonds	15 127	2 126	17 859
Total interest income	320 239	173 378	867 997
Loans and deposits from credit institutions	-22 489	-19 203	-87 799
Debt securities issued	-279 823	-98 164	-653 913
Subordinated loan	-3 661	-1 689	-9 443
Other interest expense	-1 888	-990	-7 261
Total interest expense	-307 861	-120 046	-758 415
Net interest income	12 378	53 332	109 582

All interest income from customers is related to residential mortgages.

Note 11 – Net gain (loss) on financial instruments

In NOK thousand	Q1 23	Q1 22	2022
1) Financial instruments at fair value through profit and loss:			
Gain/(loss) on derivatives (used in hedge accounting)	1 609	-2 762	-2 683
Total gain/(loss) on financial instruments at fair value through profit and loss	1 609	-2 762	-2 683
2) Financial instruments at amortised cost:			
Gain (loss) by repurchase of own bonds at amortised cost	0	-5 341	-9 998
Total gain (loss) on financial instruments at amortised cost	0	-5 341	-9 998
3) Currency items:			
Gain (loss) on currency items	6	0	-24
Total gain (loss) on currency items	6	0	-24
4) Realisation of financial instruments at fair value through other comprehensive income			
Gain/(loss) by realisation of financial instruments:	0	-255	6 262
Total gain/(loss) by realisation of financial instruments at fair value through other comprehensive income	0	-255	6 262
Total gain (loss) on financial instruments recognised through profit and loss	1 615	-8 358	-6 443

Note 12 – Administrative expenses

Other administrative expenses

In NOK thousand	Q1 23	Q1 22	2022
Consultants and other external services	-2 493	-2 582	-10 014
Other operating expenses	0	0	-136
Total other administrative expenses	-2 493	-2 582	-10 150

Personnel expenses

In NOK thousand	Q1 23	Q1 22	2022
Board remuneration	-31	-83	-192
Payroll tax	-4	-20	-27
Total personnel expenses	-35	-103	-219

Note 13 – Fair value of financial instruments

In NOK thousand	31.03.23		31.12.22	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Loans to and receivables from credit institutions (ac)	5 287 921	5 287 921	3 975 372	3 975 372
Loans to customers (ac)	30 254 821	30 254 821	32 879 091	32 879 091
Commercial paper and bonds at fair value through OCI	2 255 353	2 255 353	1 496 918	1 496 918
Derivatives (used in hedge accounting)	881 329	881 329	408 670	408 670
Other assets (ac)	5 664	5 664	2 052	2 052
Total assets financial instruments	38 685 088	38 685 088	38 762 104	38 762 104
Liabilities				
Loans and deposits from credit institutions (ac)	4 413 509	4 413 509	3 973 326	3 973 326
Debt securities issued (ac)	31 290 147	31 290 147	31 771 486	31 746 910
Other liabilities (ac)	58 620	58 620	82 472	82 472
Subordinated loan (ac)	325 000	317 645	325 000	318 777
Total liabilities financial instruments	36 087 276	36 079 921	36 152 284	36 121 485

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

31.03.2023

	Level 1	Level 2	Level 3	Total
Derivatives (used in hedge accounting)	0	881 329	0	881 329
Commercial paper and bonds at fair value through OCI	0	2 255 353	0	2 255 353
Total	0	3 136 682	0	3 136 682
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 2023	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 March 2023	0

There were no transfers of financial instruments between Level 1 and Level 2 in the period January to March 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
Total	0	1 905 588	0	1 905 588
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 31 December 2022	0

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 Sbanken ASA

In NOK thousand	31.03.23	31.03.2022	31.12.22
Liability related to overdraft facility to Sbanken ASA	3 606 183	3 862 419	3 610 008
Receivables related to deposits in Sbanken ASA	4 481 521	2 143 556	3 975 216
Sbanken ASAs ownership of covered bonds issued by Sbanken Boligkreditt AS	18 568	10 417 429	1 695 634
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	01.01.23 - 31.03.23	01.01.22 - 31.03.22	01.01.22 - 31.12.22
Purchase of services in line with service agreement	1 973	2 200	8 496
Interest expense on overdraft facility	22 489	19 203	87 799
Interest income on deposits	668	338	2 880
Interest on covered bonds issued by Sbanken Boligkreditt AS	3 634	27 440	124 825
Interest on subordinated loan issued by Sbanken Boligkreditt AS	3 661	1 689	9 443
Share of result related to Sbanken ASAs ownership of additional Tier 1 capital in Sbanken Boligkreditt AS	3 515	2 120	10 476

Note 15 – Subsequent events

There have not been any significant events subsequent to 31.03.23 that affect the financial statements for Q1 2023.

Sbanken

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

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