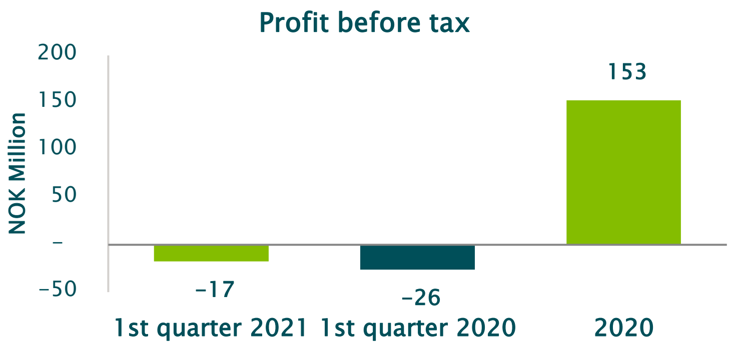
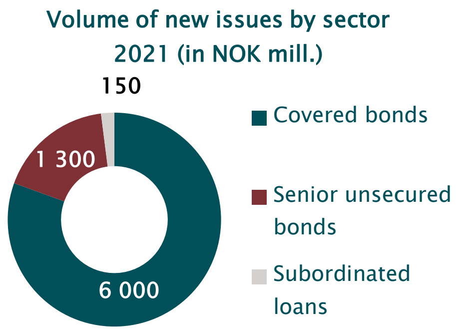
Eika Boligkreditt AS

Interim report for the first quarter 2021

Unaudited

Highlights





First quarter 2021

- Pre-tax loss of NOK 17.5 million (2020: loss of NOK 26.1 million)
- Comprehensive loss (taking account of fair value changes to basis swaps) of NOK 71.4 million (2020: income of NOK 14.8 million)
- Financing of owner banks up by 0.2 per cent, corresponding to an annualised growth of 0.9 per cent
- Commissions to owner banks of NOK 192.9 million (2020: NOK 149.8 million)
- NOK 7.5 billion in bonds issued (2020: NOK 5.5 billion)

No full or limited external auditing of the figures for the quarter has been undertaken.

INTERIM REPORT FOR THE FIRST QUARTER 2021

Introduction

Eika Boligkreditt's main purpose is to ensure access for the local banks in the Eika Alliance (the owner banks) to long-term and competitive funding by issuing covered bonds. An important part of the company's business concept is to increase the competitiveness of the owner banks by improving their access to external funding in the Norwegian and international financial markets with regard to the tenor of loans, their terms and the depth of access. The object of the company's business is to reduce risk for the owner banks. At 31 March 2021, the owner banks had NOK 89.5 billion in total financing with Eika Boligkreditt and had thereby reduced the need for their own market and deposit financing by a corresponding amount.

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

Profit and loss account for the first quarter

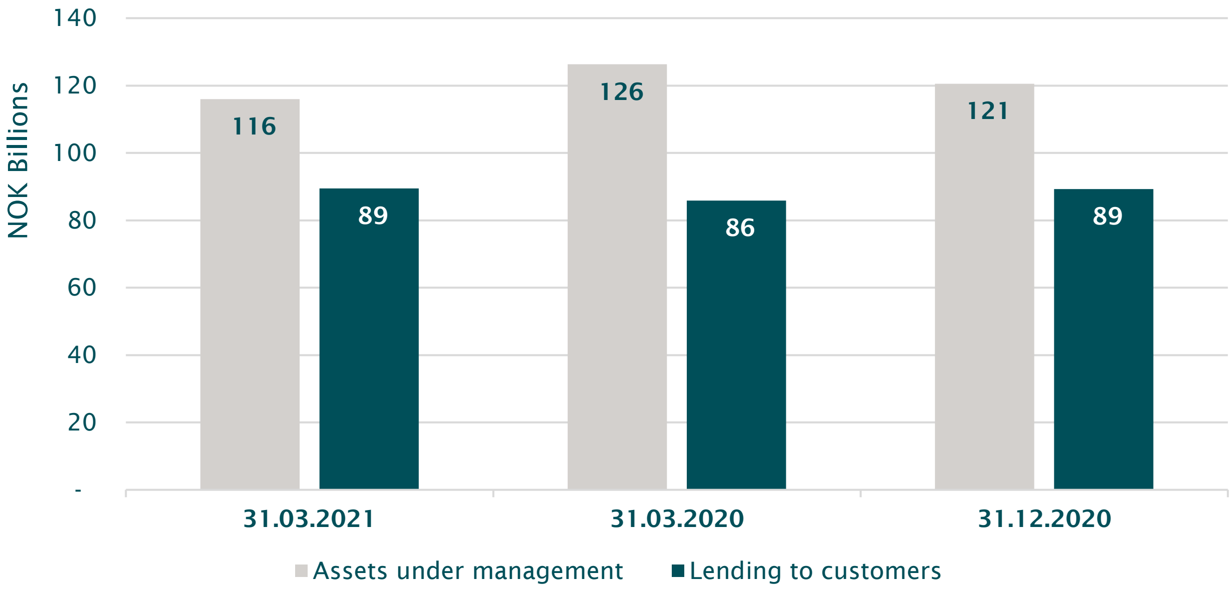
Amount in NOK thousand	1st quarter 2021	1st quarter 2020	2020
Total interest income	457 540	738 179	2 229 871
Net interest income	199 930	202 894	811 949
Commission costs	187 022	143 789	646 521
Total gain and losses on financial instruments at fair value	(16 271)	(70 846)	43 046
Profit before tax	**(17 461)**	**(26 088)**	**152 644**
Comprehensive income (taking account of fair value changes in basis swaps)	**(71 383)**	**14 746**	**203 959**

A reduction in interest income during the first quarter compared with the same period of 2020 primarily reflected a downward adjustment by the company in interest rates on residential mortgages to accord with the fall in interbank rates. Net interest income in the first quarter was down by 1.5 per cent from the same period of last year because interbank rates had a bigger effect on borrowing than on lending. In addition, net interest income was affected by expensing NOK 5.7 million in contribution to the Norwegian Banks Guarantee Fund's resolution fund, which has been recognised as an interest charge. Total commissions (portfolio and establishment commissions) to the owner banks rose to NOK 192.9 million in the first quarter, an increase of 28.8 per cent from the same period of 2020. This reflected higher margins on residential mortgages in addition to the growth in lending volume. Changes to the fair value of financial instruments recognised in profit and loss were negative at NOK 16.3 million, an increase of NOK 54.6 million from the same period of 2020. The first-quarter change primarily reflected fair value changes following fluctuations in the level of interest rates. The pre-tax loss for the first quarter was NOK 17.5 million, an improvement of NOK 8.6 million from the same period of 2020.

Interest on tier 1 perpetual bonds of NOK 5.7 million in the first quarter is not presented as an interest expense in the income statement, but as a reduction in equity.

Comprehensive income for the first quarter includes a negative change of NOK 87.5 million in the value of basis swaps (2020: positive at NOK 66.6 million). Over the term of the derivatives, the effect of such value changes will be zero. The accounting effects will thereby reverse until the derivatives mature. This means that changes in the value of basis swaps only have accrual effects with regard to unrealised gains and losses in the financial statements, but no realised gains or losses over the term of the derivative unless Eika Boligkreditt realises the derivative early.

Balance sheet and liquidity



Assets under management by Eika Boligkreditt amounted to NOK 115.9 billion at 31 March 2021, down by NOK 4.6 billion from 31 December 2020. This decline primarily reflects changes in foreign currency, interest rates and cash collateral received. The krone exchange rate against the euro strengthened during the first quarter and interest rates rose. That resulted in a reduction in carrying amounts on both sides of the balance sheet – the krone value of bonds issued in euros where liabilities are concerned and correspondingly the value of swap agreements to hedge the currency risk for bonds issued in euros on the asset side. The effect is a reduction of just over NOK 3 billion in the balance sheet. In addition, overall cash collateral received under the derivatives was reduced by NOK 2.8 billion. One factor helping to increase the carrying amount was the issue of NOK 7.5 billion in bonds by the company during the first quarter, which was NOK 1.2 billion higher than maturations and early redemptions in the same period.

Financing of the owner banks (residential mortgage lending to customers) totalled NOK 89.5 billion at 31 March, representing a net increase of NOK 0.2 billion in the first quarter and NOK 3.6 billion for the past 12 months. That amounts to a net growth of 4.2 per cent in lending year-on-year. Over the past 12 months, OBOS-banken – now in its fifth year of running down after the distribution agreement was terminated – ran down its financing from Eika Boligkreditt by NOK 0.1 billion. OBOS-banken's residual financing from Eika Boligkreditt at 31 March was NOK 2.4 billion. Adjusted for OBOS-banken, financing from Eika Boligkreditt for the remaining owner banks grew by NOK 3.7 billion over the past 12 months, representing a 4.4 per cent annual growth rate.

The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the new EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy. On the basis of this new standard for assessment, defaults at 31 March 2021 are calculated to total NOK 38 million or 0.04 per cent of gross residential mortgages.

This definition of default will affect the company's calculation of capital adequacy, where mortgages defined as in default have their risk weighting in the calculation base changed from 35 to 100 per cent, assuming that the loan-to-value (LTV) for the defaulting mortgages is below 100 per cent. The risk-weighted calculation base at 31 March 2021 was up by 0.07 per cent and capital adequacy was reduced by an estimated 0.01 percentage points for pure tier 1 capital, tier 1 capital and capital adequacy.

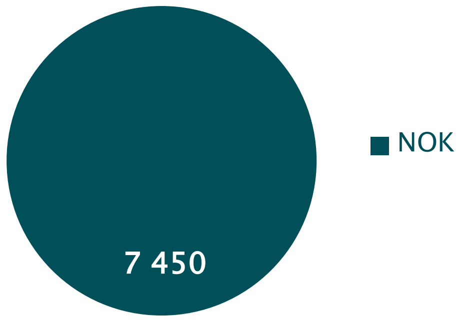
Furthermore, it follows from section 11-4 of the Financial Institutions Act that mortgages regarded as in default will not be taken into account when calculating the carrying amount in the balance sheet. This means that the above-mentioned mortgages must be deducted when calculating overcollateralisation.

Loss in the accounts is calculated on the basis of the loss model pursuant to IFRS 9. Defaults are presented in step 3, where an individual impairment is to be carried out per customer without the use of models. As a result of the low LTV of residential mortgages in the cover pool and the loss guarantees provided by the owner banks to the company, no accounting loss had been recognised at 31 March 2021.

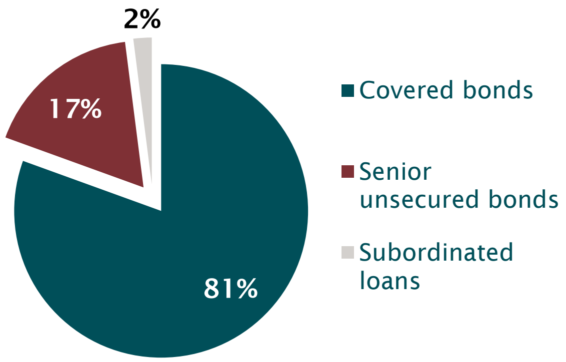
Borrowing

Eika Boligkreditt issued bonds (excluding tier 1 perpetual bonds) with a nominal value of NOK 7.5 billion in the first quarter, compared with NOK 5.5 billion in the same period of 2020. Covered bonds accounted for NOK 6 billion of the issue volume in the first quarter, senior unsecured bonds for NOK 1.3 billion and subordinated loans for NOK 150 million.

Issues by currency (in NOK mill) in 2021



Issues by sector (in %) in 2021



All bond issues in 2021 were denominated in Norwegian kroner. Covered bonds accounted for 80.5 per cent of the issue volume.

The table below shows issues (excluding tier 1 perpetual bonds) in 2021, 2020 and 2019.

New issues (amounts in NOK million)	1st quarter 2021	1st quarter 2020	2020	2019
Covered bonds (issued in EUR)	-	5 200	10 550	5 586
Covered bonds (issued in NOK)	6 000	-	6 000	7 250
Senior unsecured bonds (issued in NOK)	1 300	300	1 300	1 200
Subordinated loans (issued in NOK)	150	-	-	250
Total issued	**7 450**	**5 500**	**17 850**	**14 286**

The average tenor for covered bonds issued in 2021 was 5.1 years. At 31 March, the average tenor for the company's borrowing portfolio was 3.74 years, compared with 3.96 years at 1 January.

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

Carrying value in NOK million	31.03.2021	31.03.2020	31.12.2020	31.12.2019
Covered bonds	99 273	104 070	102 378	90 751
Senior unsecured bonds	5 048	3 734	3 749	3 549
Subordinated loans	724	724	724	889
Total borrowing	**105 046**	**108 529**	**106 851**	**95 189**

Total borrowing by the company at 31 March was NOK 105 billion, down by NOK 1.8 billion from 1 January. This change reflects net bond issues, the effect of a stronger krone exchange rate on bonds issued in euros and higher interest rates for fixed-interest bonds.

Liquidity

At 31 March, the company had a liquidity portfolio of NOK 20.2 billion. That includes cash collateral of NOK 4.1 billion received from counterparties to derivative contracts. Cash collateral received is held as bank deposits, repo agreements and various high-quality securities. In addition to cash collateral, the company has received collateral in the form of high-quality bonds corresponding in value to NOK 0.5 billion. The value of bonds provided as collateral is not recognised in the company's liquidity portfolio or balance sheet.

New developments in the alliance

The board of Eika Boligkreditt resolved on 14 October to give notice of cancelling the distribution agreement with Selbu Sparebank, Nidaros Sparebank, Aasen Sparebank, Sparebank 68° Nord, Tolga Os Sparebank, Drangedal Sparebank, Askim & Spydeberg Sparebank, Sparebanken DIN, Stadsbygd Sparebank and Ørland Sparebank (the Local Bank Alliance). This notice means that the agreement will terminate on 31 December 2021, and is in line with the advance notice given to these banks in February 2020. Once the agreement is terminated, the banks will be unable to increase their financing in Eika Boligkreditt. Financing established at 31 December 2021 will be run down in accordance with a specified plan for each bank.

At 31 March, the members of the Local Bank Alliance had transferred NOK 14.2 billion in residential mortgages to the cover pool. This corresponded to 15.9 per cent of the total residential mortgage volume. A process has now been initiated with the banks to establish a termination agreement. Pursuant to this agreement, the banks will continue to enjoy management of the residential mortgages included in the cover pool during the run-down phase, with the associated right to receive the interest margin on these. In cooperation with the banks, Eika Boligkreditt will work to achieve the best possible termination of the contractual relationship.

Surnadal Sparebank will merge with SpareBank1 Nordvest in May 2021 under the name SpareBank 1 Nordmøre, and will become part of the SpareBank1 Alliance. The merger means that the distribution agreement between the merged bank and Eika Boligkreditt will terminate. At 31 March, Surnadal Sparebank had transferred NOK 1.5 billion in residential mortgages to Eika Boligkreditt. This represented 1.7 per cent of Eika Boligkreditt's overall residential mortgage portfolio. An agreement has been entered into which involves SpareBank 1 Nordmøre buying out the residential mortgage portfolio established by Surnadal Sparebank with Eika Boligkreditt during July-September 2021. The bank will also pay agreed costs when redeeming the financing in Eika Boligkreditt.

The boards of Tysnes Sparebank and Etne Sparebank announced on 26 March 2021 that they were terminating negotiations on a merger. It became clear that completing the technical implementation would be difficult within the deadlines set by the banks. Tysnes Sparebank is a member of the Eika Alliance, while Etne Sparebank is a collaborating bank in DSS (www.dssbank.no).

In December 2020, Eika Gruppen AS signed an agreement with TietoEVRY on the delivery of a new core banking system. This was entered into on behalf of all the banks in the Eika Alliance with the exception of the members of the Local Bank Alliance and Surnadal Sparebank. The existing system comes from Danish software provider SDC. The agreement with TietoEVRY is expected to provide substantial cost savings for the alliance banks in Eika compared with the current arrangement. It runs for five years with extension opportunities. This agreement will strengthen the long-term competitiveness of the alliance banks through substantially enhanced cost efficiency, stronger development capabilities and greater strategic flexibility. The banks will acquire a forward-looking IT platform which meets ever-growing customer expectations for digital solutions and services. The conversion plan is due to be determined during 2021 and will involve the banks converting to the new core banking system in 2022-23.

Risk management and capital adequacy

Eika Boligkreditt had a total primary capital of NOK 6.4 billion at 31 March, virtually unchanged from 1 January.

Capital adequacy is calculated in accordance with the standardised method specified in the capital requirements regulation (CRR).

The basis for calculating the capital adequacy ratio at 31 March amounted to NOK 36.9 billion, down by NOK 0.3 billion from 1 January. This change primarily reflects a reduction in the calculation base related to credit and counterparty risk and the credit value adjustment (CVA) risk related to derivative agreements. The calculation base represents a quantification of the company's credit and counterparty risk, and Eika Boligkreditt's primary capital ratio is calculated as a proportion of this base.

The table below presents developments in the capital adequacy ratio.

Amounts in NOK million	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Risk-weighted assets	36 937	36 421	37 222
Total primary capital (tier 2 capital)	6 393	6 364	6 397
Capital adequacy ratio in per cent	**17.3 %**	**17.5 %**	**17.2 %**

On 13 March 2020, the Ministry of Finance reduced the countercyclical capital buffer from 2.5 to one per cent with immediate effect. Norges Bank takes the view that the Norwegian economy faces the risk of a marked downturn as a result of the coronavirus outbreak. The background for the change included counteracting the adoption of a more stringent lending practice by the banks which could reinforce a downturn.

The company's capital targets are specified as follows:

- core tier 1 capital ratio: 12.0% (13.8% at 31 March 2021)
- tier 1 capital ratio: 13.5% (15.3% at 31 March 2021)
- tier 2 capital ratio: 15.5% (17.3% at 31 March 2021)

These targets are adequate in relation to legal requirements, the company's Pillar II requirement of 0.5 per cent and capital requirements based on Eika Boligkreditt's internal risk assessment (0.5 per cent). As shown above, the applicable buffer requirements were fulfilled at 31 March with a core tier 1 capital adequacy of 13.8 per cent.

Outlook

The company's financing of the owner banks grew by a net NOK 0.2 billion in the first quarter and NOK 3.6 billion for the past 12 months, representing a 12-monthly growth of 4.2 per cent. Adjusted for the agreed run-down in OBOS-banken's financing, the 12-monthly growth was 4.4 per cent. Statistics Norway's credit indicator for March 2021 showed a 12-monthly increase of 4.9 per cent in Norwegian household debt, marginally up from 4.8 per cent 12 months earlier.

According to the latest lending survey from Norges Bank, demand for residential mortgages declined weakly in the first quarter. Demand for fixed-interest mortgages increased marginally, but these still accounted for a small proportion of residential mortgages. The banks expect demand for residential mortgages to remain more or less unchanged. Viewed overall, credit practice and borrowing terms for households remained unchanged in the first quarter. Use of interest-only mortgages by households declined marginally, and some banks report that such terms are back at pre-pandemic levels. The banks also assume no change in credit practice in the time to come. Bank margins on existing residential mortgages declined somewhat in the fourth quarter of 2020, and continued to contract a little in the first quarter. That relates in part to a weak rise in financing costs and virtually unchanged mortgage interest rates. No changes are expected for the future.

According to the house price report from Real Estate Norway, average Norwegian house prices rose by 1.2 per cent in March. Corrected for seasonal variations, the increase was 1.1 per cent. Prices are now up by 12.5 per cent from a year earlier. A sharp rise was seen nationwide with the exception of Oslo, where house prices fell by 1.2 per cent in March. The 12-monthly increase in house prices is now at virtually the same nationally as the 2016 record. Oslo accounted for the strongest development over the past 12 months, with a rise of 15.6 per cent, while Stavanger had the weakest growth with an increase of 7.9 per cent. House prices are expected to show somewhat slower progress in the time to come because much of the effect of lower interest rates should be consumed. Norges Bank warned at its interest-rate meeting in March that rates are likely to rise in the second half of 2021. The number of new homes in the market is also set to increase.

The credit margin for covered bonds with a five-year tenor in Norwegian kroner issued by Eika Boligkreditt contracted during the first quarter by four basis points to a level of 0.20 per cent. Over the past 12 months, the contraction has been no less than 0.46 percentage points after a sharp rise related to the coronavirus pandemic. More than the entire expansion of 0.37 percentage points achieved late in the first quarter of 2020 has been reversed. Credit margins quoted in the eurozone secondary market for similar bonds contracted by three basis point in the first quarter to 0.03 per cent. These margins are also expected to remain low in 2021, with good help from the ECB's bond purchase programme and other long-term ECB loan arrangements for banks in the eurozone.

The coronavirus pandemic has hit the Norwegian and international economies hard, with much of normal economic activity locked down in many countries. Norway is also hit hard, but less than many other countries and less than many forecasters predicted. The mainland Norwegian economy fell by 2.50 per cent in 2020, driven by lower private consumption and reduced exports. Statistics Norway expects a reversal in 2021 with a GDP growth of 3.3 per cent in the mainland economy driven by a reversing of the negative drivers in 2020. The mainland economic upturn appears to be broad-based and activity by 31 December 2021 is expected have returned to the February 2020 level before the virus outbreak. Unemployment in March was 4.2 per cent, representing a 60 per cent reduction from the peak of 10.4 per cent at 31 March 2020, but is still a good deal higher than before the epidemic and marginally higher than before the second round of tightened infection controls in November. Although unemployment is unlikely to fall much over the next few months, Statistics Norway expects to labour market position to improve when economic activity increases after the summer of 2021. Most of those laid off will be able to return to their former jobs. Statistics Norway expects unemployment to be 4.5 per cent in 2021.

Losses on lending by the banks will depend on the scope and duration of the pandemic, and on which countermeasures are adopted by the government. So far, bank losses have been lower than earlier expected. Finance policy has helped to reduce the negative consequences of the pandemic for the Norwegian economy. The total cost of the coronavirus-related economic measures in 2020 totals no less than NOK 131 billion. Coronavirus measures totalling NOK 65.3 billion have been approved or proposed for 2021. With these measures, spending of oil revenues – measured by the structural oil-corrected deficit – was estimated at about NOK 363 billion in 2021. This is almost NOK 50 billion more than was proposed in the central government budget last October. The deficit corresponds to 3.3 per cent of the government pension fund – global.

Spending of oil revenues, measured by the structural oil-corrected deficit as a proportion of the fund, is expected to fall to about three per cent.

All in all, the Eika banks are very well capitalised with a good buffer against their capital requirements. This means they are well placed in terms of capital adequacy to cope with the challenges presented by the coronavirus pandemic.

Despite a more complex macroeconomic position and challenges related to the coronavirus pandemic, investor interest in new covered bond issues in euros and Norwegian kroner is expected to be good in 2021. Eika Boligkreditt therefore expects to be an active issuer in both Norwegian and international financial markets in 2021. Its financing requirement in 2021 is expected to be on a par with or higher than in 2020, which indicates three new covered-bond issues in benchmark format. One of these has already been issued in the first quarter.

Oslo, 12 May 2021

The board of directors of Eika Boligkreditt AS

Dag Olav Løseth
Chair

Rune Iversen

Terje Svendsen

Olav Sem Austmo

Gro Furunes Skårsmoen

Torleif Lilløy

Kjartan M Bremnes
CEO

Statement of comprehensive income

Amounts in NOK 1 000	Notes	1Q 2021	1Q 2020	Året 2020
INTEREST INCOME				
Interest from loans to customers at amortised cost		**397 254**	629 648	1 917 207
Interest from loans to customers at fair value		**34 304**	49 411	161 079
Interest from loans and receivables on credit institutions		**4 271**	7 689	27 951
Interest from bonds, certificates and financial derivatives		**12 289**	41 831	88 140
Other interest income at amortised cost		**8 729**	9 045	33 033
Other interest income at fair value		**693**	556	2 461
Total interest income		**457 540**	738 179	2 229 871
INTEREST EXPENSES				
Interest on debt securities issued		**246 921**	522 476	1 373 221
Interest on subordinated loan capital		**4 401**	7 162	21 009
Contribution to the Norwegian Banks' Guarantee Fund's Resolution Fund		**5 684**	4 927	20 842
Other interest expenses		**604**	720	2 849
Total interest expenses		**257 610**	535 285	1 417 921
Net interest income		**199 930**	202 894	811 949
Commission costs		**187 022**	143 789	646 521
Net interest income after commissions costs		**12 908**	59 105	165 428
Income from shares in associated company		**3 169**	2 984	12 631
Total income from shares	Note 11	**3 169**	2 984	12 631
NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE				
Net gains and losses on bonds and certificates	Note 3	**3 006**	**(6 985)**	(1 303)
Net gains and losses of fair value hedging on debt securities issued	Note 3, 9	**(12 828)**	(49 159)	7 774
Net gains and losses on financial derivatives	Note 3	**118 973**	(205 140)	(150 131)
Net gains and losses on loans at fair value	Note 3	**(125 422)**	190 438	186 706
Total gains and losses on financial instruments at fair value		**(16 271)**	(70 846)	43 046
Other income		-	16	16
SALARIES AND GENERAL ADMINISTRATIVE EXPENSES				
Salaries, fees and other personnel expenses		**8 008**	7 991	31 304
Administrative expenses		**4 626**	5 005	19 310
Total salaries and administrative expenses		**12 634**	12 996	50 613
Depreciation		**744**	1 105	4 135
Other operating expenses		**3 889**	3 246	13 728
Losses on loans and guarantees		-	-	-
PROFIT BEFORE TAXES		**(17 461)**	(26 088)	152 644
Taxes		**(6 579)**	(9 284)	28 790
PROFIT FOR THE PERIOD		**(10 882)**	(16 804)	123 854
Net gains and losses on bonds and certificates	Note 3	**6 872**	(24 492)	8 097
Net gains and losses on basis swaps	Note 3	**(87 540)**	66 559	98 710
Taxes on other comprehensive income		**20 167**	(10 517)	(26 702)
COMPREHENSIVE INCOME FOR THE PERIOD		**(71 383)**	14 746	203 959

The net loss of NOK 71.4 million and NOK 5.7 million in interest paid to the investors in tier 1 perpetual bonds have been covered from other equity.

Balance sheet

Amounts in NOK 1 000	Notes	31 Mar 2021	31.03.2020	31.12.2020
ASSETS				
Lending to and receivables from credit institutions		**1 661 570**	2 182 174	971 759
Lending to customers	Note 4, 9	**89 468 446**	85 846 107	89 268 662
Other financial assets	Note 13	**93 866**	561 346	105 662
Securities				
Bonds and certificates at fair value	Note 5,9	**18 444 550**	21 873 535	19 810 358
Financial derivatives	Note 8,9	**6 130 810**	15 654 051	10 302 016
Shares	Note 10,11	**1 650**	1 650	1 650
Total securities		**24 577 010**	37 529 236	30 114 024
Shares in associated company	Note 11	**60 610**	66 668	57 441
Intangible assets				
Deferred tax assets		**52 610**	77 868	25 864
Intangible assets		**2 817**	4 125	3 270
Total other intangible assets		**55 427**	81 993	29 133
Right-of-use assets	Note 15	16 896	17 639	15 932
TOTAL ASSETS		**115 933 825**	126 285 163	120 562 614
LIABILITIES AND EQUITY				
Loans from credit institutions	Note 14	**4 063 782**	11 181 874	6 881 420
Financial derivatives	Note 8,9	**551 112**	193 167	164 377
Debt securities issued	Note 6	**104 321 441**	107 804 516	106 127 106
Other liabilities		**476 328**	575 166	792 002
Pension liabilities		**5 974**	5 021	5 974
Lease obligations	Note 15	**16 917**	17 700	16 267
Subordinated loan capital	Note 7	**724 124**	724 125	724 343
TOTAL LIABILITIES		**110 159 677**	120 501 567	114 711 488
Called-up and fully paid capital				
Share capital		**1 225 497**	1 225 497	1 225 497
Share premium		**3 384 886**	3 384 886	3 384 886
Other paid-in equity		**477 728**	477 728	477 728
Total called-up and fully paid capital	Note 12	**5 088 111**	5 088 111	5 088 111
Retained earnings				
Fund for unrealised gains		**27 588**	9 596	27 588
Fund for valuation differences		**13 911**	20 155	13 911
Other equity		**70 226**	91 742	147 283
Total retained equity	Note 12	**111 725**	121 493	188 782
Hybrid capital				
Tier 1 capital		**574 311**	573 992	574 232
Total hybrid capital		**574 311**	573 992	574 232
TOTAL EQUITY		**5 774 147**	5 783 596	5 851 125
TOTAL LIABILITIES AND EQUITY		**115 933 825**	126 285 163	120 562 614

Statement of changes in equity

Amounts in NOK 1 000	Share capital [1]	Share premium [1]	Other paid in equity [2]	Fund for unrealised gains [3]	Fund for valuation differences [4]	Retained earnings: other equity [5]	Tier 1 perpetual bonds [6]	Total equity
Balance sheet as at 31 December 2019	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**20 155**	**84 736**	**573 912**	**5 776 510**
Result for the period	-	-	-	-	-	7 006	7 740	14 746
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(7 660)	(7 660)
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 March 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**20 155**	**91 742**	**573 992**	**5 783 596**
Result for the period	-	-	-	-	-	125 435	6 680	122 240
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(6 600)	(6 600)
Disbursed dividends for 2018	-	-	-	-	-	(103 873)	-	(103 873)
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 June 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**10 280**	**113 304**	**574 071**	**5 795 362**
Result for the period	-	-	-	-	-	29 534	5 699	35 233
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 618)	(5 618)
Disbursed dividends for 2018	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 September 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**10 280**	**142 838**	**574 151**	**5 824 976**
Result for the period	-	-	-	17 992	3 631	4 445	5 671	31 739
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 590)	(5 590)
Disbursed dividends for 2018	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 December 2020	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**13 911**	**147 283**	**574 232**	**5 851 125**
Result for the period	-	-	-	-	-	(77 057)	5 674	(71 384)
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 595)	(5 595)
Disbursed dividends for 2018	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 March 2021	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**13 911**	**70 226**	**574 311**	**5 774 147**

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

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

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

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

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

[5]Other equity comprises earned and retained profits.

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

- Tier 1 perpetual bond, issued NOK 100 million in 2017, with interest terms of three months Nibor plus 3.25 per cent. The loan provides for a call at 16 June 2022, and quarterly thereafter on each date interest payment falls due.
- Tier 1 perpetual bond, issued NOK 200 million in 2018, with interest terms of three months Nibor plus 3.15 per cent. The loan provides for a call at 2 February 2023, and quarterly thereafter on each date interest payment falls due.
- Tier 1 perpetual bond, issued NOK 275 million in 2018, with interest terms of three months Nibor plus 3.75 per cent. The loan provides for a call at 30 October 2023, and quarterly thereafter on each date interest payment falls due.

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

Statement of cash flows

Amounts in NOK 1 000	Q1	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	(71 384)	203 959
Taxes	(26 746)	55 492
Income taxes paid	(1 744)	(62 232)
Ordinary depreciation	452	1 751
Non-cash pension costs	-	953
Change in loans to customers	(199 784)	(4 550 118)
Change in bonds and certificates	1 365 808	(6 447 412)
Change in financial derivatives and debt securities issued	(98 522)	(370 503)
Interest expenses	257 610	1 417 921
Paid interest	(559 052)	(1 474 426)
interest income	(448 118)	(2 194 376)
received interests	457 291	2 231 328
Changes in other assets	2 623	(519)
Changes in short-term liabilities and accruals	373 932	162 407
Net cash flow relating to operating activities	**1 052 370**	(11 025 774)
INVESTING ACTIVITIES		
Payments related to acquisition of fixed assets	-	(468)
Share of profit/loss in associated companies	(3 169)	(12 631)
Payments from shares in associated companies	-	18 875
Net cash flow relating to investing activities	**(3 169)**	5 776
FINANCING ACTIVITIES		
Gross receipts from issuance of bonds and commercial paper	7 540 523	18 138 395
Gross payments of bonds and commercial paper	(5 076 460)	(9 764 618)
Gross receipts on issue of subordinated loan capital	-	-
Gross payments of subordinated loan capital	(219)	(164 707)
Gross receipts from issue of loan from credit institution	(2 817 638)	2 943 722
Gross payments from loan from credit institution	-	-
Gross receipts from issuing tier 1 perpetual bonds	-	-
Gross payments from issuing tier 1 perpetual bonds	-	-
Interest to the hybrid capital investors	(5 595)	(25 469)
Payments of dividend	-	(103 873)
Paid-up new share capital	-	-
Net cash flow from financing activities	**(359 389)**	11 023 450
Net changes in lending to and receivables from credit institutions	689 811	3 452
Lending to and receivables from credit institutions at 1 January	971 759	968 307
Lending to and receivables from credit institutions at end of period	**1 661 570**	971 759

Notes

Note 1 – Accounting policies

General

Eika Boligkreditt will prepare financial statements for 2021 in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). Financial assets and liabilities are measured at amortised cost, at fair value through profit or loss or at fair value through other comprehensive income. Note 1 to the annual financial statements for 2020 provides more details about accounting principles pursuant to the IFRS.

The financial statements for the first quarter of 2021 have been prepared in accordance with IAS 34 Interim financial reporting.

Note 2 – Use of estimates and discretion

In the application of the accounting policies described in note 1 to the annual financial statements for 2020, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities which are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

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

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

Lending, non-performing/doubtful loans and writedowns

Pursuant to IFRS 9, provisions for losses will be recognised on the basis of expected credit losses in the light of relevant information available at the reporting date. The combination of the low loan-to-value ratio for the residential mortgage portfolio and the credit guarantees provided by the owner banks means that the company does not expect significant effects on EBK's profit or equity. See note 4 and 4.2.2 to the annual financial statements for 2020 for further information.

No loans were written down at 31 March 2021.

Fair value of financial instruments

The company applies various measurement methods to determine the fair value of financial instruments which are not traded in an active market. The chosen measurement methods are based on market conditions at the end of the reporting period. This means that, if observable market data are unavailable, the company will make assumptions and apply discretion as to what the market will base its evaluation of corresponding financial instruments on. More information about the financial instruments can be found in notes 4, 5, 9, 10 and 11.

Note 3 – Net gain and loss on financial instruments at fair value

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

Amounts in NOK 1 000	1st quarter 2021	1st quarter 2020	2020
Net gains and losses on bonds and certificates including currency effects [1]	3 006	(6 985)	(1 303)
Net gains and losses on loans at fair value	(125 422)	190 438	186 706
Net gains and losses on financial debts, hedged [2]	4 357 268	(9 472 655)	(3 551 932)
Net gains and losses on interest swaps related to lending	118 973	(205 140)	(150 131)
Net gains and losses on interest and currency swaps related to liabilities [2]	(4 370 096)	9 423 496	3 559 706
Net gains and losses on financial instruments at fair value	**(16 271)**	**(70 846)**	**43 046**

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

[2] The company utilises hedge accounting for long-term borrowing in foreign currency, where the cash flows are matched 1:1 through derivative contracts versus the corresponding hedging object.

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

Amounts in NOK 1 000	1st quarter 2021	1st quarter 2020	2020
Net gains and losses on bonds and certificates	4 158	(19 486)	19 105
Net gains and losses on interest-rate swaps related to bonds and certificates	2 714	(5 006)	(11 008)
Net gains and losses on basis swaps [3]	(87 540)	66 559	98 710
Net gains and losses on financial instruments at fair value	**(80 668)**	**42 067**	**106 806**

[3] Comprehensive profit for the in 2021 includes positive changes of NOK 87.5 million in the value of basis swaps.

Basis swaps are derivative contracts entered into in connection with long-term borrowing in foreign currency, whereby the foreign currency is converted to Norwegian kroner. These are hedging instruments, and the effect is zero over the term of the instrument. This means that changes in margins only have an accrual effect with regard to unrealised gains and losses in the financial statements, but no realised gains or losses over the term of the derivative unless Eika Boligkreditt realises the derivative early.

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

Note 4 – Lending to customers

Amounts in NOK 1 000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Installment loans - retail market	84 271 073	80 213 242	83 910 819
Installment loans - housing cooperatives	5 165 751	5 457 951	5 198 781
Adjustment fair value lending to customers[1]	31 622	174 913	159 063
Total lending before specific and general provisions for losses	**89 468 446**	**85 846 107**	**89 268 662**
Impairments on lending to customers	-	-	-
Total lending to and receivables from customers	**89 468 446**	**85 846 107**	**89 268 662**

[1]The table below shows fair value lending to customers.

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

Provision for losses

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

The retail market is less exposed to losses on lending than other sectors. Eika Boligkreditt's lending is confined to residential mortgages with a generally low loan-to-value ratio, and it is therefore less exposed to loss. Social security provision in Norway, including specific measures introduced in connection with the coronavirus position, also helps to reduce the risk of loss in the conditions now affecting society. Nevertheless, a risk of increased losses exists in the retail market because of the long-term consequences of the epidemic. Given the credit guarantees provided by the owner banks in combination with the LTV ratio for the mortgage portfolio, Eika Boligkreditt's profits or equity are not expected to be significantly affected despite the increased risk.

The company had no engagements in default at 31 March 2021 where instalments due remained unpaid beyond 90 days. The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the new EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy.

Loss in the accounts is calculated on the basis of the loss model pursuant to IFRS 9. Defaults are presented in step 3, where an individual impairment is to be carried out per customer without the use of models. The company has calculated that expected loss on residential mortgages will amount to NOK 3 000 at 31 March 2021, compared with NOK 11 000 at 31 December 2020. This assessment rests on new assumptions about the development of house prices in the time to come. As a result of credit guarantees of NOK 918 million from the owner banks at 31 March 2021, this will involve no accounting loss for the company in the first quarter of 2021. Furthermore, a supplementary impairment charge based on a general adjustment factor for outstanding exposure is assessed to have no effect on the accounting provision for losses.

See note 4.2.2 to the annual financial statements for 2020 for further information.

31 Mar 2021

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	80 961 226	80 961 226
Fixed rate loans	8 475 597	8 507 220
Toal lending	**89 436 824**	**89 468 446**

31 Mar 2020

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	79 138 850	79 138 850
Fixed rate loans	6 532 344	6 707 257
Toal lending	**85 671 194**	**85 846 107**

31 Dec 2020

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	80 812 260	80 812 260
Fixed rate loans	8 297 340	8 456 402
Toal lending	**89 109 600**	**89 268 662**

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

Note 5 – Bonds and certificates at fair value

31 March 2021

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	7 393 625	7 402 955	7 447 791
Credit institutions	7 876 000	7 913 583	7 925 211
Government bonds	3 308 278	3 324 992	3 071 547
Total bonds and certificates at fair value	**18 577 902**	**18 641 530**	**18 444 550**
Fair value changes recognised over profit and loss and other comprehensive income [1]			**(196 980)**

Average effective interest rate is 0.64 per cent annualised. The calculation is based on a weighted fair value of NOK 17.7 billion. The calculation takes account of a return of NOK 27.9 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

31 March 2020

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	7 073 913	7 099 927	7 520 438
Credit institutions	6 823 000	6 860 265	6 843 454
Government bonds	7 283 762	7 295 444	7 509 643
Total bonds and certificates at fair value	**21 180 675**	**21 255 635**	**21 873 535**
Fair value changes recognised over profit and loss and other comprehensive income [1]			**617 900**

Average effective interest rate is 1.30 per cent annualised. The calculation is based on a weighted fair value of NOK 9.9 billion. The calculation takes account of a return of NOK 32 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

31 December 2020

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair value
Municipalities	6 945 270	6 957 799	7 107 131
Credit institutions	7 394 000	7 432 334	7 438 909
Government bonds	5 491 984	5 507 858	5 264 319
Total bonds and certificates at fair value	**19 831 253**	**19 897 991**	**19 810 358**
Fair value changes recognised over profit and loss and other comprehensive income [1]			**(87 633)**

Average effective interest rate is 0.93 per cent annualised. The calculation is based on a weighted fair value of NOK 13.9 billion. The calculation takes account of a return of NOK 129.5 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

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

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Average term to maturity	**1.1**	**1.1**	**1.4**
Average duration	**0.2**	**0.2**	**0.2**

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

Note 6 – Debt securities issued

Covered bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Mar 2021	31 Mar 2020	31 Dec 2020
NO0010605587	1 000 000	NOK	Fixed	5.20 %	2011	2021	566 000	1 000 000	566 000
NO0010625346	1 500 000	NOK	Fixed	4.60 %	2011	2026	1 500 505	1 500 597	1 500 528
NO0010669922	1 000 000	NOK	Fixed	4.00 %	2013	2028	997 920	997 614	997 843
NO0010685480	5 125 000	NOK	Floating	3M Nibor + 0.54 %	2013	2020	-	5 129 051	-
NO0010685704	550 000	NOK	Fixed	3.50 %	2013	2020	-	550 318	-
NO0010687023	150 000	NOK	Fixed	4.10 %	2013	2028	150 000	150 000	150 000
NO0010732258	8 000 000	NOK	Floating	3M Nibor + 0.28%	2015	2022	7 104 049	7 980 257	7 988 242
NO0010733694	2 000 000	NOK	Fixed	1.75 %	2015	2021	741 384	1 148 069	741 076
NO0010763022	850 000	NOK	Fixed	2.25 %	2016	2031	844 566	844 025	844 430
NO0010775190	-	NOK	Floating	3M Nibor + 0.40 %	2016	2020	-	706 000	-
NO0010780687	700 000	NOK	Fixed	2.60 %	2016	2027	699 589	699 522	699 572
NO0010794308	5 000 000	NOK	Floating	3M Nibor + 0.43 %	2017	2022	5 003 771	5 006 460	5 004 434
NO0010815376	1 600 000	NOK	Fixed	2.67 %	2018	2033	1 590 152	1 589 321	1 589 944
NO0010821192	8 050 000	NOK	Floating	3M Nibor + 0.34 %	2018	2023	8 046 874	8 045 560	8 046 550
NO0010863178	7 250 000	NOK	Floating	3M Nibor + 0.25 %	2019	2024	7 245 058	7 243 624	7 244 704
NO0010881162	6 000 000	NOK	Floating	3M Nibor + 0.41%	2020	2025	5 998 005	-	5 997 886
NO0010921067	6 000 000	NOK	Floating	3MNibor+0.75%	2021	2026	6 165 586	-	-
XS0881369770	1 000 000	EUR	Fixed	2.125 %	2013	2023	10 005 863	11 522 509	10 454 132
XS1044766191	500 000	EUR	Fixed	1.50 %	2014	2021	-	5 766 187	5 233 823
XS1312011684	500 000	EUR	Fixed	0.625 %	2015	2021	5 006 640	5 763 586	5 230 507
XS1397054245	500 000	EUR	Fixed	0.375 %	2016	2023	4 996 332	5 750 401	5 219 444
XS1566992415	500 000	EUR	Fixed	0.375 %	2017	2024	4 995 166	5 750 755	5 218 604
XS1725524471	500 000	EUR	Fixed	0.375 %	2017	2025	4 990 224	5 745 141	5 213 458
XS1869468808	500 000	EUR	Fixed	0.50 %	2018	2025	4 987 890	5 742 497	5 211 030
XS1945130620	500 000	EUR	Fixed	0.875 %	2019	2029	4 971 979	5 724 322	5 194 438
XS1969637740	10 000	EUR	Fixed	1.245 %	2019	2039	100 195	115 468	104 703
XS1997131591	60 000	EUR	Fixed	1.112 %	2019	2039	601 072	692 689	628 114
XS2085864911	5 000	EUR	Fixed	0.56 %	2019	2039	50 036	57 659	52 286
XS2133386685	500 000	EUR	Fixed	0.01 %	2020	2027	5 072 343	5 857 662	5 303 271
XS2234711294	500 000	EUR	Fixed	0.01 %	2020	2028	5 094 833	-	5 327 202
Value adjustments							1 747 003	2 991 056	2 616 270
Total covered bonds[1]							**99 273 034**	**104 070 350**	**102 378 491**

[1] For covered bonds ascribed to the company's cover pool, an overcollateralisation requirement of five per cent applies in accordance with the company's borrowing programme (Euro Medium Term Covered Note Programme). An overcollateralization of five per cent is also necessary to maintain the Aaa rating from Moody's Investor Service.

Senior unsecured bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Mar 2021	31 Mar 2020	31 Dec 2020
NO0010739287	-	NOK	Floating	3M Nibor + 0.70%	2015	2020	-	484 979	-
NO0010776099	500 000	NOK	Floating	3M Nibor +0.92%	2016	2020	-	499 962	-
NO0010782048	500 000	NOK	Floating	3M Nibor +0.95%	2017	2022	500 397	500 904	500 522
NO0010830367	450 000	NOK	Floating	3M Nibor + 0.56 %	2018	2022	449 910	449 845	449 894
NO0010834716	500 000	NOK	Fixed	3.01 %	2018	2025	299 687	299 619	299 670
NO0010841620	300 000	NOK	Fixed	2.87 %	2019	2026	299 732	299 677	299 718
NO0010845936	500 000	NOK	Floating	3M Nibor + 0.78 %	2019	2024	299 871	299 827	299 860
NO0010849433	500 000	NOK	Floating	3M Nibor + 0.74 %	2019	2024	299 767	299 695	299 750
NO0010851975	1 000 000	NOK	Floating	3M Nibor + 0.27 %	2019	2021	299 993	299 933	299 978
NO0010874944	300 000	NOK	Floating	3M Nibor + 0.58 %	2020	2025	299 780	299 723	299 766
NO0010891351	500 000	NOK	Floating	3M Nibor + 0.50 %	2020	2023	499 818	-	499 800
NO0010904642	500 000	NOK	Floating	3M Nibor + 0.65 %	2020	2024	499 676	-	499 654
NO0010918113	300 000	NOK	Floating	3MNibor+0.45%	2021	2024	299 916	-	-
NO0010918170	1 000 000	NOK	Fixed	0.57 %	2021	2021	999 858	-	-
Total senior unsecured bonds							**5 048 407**	**3 734 164**	**3 748 612**

Total debt securities issued	**104 321 441**	**107 804 516**	**106 127 106**

Note 7 – Subordinated loan capital

Subordinated loan capital - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Mar 2021	31 Mar 2020	31 Dec 2020
NO0010759475	150 000	NOK	Floating	3M Nibor + 3.40%[1]	2016	2026	-	149 942	149 988
NO0010814916	325 000	NOK	Floating	3M Nibor + 1.40%[2]	2018	2028	324 761	324 631	324 729
NO0010864333	250 000	NOK	Floating	3M Nibor + 1.55%[3]	2019	2029	249 651	249 551	249 626
NO0010917735	150 000	NOK	Floating	3M Nibor + 1.04%[4]	2021	2026	149 712	-	-
Total subordinated loan capital							**724 124**	**724 125**	**724 343**

[1] Subordinated loan of NOK 150 million maturing on 17 March 2026, with a redemption right (call) on 17 March 2021 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest. The company has decided to exercise the redemption right on 17 March 2021.

[2] Subordinated loan of NOK 325 million maturing on 2 February 2028, with a redemption right (call) on 2 February 2023 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

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

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

Note 8 – Coverpool

For covered bonds ascribed to the company's cover pool, an overcollateralisation requirement of five per cent applies in accordance with the company's borrowing programme (Euro Medium Term Covered Note Programme). An overcollateralization of five per cent is also necessary to maintain the Aaa rating from Moody's Investor Service. Nominal values are used when calculating the five-per-cent overcollateralisation. Pursuant to section 11-7 of the financial institutions regulations, an overcollateralisation of at least two per cent of the value of the covered bonds in the cover pool is required. Calculating the two-per-cent requirement is based on fair value with the exception of the credit spread on covered bonds, and account is also taken of the company's own holding of covered bonds.

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

		Fair value	
Amounts in NOK 1 000	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Lending to customers [2]	89 149 038	85 657 836	88 998 168
Substitute assets and derivatives:			
Financial derivatives without accrued interest (net)	5 428 331	15 343 901	9 663 684
Substitute assets [3]	13 936 508	12 417 264	12 994 572
Total cover pool	**108 513 877**	**113 419 002**	**111 656 424**
The cover pool's overcollateralisation [4]	107.18%	106.17%	107.75%

Covered bonds issued

	31 Mar 2021	**31 Mar 2020**	**31 Dec 2020**
Covered bonds	99 273 034	104 070 352	102 378 493
Premium/discount	(174 056)	110 654	(14 613)
Own holding (Covered bonds) [1]	2 145 000	2 644 000	1 258 000
Total covered bonds	**101 243 978**	**106 825 006**	**103 621 880**

[1]When calculating the two-per-cent requirement, account has been taken of the company's own holding of covered bonds.

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

	Nominal values		
Amounts in NOK 1 000	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Lending to customers [2]	89 117 416	85 482 923	88 839 105
Substitute assets:			
Substitute assets [3]	13 847 174	12 360 943	12 906 286
Total cover pool	**102 964 590**	**97 843 866**	**101 745 391**
The cover pool's overcollateralisation [4]	110.12%	110.71%	109.98%

Covered bonds issued

	31 Mar 2021	**31 Mar 2020**	**31 Dec 2020**
Covered bonds	93 499 550	88 382 050	92 509 050
Total covered bonds	**93 499 550**	**88 382 050**	**92 509 050**

[2] Residential mortgages without legal protection and defaults have been deducted when calculating the carrying amount in the balance sheet.

[3]Substitute assets include lending to and receivables from credit institutions, bond and certificates at fair value and repo agreements.

[4] Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation. At 31 March 2021, liquid assets totalling NOK 2.1 billion in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation. Had this liquidity also been taken into account when valuing the cover pool, overcollateralisation would have been 9.25 per cent at fair value and 12.37 per cent at nominal value.

Note 9 – Derivatives and hedging

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

Assets Amounts in NOK 1 000	31 Mar 2021 Nominal amount	31 Mar 2021 Fair value	31 Dec 2020 Nominal amount	31 Dec 2020 Fair value
Interest rate swap lending[1]	2 910 330	70 096	2 218 560	20 245
Interest rate and currency swap[2]	43 286 550	6 060 665	58 809 050	10 281 259
Interest swap placement	100 195	50	104 703	513
Total financial derivative assets including accrued interest	**46 297 075**	**6 130 810**	**61 132 313**	**10 302 016**

Liabilities Amounts in NOK 1 000	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swap lending[1]	4 960 086	76 392	5 601 862	145 967
Interest rate and currency swap[2]	11 400 000	461 102	-	-
Interest swap placement	2 224 329	13 618	2 586 164	18 410
Total financial derivative liabilities including accrued interest	**18 584 415**	**551 112**	**8 188 026**	**164 377**

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

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

Fair value and cash flow hedging on debt securities issued

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

The company separates out the basis margin related to foreign currency from financial instruments by excluding this from earmarking of the fair-value hedge, and has identified the currency element in the hedging as a cash flow hedge. This means that the fair value changes which arise in basis swaps when utilising currency swap agreements with the company's borrowing in foreign currencies in order to convert the cash flow from euros to Norwegian kroner are recognised as a cash flow hedge. Changes in fair value related to the basis margin will therefore be recognised in other comprehensive income.

Amounts in NOK 1 000	31 Mar 2021 Nominal amount	31 Mar 2021 Value recognised in balance sheet	31 Dec 2020 Nominal amount	31 Dec 2020 Value recognised in balance sheet
Hedging instruments: interest rate and currency swaps[1, 2]	54 686 550	5 461 081	58 809 050	9 834 231
Hedged items: financial commitments incl foreign exchange[2]	54 686 550	(5 617 415)	58 809 050	(9 887 143)
Net capitalised value without accrued interest	**-**	**(156 335)**	**-**	**(52 912)**

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

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

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

Gains/losses on fair value hedging recorded in profit and loss			
Amounts in NOK 1 000	1st quarter 2021	1st quarter 2020	2020
Hedging instruments	(4 370 096)	9 423 496	3 559 706
Hedged items	4 357 268	(9 472 655)	(3 551 932)
Net gains/losses (inefffectiveness) recorded in profit and loss[3]	**(12 828)**	**(49 159)**	**7 774**

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

Note 10 – Fair value hierarchy

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

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

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

Level 3: Financial instruments where the measurement is based on information other than observable market data
Level 3 includes fixed-interest mortgages and shares at fair value over profit and loss. The fair value of the fixed-interest mortgages is their amortised cost adjusted for the present value of the difference between the mortgage's fixed interest rate and the applicable fixed interest rate offered on the balance sheet date. Shares are valued on the basis of discounted cash flows.

31 March 2021			
Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed income)	-	-	8 507 220
Bonds and certificates	1 353 122	17 091 428	-
Financial derivatives	-	6 130 810	-
Shares classified at fair value recognised in profit or loss	-	-	1 650
Total financial assets	**1 353 122**	**23 222 239**	**8 508 870**
Financial liabilities			
Financial derivatives	-	551 112	-
Total financial liabilities	**-**	**551 112**	**-**

No significant transactions between the different levels have taken place in 2021.

31 December 2020

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed income)	-	-	8 456 402
Bonds and certificates at fair value through profit or loss	3 120 948	16 689 410	-
Financial derivatives	-	10 302 016	-
Shares classified as available for sale	-	-	1 650
Total financial assets	**3 120 948**	**26 991 426**	**8 458 052**
Financial liabilities			
Financial derivatives	-	164 377	-
Total financial liabilities	**-**	**164 377**	**-**

No significant transactions between the different levels have taken place in 2020.

Detailed statement of assets classified as level 3 assets

2021 Amounts in NOK 1 000	01 Jan 2021	Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2021	Other comprehensive income	31 Mar 2021
Lending to customers (fixed-rate loans)	8 456 402	539 978	(363 738)	-	(125 422)	-	8 507 220
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	**8 458 052**	**539 978**	**(363 738)**	**-**	**(125 422)**	**-**	**8 508 870**

2020 Amounts in NOK 1 000	01 Jan 2020	Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2020	Other comprehensive income	31 Dec 2020
Lending to customers (fixed-rate loans)	6 317 876	3 107 019	(1 155 199)	-	186 706	-	8 456 402
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	**6 319 526**	**3 107 019**	**(1 155 199)**	**-**	**186 706**	**-**	**8 458 052**

Interest rate sensitivity of assets classified as Level 3 at 31 March 2021
A one-percentage point increase in all interest rates would reduce the value of the company's fixed-rate loans at fair value at by NOK 273 million. The effect of a decrease in interest rates would be an increase of NOK 273 million in the value of fixed-rate loans at fair value. The amounts are calculated by duration, which is the remaining portion of the fixed interest period.

Changes in fair value of fixed-rate loans attributable to a change in credit risk
Since the company's fixed-rate lending at fair value has an unchanged credit spread, no change in fair value is attributable to a change in the credit risk. That applies both for 31 March 2021 and cumulatively.

Detailed statement of changes in debt related to currency changes

2021 Amounts in NOK 1 000	01 Jan 2021	Issued/matured	Currency changes	31 Mar 2021
Change in debt securities issued [1]	58 371 923	(4 122 500)	(3 400 461)	50 848 963
Total	**58 371 923**	**(4 122 500)**	**(3 400 461)**	**50 848 963**

2020 Amounts in NOK 1 000	01 Jan 2020	Issued/matured	Currency changes	31 Dec 2020
Change in debt securities issued 1	45 045 450	10 550 000	2 776 473	58 371 923
Total	**45 045 450**	**10 550 000**	**2 776 473**	**58 371 923**

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

Note 11 – Shares at fair value recognised in profit in loss and shares in associated company

Shares classified at fair value recognised in profit and loss

Amounts in NOK 1 000	Number of shares	Cost price	Book value 31 mar 2021	Owner share
Nordic Credit Rating AS	10 000	2 500	1 650	1.67 %
Total	**10 000**	**2 500**	**1 650**	

Shares in associated company

Assets in associated companies are recognised using the equity method.

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

Amounts in NOK 1 000	2021	2020
Carrying amount at 1 January	57 441	63 685
Addition/disposal	-	-
Revalulation at acquisition cost	-	-
Share of profit/loss	3 169	12 631
Dividend	-	(18 875)
Carrying amount	**60 610**	**57 441**

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

Note 12 – Capital adequacy ratio

Amounts in NOK 1 000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Share capital	1 225 497	1 225 497	1 225 497
Share premium	3 384 886	3 384 886	3 384 886
Other paid-in equity	477 728	477 728	477 728
Other equity [1]	(4 745)	1 016	1 018
Total equity recognised in the balance sheet (without tier 1 perpetual bonds)	**5 083 367**	**5 089 127**	**5 089 130**
Fund for unrealised gains	27 589	9 596	27 589
Fund for valuation differences	13 911	-	13 911
Intangible assets	(2 817)	(4 125)	(3 270)
Deferred tax assets [2]	-	-	-
Prudent valuation adjustments of fair valued positions without accrued interest	(27 265)	(29 039)	(28 500)
Total core tier 1 capital	**5 094 785**	**5 065 559**	**5 098 859**

Core capital adequacy ratio (core tier 1 capital)	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Weighted calculation basis	36 936 715	36 420 740	37 221 959
Core tier 1 capital	5 094 785	5 065 559	5 098 859
Core tier 1 capital ratio	**13.8%**	**13.9%**	**13.7%**

Total core tier 1 capital	5 094 785	5 065 559	5 098 859
Tier 1 perpetual bonds	574 311	573 992	574 232
Total tier 1 capital	**5 669 096**	**5 639 551**	**5 673 091**

Capital adequacy ratio (tier 1 capital)	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Weighted calculation basis	36 936 715	36 420 740	37 221 959
Tier 1 capital	5 669 096	5 639 551	5 673 091
Tier 1 capital ratio	**15.3%**	**15.5%**	**15.2%**

Total tier 1 capital	5 669 096	5 639 551	5 673 091
Subordinated loans	724 124	724 125	724 343
Total primary capital (tier 2 capital)	**6 393 219**	**6 363 676**	**6 397 434**

Capital adequacy ratio (tier 2 capital)	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Weighted calculation basis	36 936 715	36 420 740	37 221 959
Total primary capital (tier 2 capital)	6 393 219	6 363 676	6 397 434
Capital adequacy ratio	**17.3%**	**17.5%**	**17.2%**

Required capital corresponding to eight per cent of calculation basis	2 954 937	2 913 659
Surplus equity and subordinated capital	3 438 282	3 450 016

The capital adequacy ratio is calculated using the standard method in Basel II.

31 March 2021

Calculation basis	**Weighted calculation basis**	**Capital requirement**
Credit risk [3]	34 817 599	2 785 408
Operational risk	326 965	26 157
CVA risk [4]	1 792 151	143 372
Total	**36 936 715**	**2 954 937**

Leverage Ratio	**31 Mar 2021**	**31 Mar 2020**	**31 Dec 2020**
Total Leverage Ratio exposure	118 956 133	129 703 081	123 706 197
Tier 1 capital	5 669 096	5 639 551	5 673 091
Levereage Ratio	**4.8 %**	**4.3 %**	**4.6 %**

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

[1]It follows from the hedge accounting rules pursuant to IFRS 9 that fair value changes related to basis swaps can be recognised as cash-flow hedging. Because the basis margin can be separated out as cash-flow hedging pursuant to IFRS 9, the fair value change related to the basis margin will be neutralised in accordance with section 8 of the regulations concerning the calculation of regulatory capital when calculating core tier 1 capital in the same way as for cash-flow hedging pursuant to IAS 39. Tier 1 capital at 31 March 2021 has thereby not been reduced by fair value changes related to basis swaps of NOK 65.7 million when account is taken of tax effects.

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

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

On the basis of the new standard for assessing defaults, these are estimated to amount to NOK 38 million at 31 March 2021. This definition of default will affect the company's calculation of capital adequacy, where mortgages defined as in default will have their risk weighting in the calculation base changed from 35 to 100 per cent, assuming that the LTV for the mortgages in default is below 100 per cent.

[4]At 31 March 2021, Eika Boligkreditt had taken account of the risk of credit valuation adjustment (CVA) when calculating capital requirements for credit risk. This represents a supplement to the capital requirement for credit risk related to counterparty risk for derivatives.

The basis for calculating the capital adequacy ratio at 31 March amounted to NOK 36.9 billion. This amount represented a quantification of the company's risk. After account has been taken of the growth in overall lending, and changes to the company's liquidity portfolio, the calculation basis for capital adequacy at 31 March 2021 was NOK 0.3 billion higher than at 1 January.

At all times, the company must have a buffer in relation to the minimum capital adequacy requirement of eight per cent. This buffer must be sufficient to cover relevant risks which could affect the company. The company's internal capital adequacy assessment process (ICAAP) is pursued to ensure that it has an adequate buffer in relation to the minimum requirement. The company plans to capitalise continued growth in the residential mortgage portfolio. The company's capital targets are a core tier 1 capital ratio of 12.0 per cent, a tier 1 capital ratio of 13.5 per cent and a tier 2 capital ratio of 15.5 per cent. These targets are adequate in relation to the legal requirements, the company's Pillar 2-demands, and capital requirements based on the company's internal assessment of risk. As can be seen above, the applicable buffer requirement was met at 31 March 2021 with a core tier 1 capital ratio of 13.8 per cent. The Norwegian Ministry of Finance resolved on 13 March 2020, to decrease the requirement for the countercyclical capital buffer from 2.5 to one per cent with immediate effect. This decrease has been taken into account in the company's capital targets.

The company has a shareholder agreement which commits the owner banks, under given circumstances, to provide it with necessary capital. More information on the shareholder agreement can be found in note 26 to the annual financial statements for 2020.

Note 13 – Other financial assets

Amounts in NOK 1 000	31.03.2021	31.03.2020	31.12.2020
Prepaid expenses	-	2 210	2 636
Repo agreements	-	396 109	-
Accrued interests	93 852	162 979	103 025
Short-term receivables	14	48	1
Total other financial assets	**93 866**	**561 346**	**105 662**

Note 14 – Loans from credit institutions

Agreements with counterparties regulating trades in OTC derivatives require collateral to be provided in certain cases. Eika Boligkreditt has been provided with such collateral in the form of cash. These cash sums are managed by Eika Boligkreditt for the duration of the collateral provision, and are recognised in the balance sheet as an asset with an associated liability. At 31 March 2021, Eika Boligkreditt had received cash collateral of NOK 4.1 billion posted by counterparties to derivative contracts. Cash collateral received is held in bank deposits, repo agreements and in various high-quality bonds. In addition to cash collateral, the company had also received NOK 0.5 billion in bonds as collateral from counterparties to derivative agreements. The value of the bonds provided as collateral is not recognised in the company's balance sheet.

Note 15 – Leases

IFRS 16 on lease accounting requires that all leases are recognised in the balance sheet by recognising the beneficial use of an asset as an asset, while making provision for the lease obligation as a liability. EBK has only one lease, covering office premises, which is subject to this standard. The beneficial use and lease obligation are recognized as NOK 16.9 million and NOK 16.9 million respectively, in the company's balance sheet at 31 March 2021, representing the present value of future rent payments over the duration of the lease. The lease duration which forms the basis for calculating future rent payments corresponds to the remaining period until the termination of the lease (about 7.5 years at 31 March 2021). Possible options are not added to the lease duration. In addition, the beneficial use is depreciated over the duration of the lease while interest on the lease obligation is expensed. Depreciation is presented together with other depreciation in the statement of comprehensive income, while interest is included in financial expenses in the statement of comprehensive income. Interest costs are calculated by applying the discount rate (the company's incremental borrowing rate) to the lease obligation.

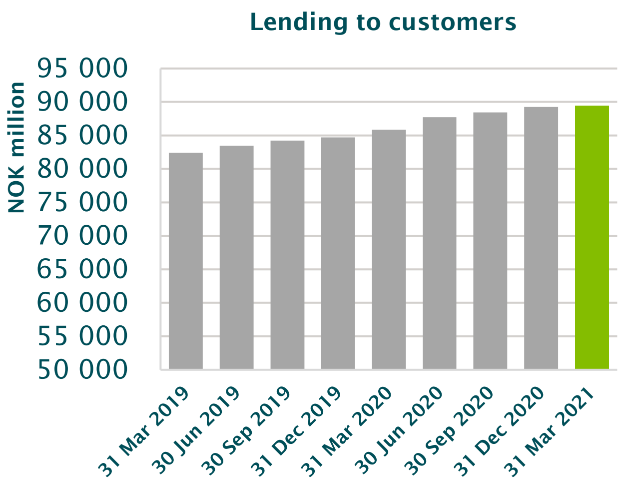
Note 16 – Contingency and overdraft facilities

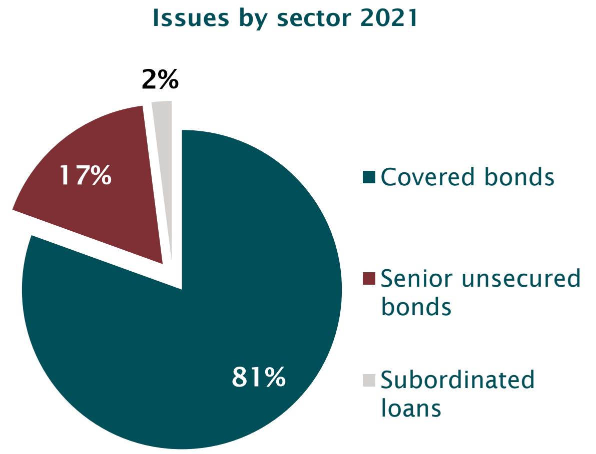
The company has an overdraft facility with DNB Bank ASA (DNB). Note 15 to the annual financial statements for 2020 provides a more detailed presentation of the overdraft with DNB. The company also has a note purchase agreement with the owner banks and OBOS concerning the purchase of covered bonds, whereby the owner banks and OBOS have accepted a liquidity obligation towards Eika Boligkreditt. More information on the note purchase agreement can be found in note 15 to the annual financial statements for 2020.

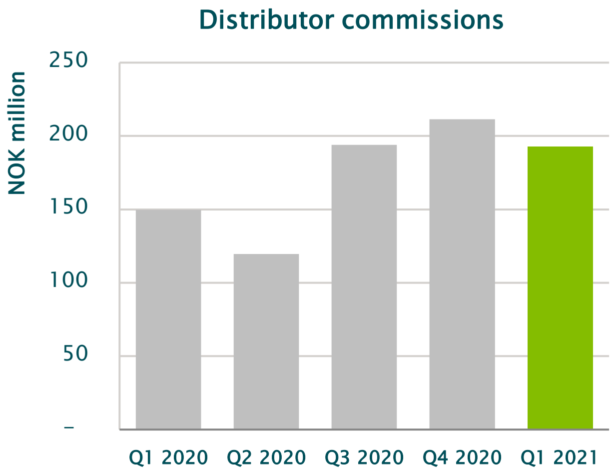
Note 17 – Risk management

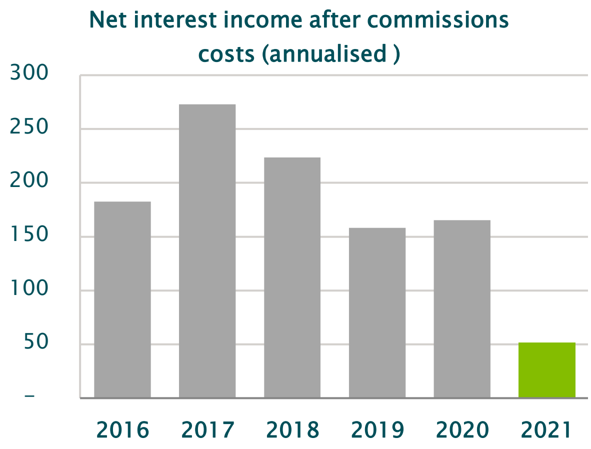
Eika Boligkreditt AS has established a framework for risk management and control in the company, which defines risk willingness and the principles for managing risk and capital. The value of financial assets and liabilities fluctuates as a result of risk in the financial markets. Note 3 to the annual accounts for 2020 describes the company's financial risk, which also applies to financial risk in 2021.

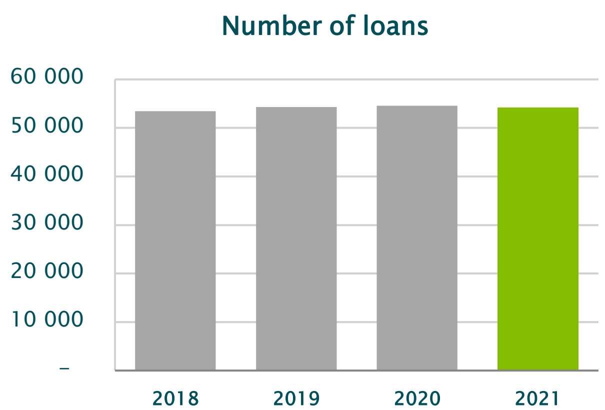
Key figures – Development

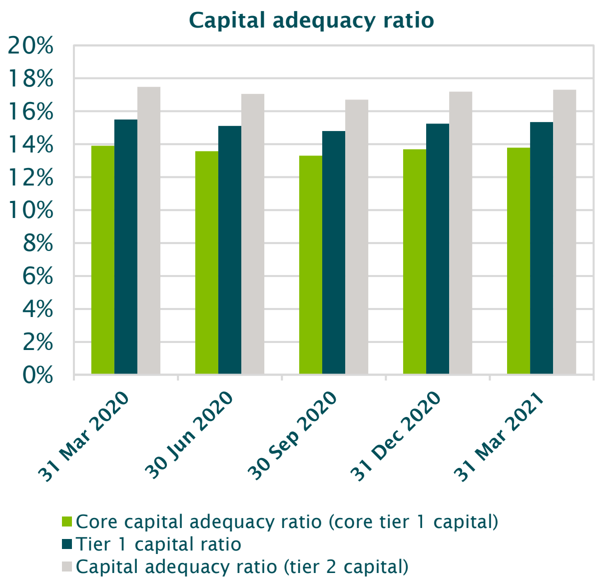












Key figures

Amounts in NOK 1 000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Balance sheet development			
Lending to customers	89 468 446	85 846 107	89 268 662
Debt securities issued	104 321 441	107 804 516	106 127 106
Subordinated loan capital	724 124	724 125	724 343
Equity	5 774 147	5 783 596	5 851 125
Equity in % of total assets	5.0	4.6	4.9
Average total assets[1]	122 900 943	116 059 902	120 881 106
Total assets	115 933 825	126 285 163	120 562 614
Rate of return/profitability			
Fee and commission income in relation to average total assets, annualised (%)	0.6	0.5	0.5
Staff and general administration expenses in relation to average total assets, annualised (%)	0.03	0.03	0.03
Return on equity before tax, annualised (%) [2]	-1.4	-1.9	3.0
Total assets per full-time position	6 101 780	6 717 296	6 345 401
Cost/income ratio (%) [3]	133.8	29.3	41.4
Financial strength			
Core tier 1 capital	5 094 785	5 065 559	5 098 859
Tier 1 capital	5 669 096	5 639 551	5 673 091
Total primary capital (tier 2 capital)	6 393 219	6 363 676	6 397 434
Calculation basis capital adequacy ratio	36 936 715	36 420 740	37 221 959
Core tier 1 capital ratio (%)	13.8	13.9	13.7
Tier 1 capital ratio (%)	15.3	15.5	15.2
Capital adequacy ratio % (tier 2 capital)	17.3	17.5	17.2
Leverage ratio (%) [4]	4.8	4.3	4.6
NSFR totalindicator i % [5]	100	105	100
Defaults in % of gross loans	0.04 %	-	-
Loss in % of gross loans	-	-	-
Staff			
Number of full-time positions at end of period	19.0	18.8	19.0

Liquidity Coverage Ratio (LCR) [6]:

31 Mar 2021	Totalt	NOK	EUR
Stock of HQLA	5 923 299	2 329 109	333 803
Net outgoing cash flows next 30 days	5 795 891	1 884 647	333 803
LCR indicator (%)	**102 %**	**124 %**	**100 %**

31 Mar 2020	Totalt	NOK	EUR
Stock of HQLA	12 383 941	1 067 053	847 788
Net outgoing cash flows next 30 days	3 111 967	1 762 807	190 326
LCR indicator (%)	**398 %**	**61 %**	**445 %**

31 Dec 2020	Totalt	NOK	EUR
Stock of HQLA	8 517 840	1 108 257	604 650
Net outgoing cash flows next 30 days	8 349 856	915 486	604 650
LCR indicator (%)	**102 %**	**121 %**	**100 %**

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

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

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

[4] Leverage ratio is calculated in accordance with the CRR/CRD IV regulatory. The calculation of the leverage ratio is described in articles 416 and 417 of the regulations.

[5] NSFR totalindicator: Is calculated in accordance with the CRR/CRD IV regulatory and is based on the Basel Committee recommendations.

[6] Liquidity Coverage Ratio (LCR): $\frac{High\text{–}quality\ liquid\ assets}{Net\ outgoing\ cash\ flows\ next\ 30\ days}$

LCR indicators: Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation. At 31 March 2021, liquid assets totalling NOK 2.1 billion in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation.