

1st quarter 2021

Unaudited



Key figures

		Q1 2021	Q1 2020	2020
	Profitability			
1)	Profit after tax	26	23	107
2)	Net interest in % of average total assets	0,59%	0,64%	0,67%
3)	Profit before tax in % of average total assets	0,14%	0,13%	0,62%
4)	Cost-to-income ratio	5,7%	5,7%	5,2%
5)	Return on equity	5,8%	6,8%	7,0%
	Balance sheet			
6)	Lending to customers	23 714	22 978	23 354
7)	Loss in % of gross loans	0,00%	0,00%	0,00%
8)	Defaults in % of gross loans	0,01%	0,00%	0,00%
9)	Total assets	23 813	23 130	23 438
10)	Average total assets	23 625	21 731	21 885
11)	Covered bonds issued	21 209	19 812	19 975
12)	Overcollateralization	111,3%	115,6%	116,2%
	Capital and liquidity			
13)	CET 1 capital ratio	20,5%	17,3%	20,2%
14)	T1 capital ratio	20,5%	17,3%	20,2%
15)	Total capital ratio	20,5%	17,3%	20,2%
16)	Leverage ratio	7,5%	6,4%	7,6%
17)	LCR	6664,6%	614,7%	2179,6%

Definitions

- 2) Net interest income, % of average total assets
- 4) Sum operating expenses before losses, in % of net income
- 5) Return on equity after tax, % of average equity
- 7) Loan losses of the period divided by the average loan volume of the period
- 8) Exposure overdue more than 90 consecutive days in % of gross loans
- 10) Average total assets per month
- 11) Covered bonds face value
- 12) Cover pool in % of issued of cover bonds
- 13) Common Equity Tier 1 Capital ratio
- 14) Tier 1 Capital ratio
- 15) Total capital ratio
- 16) Leverage ratio
- 17) Liquidity coverage ratio

First quarter results

OBOS Boligkreditt AS (“The company”) is registered in Oslo, and it is a wholly owned subsidiary of OBOS-banken. OBOS Boligkreditt started operations in 2016 and is licensed to operate as a mortgage company and to issue covered bonds. The company is OBOS-banken’s most important source of long term market funding and an important part of the bank’s funding strategy. Its assets consist of retail mortgage loans and housing co-operative loans originally underwritten by OBOS-banken. Total lending at first quarter end 2021 amounted to NOK 23 714 million. All loans are at the time of acquisition from the bank within 75 % of the property’s estimated value. Total issued covered bond loans at first quarter end 2021 amounted to NOK 21 209 million. Overcollateralization was at 111,3 %.

Rating

All covered bonds issued by OBOS Boligkreditt AS have been assigned a Aaa-rating by Moody’s.

First quarter results

The income statement and balance sheet are compared with last year’s figures (in parenthesis).

The company’s net interest income amounted to NOK 35.4 (31.9) million for the first quarter of 2021, compared to NOK 52.9 million in the fourth quarter of 2020. Total operating expenses amounted to NOK 2.1 (1.8) million. These expenses are mainly related to payments for banking services provided by the parent bank. Profit before loan losses and taxes was NOK 34.5 (30.5) million in the first quarter of 2021. Net loan losses were NOK -0.6 (-0.8) million. Profit after tax was NOK 26.5 million (23.2) in the first quarter of 2021.

OBOS Boligkreditt AS issued a new NOK 4 000 million 5 years covered bond in the quarter. In conjunction with the issuance, OBOS Boligkreditt AS bought back NOK 1 633 million and later NOK 100 million of ISIN NO0010775588 which matures in October 2020. New outstanding amount is NOK 689 million at the end of the quarter. OBOS Boligkreditt AS also bought back NOK 1 000 million of ISIN NO0010786494 which matures in June 2022. New outstanding amount is NOK 4 000 million.

OBOS Boligkreditt AS had seven bond loans outstanding at 31 March 2021 with total debt securities issued of NOK 21 209 million face value, compared to seven bond loans and NOK 19 812 million face value outstanding at 31 March 2020.

Total assets at the end of the first quarter 2021 amounted to NOK 23 813 (23 130) million. Lending to

customers amounted to NOK 23 714 (22 978) million. There are no substitute assets forming part of the cover pool. Overcollateralisation, calculated as the value of the cover pool relative to the value of outstanding covered bond loan debt, was 111,3 percent as at 31 March 2021, compared to 115,6 percent at 31 March 2020. At first quarter end 2021, the mortgages in the cover pool had a weighted average loan-to-value ratio of 33 percent.

OBOS Boligkreditt AS’ liquidity portfolio consisted of Liquidity Coverage Ratio (LCR) eligible assets of NOK 30.4 (30.6) million at 31 March 2021, resulting in a total LCR of 6 665 (614) percent.

Capital strength

Total equity amounted to NOK 1 789 (1 489) million at 31 March 2021. Total own funds for the purposes of capital adequacy amounted to NOK 1 776 (1 467) million. Risk weighted assets amounted to NOK 8 655 (8 483) million, the CET 1 capital ratio was 20.5 (17.3) percent. OBOS Boligkreditt AS uses the standardised approach to calculate capital requirements for credit risk.

Macroeconomic development and outlook for the company

After the turn of the year, increased infection rates and stricter infection control measures again seem to have slowed down the recovery of the Norwegian economy. Progress in vaccination and relief in infection control measures is important for further development. At the same time, there is still uncertainty about the financial consequences going forward. The reopening of society and more people returning to work will give a clear boost to economic activity throughout the year. Particularly high effect is expected in the second half of the year.

House price growth and turnover volume picked up markedly after a short-term fall last spring, and have remained high throughout the autumn and winter. The key policy rate, which was lowered last spring, contributes to and stimulates activity in the housing market. An increased degree of working from home and limited consumption opportunities may also have contributed to the demand in the housing market. Interest rate increases are expected from the autumn, which together with normalization of consumption patterns and increased housing construction could mean that the growth rate of house prices slows.

Norges Bank recently raised the key policy rate path. Norges Bank argues that when there are clear signs that conditions in the economy are normalizing, it is considered appropriate to raise the key policy rate

gradually to a more normal level. Norges Bank has also signalled that the countercyclical capital buffer will return to 2.5 per cent in the long term.

Risk premiums in the bond market have fallen further and are now lower than in the period before the covid-19 eruption. There is good access to financing, even though long-term interest rates have risen.

OBOS Boligkreditt's portfolio has an average loan to value (LTV) ratio at a low 33 percent. With an allowable LTV of 75 percent, there is significant headroom for even severe drops in house prices. The parent bank

holds significant volumes of loans which qualify for transfer to OBOS Boligkreditt.

Lending margins are relatively stable, and with good cost control, low-risk loan portfolio and an improving macroeconomic environment, resulting in stable outlook for OBOS Boligkreditt AS.

Oslo 11.05.2021

The Board of Directors of OBOS Boligkreditt AS

Income statement

(Figures in NOK 1000)

	NOTE	Q1 2021	Q1 2020	2020
Interest income calculated using the effective interest method		97 396	149 538	453 385
Interest income from instruments using fair value		71	181	445
Interest expenses calculated using the effective interest method		-58 967	-114 642	-294 081
Interest expenses from instruments using fair value		-3 103	-3 129	-12 606
Net interest income	4	35 396	31 948	147 144
Commission and banking service expenses		-121	-94	-351
Net commission expenses		-121	-94	-351
Net gain/(loss) and change in value of fin. Instruments	5	1 299	468	6 253
Net operating income		36 574	32 322	153 046
Salaries and other personnel cost		-40	-	-183
Administration cost		-84	-29	-380
Other operating expenses		-1 954	-1 800	-6 975
Total operating expenses		-2 077	-1 828	-7 537
Profit before loan losses and taxes		34 497	30 494	145 508
Net loan losses	10	-563	-809	414
Profit before tax		33 934	29 685	145 923
Income tax expense		-7 465	-6 531	-39 378
Profit after tax		26 468	23 154	106 545
Attributable to				
Retained earnings		26 468	23 154	106 545
Total		26 468	23 154	106 545

Statement of comprehensive income

(Figures in NOK 1000)

	NOTE	Q12021	Q1 2020	2020
Profit after tax		26 468	23 154	106 545
Losses on loans and guarantees, fair value	10	283	807	704
Income tax expense on items that can be reclassified		-62	-178	-155
Items that can be reclassified to profit or loss		221	630	549
Net change in values from own credit risk		-3 120	7 713	-1 880
Income tax expense on items that will not be reclassified		686	-1 697	414
Items that will not be reclassified to profit or loss		-2 434	6 016	-1 466
Comprehensive income for the periode		-2 213	6 646	-917
Total comprehensive income after tax		24 255	29 800	105 628
Attributable to				
Retained earnings		24 255	29 800	105 628
Total		24 255	29 800	105 628

Balance sheet

(Figures in NOK 1000)

	NOTE	31.03.2021	31.03.2020	31.12.2020
ASSETS				
Loans and receivables to credit institutions		22 751	44 118	7 127
Loans and receivables to customers	6,1	23 714 141	22 978 147	23 353 909
Certificates and bonds	8	30 478	30 604	30 479
Financial derivatives		20 918	53 574	40 043
Receivables		605	847	-
Deferred tax asset		2 413	1 899	2 413
Other assets		21 491	21 080	3 844
TOTAL ASSETS		23 812 798	23 130 268	23 437 816
LIABILITIES AND EQUITY				
	NOTE	31.03.2021	31.03.2020	31.12.2020
Loans from credit institutions	6,9	739 886	1 719 346	1 595 572
Debt securities issued	6,8,9	21 248 672	19 900 357	20 037 858
Other liabilities		999	847	342
Deferred tax		6 841	8 405	-
Tax payable		27 402	12 400	39 302
TOTAL LIABILITIES		22 023 801	21 641 354	21 673 074
Share capital		131 000	121 000	131 000
Share premium		1 369 039	1 179 039	1 369 039
Retained earnings		288 958	188 875	264 703
TOTAL EQUITY		1 788 997	1 488 914	1 764 742
TOTAL LIABILITIES AND EQUITY		23 812 798	23 130 268	23 437 816

Statement of changes in equity

(Figures in NOK 1000)

	Share Capital	Share Premium	Retained earnings	Total equity
Equity as at 01.01.2020	121 000	1 179 039	159 076	1 459 114
Result for the period 01.01 - 31.03.2020	-	-	23 154	23 154
Losses on loans and guarantees, fair value	-	-	807	807
Income tax expense on items that can be reclassified	-	-	-178	-178
Net change in values from own credit risk	-	-	7 713	7 713
Income tax expense on items that will not be reclassified	-	-	-1 697	-1 697
Total comprehensive income 01.01.2020 - 31.03.2020	-	-	29 800	29 800
Equity as at 31.03.2020	121 000	1 179 039	188 875	1 488 914
Issue of share capital	10 000	190 000	-	200 000
Total result 01.04 - 31.12.2020	-	-	76 745	76 745
Effect of IFRS 9 implementation	-	-	-917	-917
Equity as at 31.12.2020	131 000	1 369 039	264 703	1 764 742
Result for the period 01.01 - 31.03.2021	-	-	26 468	26 468
Losses on loans and guarantees, fair value	-	-	283	283
Income tax expense on items that can be reclassified	-	-	-62	-62
Net change in values from own credit risk	-	-	-3 120	-3 120
Income tax expense on items that will not be reclassified	-	-	686	686
Total comprehensive income 01.01.2021 - 31.03.2021	-	-	24 255	24 255
Equity as at 31.03.2021	131 000	1 369 039	288 958	1 788 997

Cash flow

(Figures in NOK 1000)

	NOTE	31.03.2021	31.03.2020	31.12.2020
Profit before tax		33 934	29 685	145 923
Interest income calculated using the effective interest method	4	-97 396	-149 538	-453 385
Interest payments from customers and credit institutions		95 688	145 815	459 315
Loans to customers transferred from parent company		-335 510	-2 712 923	-3 097 138
Interest from certificates and bonds/bond funds		23 502	-45 085	-28 038
Other net gain/(loss) on derivatives	5	-22 203	45 476	34 291
Payment for other assets		1 714	-67 166	-36 673
Payment for other debt		-60	45	234
Net gain/(loss) on financial instruments	5	-1 299	-468	-6 253
Net loan losses		280	-	-1 123
Paid taxes		-35 367	-11 068	-23 468
Change in accrued interests		3 868	587	-26 421
Change in other accruals		51	-95	47
Net new lines of credit		-855 686	-26 021	-149 795
(A) Net cash flow from operating activities		-1 188 484	-2 790 757	-3 182 485
Payments related to acquisition of shares and securities		-	-	-
(B) Net cash flow from investment activities		-	-	-
Debt securities issued	9	3 970 108	4 012 532	5 004 345
Repayment of covered bonds	9	-2 766 000	-1 208 000	-2 045 000
Issue of share capital		-	-	200 000
(C) Net cash flow from financing activities		1 204 108	2 804 532	3 159 345
(A) + (B) + (C) Net cash flow for the period		15 624	13 775	-23 140
Cash and cash equivalents at beginning of period		7 127	30 267	30 267
Cash and cash equivalents at end of period		22 751	44 042	7 127
Net change in cash and cash equivalents		15 624	13 775	-23 140
Liquidity reserves specified				
Loans and receivables to credit institutions 1)		22 751	44 042	7 127
Cash and cash equivalents		22 751	44 042	7 127

1) Hereof 0,6 TNOK in restricted deposits.

Quarterly changes in income statement

(Figures in NOK 1000)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Interest income calculated using the effective interest method	97 396	97 642	96 301	109 904	149 538
Interest income from instruments using fair value	71	56	80	130	181
Interest expenses calculated using the effective interest method	-58 967	-41 638	-42 811	-94 990	-114 642
Interest expenses from instruments using fair value	-3 103	-3 172	-3 172	-3 133	-3 129
Net interest income	35 396	52 887	50 397	11 911	31 948
Commission and banking service expenses	-121	-88	-78	-92	-94
Net Commission expenses	-121	-88	-78	-92	-94
Net gain/(loss) and change in value of fin. instruments	1 299	1 601	2 239	1 946	468
Net operating income	36 574	54 400	52 559	13 765	32 322
Salaries and other personnel cost	-40	-63	-120	-	-
Administration cost	-84	-183	-35	-134	-29
Other operating expenses	-1 954	-2 306	-1 416	-1 454	-1 800
Total operating expenses	-2 077	-2 552	-1 570	-1 587	-1 828
Profit before loan losses and taxes	34 497	51 849	50 988	12 178	30 494
Net loan losses	-563	409	-167	981	-809
Profit before tax	33 934	52 258	50 821	13 159	29 685
Income tax expense	-7 465	-18 772	-11 181	-2 895	-6 531
Profit after tax	26 468	33 486	39 640	10 264	23 154
Attributable to					
Retained earnings	26 468	33 486	39 640	10 264	23 154
Total	26 468	33 486	39 640	10 264	23 154

Quarterly changes in statement of comprehensive income

(Figures in NOK 1000)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Profit after tax	26 468	33 486	39 640	10 264	23 154
Losses on loans and guarantees, fair value	283	2	-188	83	807
Income tax expense on items that can be reclassified	-62	-0	41	-18	-178
Items that can be reclassified to profit or loss	221	1	-146	65	630
Net change in values from own credit risk	-3 120	-2 221	-2 318	-5 054	7 713
Income tax expense on items that will not be reclassified	686	489	510	1 112	-1 697
Items that will not be reclassified to profit or loss	-2 434	-1 732	-1 808	-3 942	6 016
Comprehensive income for the periode	-2 213	-1 731	-1 955	-3 877	6 646
Total comprehensive income after tax	24 255	31 755	37 686	6 387	29 800
Attributable to					
Retained earnings	24 255	31 755	37 686	6 387	29 800
Total	24 255	31 755	37 686	6 387	29 800

Quarterly changes in balance sheet

(Figures in NOK 1000)

	31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
Assets					
Loans and receivables to credit institutions	22 751	7 127	76 800	8 779	44 118
Loans and receivables to customers	23 714 141	23 353 909	23 647 594	22 896 481	22 978 147
Certificates and bonds	30 478	30 479	30 494	30 520	30 604
Financial derivatives	20 918	-	56 036	51 592	53 574
Receivables	605	2 413	2 541	1 694	847
Deferred tax asset	2 413	40 043	1 899	1 899	1 899
Other assets	21 491	3 844	7 482	24 812	21 080
Total Assets	23 812 798	23 437 816	23 822 845	23 015 778	23 130 268
	31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
Liabilities and equity					
Loans from credit institutions	739 886	1 595 572	1 899 674	1 028 216	1 719 346
Debt securities issued	21 248 672	20 037 858	20 167 811	20 268 112	19 900 357
Other liabilities	999	342	205	1 544	847
Deferred tax	6 841	-	20 836	10 206	8 405
Tax payable	27 402	39 302	1 332	12 400	12 400
Total Liabilities	22 023 801	21 673 074	22 089 858	21 320 478	21 641 354
Share capital	131 000	131 000	131 000	131 000	121 000
Share premium	1 369 039	1 369 039	1 369 039	1 369 039	1 179 039
Retained earnings	288 958	264 703	232 948	195 262	188 875
Total Equity	1 788 997	1 764 742	1 732 986	1 695 301	1 488 914
Total Liabilities and Equity	23 812 798	23 437 816	23 822 845	23 015 778	23 130 268

Notes

Note 1 – Introduction

OBOS Boligkreditt AS is a fully owned subsidiary of OBOS-banken AS. The company was formally founded 13 May 2016, with the sole purpose of acquiring mortgages from OBOS-banken AS. The company will finance the business through the issuance of covered bonds. OBOS Boligkreditt received the required permit for operation from the Norwegian Financial Supervision 15 August 2016. OBOS Boligkreditt is registered and domiciled in Norway. The bank has business- and visiting address at Hammersborg Torg 1, 0129 Oslo.

Note 2 – Accounting principles

The interim report for OBOS Boligkreditt has been prepared in accordance with IAS 34. The interim comprises the period 01.01.2021-31.03.2021 and has been prepared in accordance with simplified IFRS.

All amounts in the accounts and notes are stated in Norwegian kroner (NOK) unless otherwise specified. The company's functional currency is NOK.

IFRS 16 Leases

According to IFRS 16 all leases should be reported on the balance sheet as assets and liabilities. Previous classification of leases as either operational or financial leases have been removed. All leases will be treated as financial leasing. Short-term leases (less than 12 months) and leasing of assets of low value are exempted from the requirements. IFRS 16 was implemented from 1 January 2019. The implementation does not have any effect on the accounts.

IFRS 9 Financial Instruments

OBOS Boligkreditt AS applies IFRS 9 for measurement of financial instruments. Financial assets and/or financial liabilities are reported on the balance sheet according to IFRS 9.

Derivatives

Derivatives are recorded at fair value at the time the derivative contracts are entered into, and are recognized at fair value through profit or loss subsequently. Derivatives are presented as a financial asset if the value is positive and as a financial liability if the value is negative. According to IFRS 9, an entity shall apply the hedge accounting requirements to a financial asset or a financial liability that is designated as a hedged item. OBOS Boligkreditt AS doesn't apply the hedge accounting requirements under IFRS 9, but applies interest rate swap agreements to reduce interest rate risk between fixed-rate and market rate. Swap interest rate and change in value are recognized through profit or loss under "Net gain/(loss) and change in value of financial instruments".

Net gain/loss on financial instruments

For interest bearing financial instruments that are measured at fair value, interest income is classified as "Interest income, fair value", and interest expense is classified as "Interest expense, fair value" with the exception of interest on derivatives. Interests paid and received in interest rate swap, as well as changes in accrued interest, are recognized as "Net gain/(loss) and change in value of financial instruments". Other changes in value of financial instruments are also recognized in this note.

The annual report for OBOS Boligkreditt 2019 gives a more detailed description of accounting principles used. The interim report is not audited.

Note 3 – Accounting estimates and discretionary Assessments

OBOS Boligkreditt prepares accounting estimates and makes discretionary assessments based on historical experience, assumptions about the future and other factors. The accounting estimates are evaluated continuously and may deviate from the results achieved. However, they are based on the best estimate available at the time of the financial reporting. Below are the most important areas where accounting estimates and discretionary assessments are used and these may be subject to changes in capitalized values in future periods.

3.1 Value measurement at fair value

OBOS Boligkreditt estimates the fair value of their financial instruments, which are not listed in an active market, using valuation methods described in note 17 in annual report 2019 and the accounting principles. The credit institution's choice of method and associated assumptions are based on market conditions at the balance sheet date. Financial instruments comprise the credit institutions holdings of bond funds.

3.2 Write-down of financial assets

The method for measurement on write-downs for expected loss on financial assets in IFRS 9 depends on credit risk increase since initial recognition, instead of an incurred loss model as in IAS 39. The assets are divided into three stages, based on the credit impairment degree. At initial recognition, and if credit risk has not increased significantly, provision will be made for 12 months expected loss (stage 1). If the credit risk had increased significantly after initial recognition, but there is no objective evidence for loss, provision will be made for total lifetime (stage 2). If credit risk has increased significantly and there is objective evidence for loss, provision will be made for total lifetime (stage 3). In addition, the interest income for the financial assets under stage 3 will be calculated

on net balance value of the loan, after deduction of write-down on expected loss over total lifetime. This is different from stage 1 and 2 where the interest income is calculated on gross balance value.

For a more detailed description of the method used for measurement on write-down, see the annual report 2019 note 2 and 8.

Note 4 – Net interest and credit commission income

(Figures in NOK 1000)

	Q1 2021	Q1 2020	2020
Interest and similar income from loans to credit institutions, amortised cost	-	77	78
Interest and similar income from loans to customers, amortised cost	97 393	149 398	453 211
Other interest and similar income, amortised cost	3	64	96
Total Interest income calculated using the effective interest method	97 396	149 538	453 385
Interest and similar income from certificates and bonds, fair value	71	181	445
Total Interest income, fair value	71	181	445
Interest and similar expenses from loans to credit institutions, amortised cost	-3 914	-5 999	-17 024
Interest and similar expenses of issued securities, amortised cost	-54 290	-107 926	-274 231
Other interest and similar expenses, amortised cost	-763	-716	-2 826
Total Interest expenses calculated using the effective interest method	-58 967	-114 642	-294 081
Interest and similar expenses of issued securities, fair value	-3 103	-3 129	-12 606
Total Interest expenses, fair value	-3 103	-3 129	-12 606
Net interest and credit commission income	35 396	31 948	147 144

Note 5 – Net gain/(loss) and change in value of financial instruments

(Figures in NOK 1000)

	Q1 2021	Q1 2020	2020
Net gain/(loss) and change in value on certificates and bonds	- 5	-84	-150
Net gain/(loss) and change in value on bond funds	-	-	-
Net interest income on derivatives ¹	1 908	130	5 609
Other net gain/(loss) and change in value on derivatives	- 22 203	45 476	34 291
Net gain/(loss) and change in value on fixed rate covered bonds ²	21 599	-45 054	-33 497
Net gain/(loss) and change in value of financial instruments	1 299	468	6 253

1) Net interest income (/expenses) from derivatives that have been entered into as hedging agreements against the ordinary portfolios of OBOS Boligkreditt's fixed rate covered bonds is classified as net gain/(loss) and change in value of financial instruments in accounting terms. Net interest income on derivatives is included in relevant key figures.

2) OBOS Boligkreditt has used the Fair Value Option (FVO) when valuing fixed rate covered bonds in accordance with IFRS 9. The principle implies that changes in value as a result of changes in own credit risk are recognized in the OBOS-banken group's comprehensive income. The amount that has been deducted from OBOS Boligkreditt's result and transferred to the Group is 3,12 million Norwegian kroner on 31 March 2021.

Note 6 – Assets and liabilities measured at amortized cost

(Figures in NOK 1000)

For all items booked at amortised cost, the book value is approximately equal to the fair value. This applies to the following balance sheet items: Loans and receivables to credit institutions, Loans and receivables to customers and Debt to credit institutions.

Note 7 – Capital adequacy

(Figures in NOK 1000)

Net own funds	31.03.2021	31.03.2020	31.12.2020
Share capital	131 000	121 000	131 000
Share premium	1 369 039	1 179 039	1 369 039
Retained earnings	264 703	159 075	159 075
Qualifying equity from this years result	24 255	29 800	105 628
Total equity	1 764 742	1 459 114	1 764 742
Adjustments in common tier 1 capital	10 856	7 629	1 798
Common equity tier 1 capital	1 775 598	1 466 743	1 766 540
Additional Tier 1 capital			
Tier 1 capital	1 775 598	1 466 743	1 766 540
Tier 2 instruments			
Own funds	1 775 598	1 466 743	1 766 540
Minimum requirement own funds	31.03.2021	31.03.2020	31.12.2020
Institutions	626	-	765
Corporates	-	-	-
Retail	7 993	-	-
Secured by mortgages on immovable property	659 365	644 048	652 659
Exposures in default	2 482	12 494	22 171
Other items	-	157	1 167
Credit risk	670 466	656 699	676 763
Operational risk	18 906	14 902	18 906
CVA-risk	3 004	7 038	5 141
Minimum requirement own funds	692 376	678 638	700 811
Risk weighted assets	8 654 698	8 482 971	8 760 134
Capital adequacy ratio			
Common tier 1 capital ratio	20,52 %	17,29 %	20,17 %
Tier 1 capital ratio	20,52 %	17,29 %	20,17 %
Capital adequacy ratio	20,52 %	17,29 %	20,17 %

Note 8 – Assets and liabilities measured at fair value

(Figures in NOK 1000)

OBOS Boligkreditt uses the following valuation hierarchy for financial instruments measured at fair value:

Level 1:	Market price (non-adjusted) quoted in an active market for identical assets or liabilities.
Level 2:	Market price that is not listed, but is observable for assets or liabilities either directly (for example in the form of prices) or indirectly (for example derived from prices)
Level 3:	Information that is not based on observable market data.

There was no movement between level 1 and 2 during the periods.

Method for calculating fair value of financial instruments measured at fair value:

Certificates, bonds and debt securities

The bank obtains market prices and credit spreads from independent brokers in major financial institutions in order to calculate fair value.

Bond funds

The bank obtains the market value of fund units from the individual fund manager.

Financial derivatives

The fair value of financial derivatives is calculated based on discounted cash flows based on exchange rates and current interest rate curves at the balance sheet date.

See also the description provided in note 2: accounting policies.

As at 31.03.2021	Level 1	Level 2	Level 3	Total
Assets				
Certificates and bonds	-	30 478	-	30 478
Financial derivatives	-	20 918	-	20 918
Assets valued at fair value through OCI				
Loans and receivables to customers			23 717 184	23 717 184
Total assets	-	51 396	23 717 184	23 768 580
Liabilities				
Debt securities issued	-	550 712	-	550 712
Total liabilities	-	550 712	-	550 712
As at 31.03.2020	Level 1	Level 2	Level 3	Total
Assets				
Certificates and bonds	-	30 604	-	30 604
Financial derivatives	-	53 574	-	53 574
Assets valued at fair value through OCI				
Loans and receivables to customers			22 982 032	22 982 032
Total assets	-	84 178	22 982 032	23 066 210
Liabilities				
Debt securities issued	-	571 158	-	571 158
Total liabilities	-	571 158	-	571 158

Note 9 – Debt securities

(Figures in NOK 1000)

	Balance	New	Maturity/	Other	Balance
Changes in debt securities	31.03.2021	issues	buy backs	changes	31.12.2020
		2021	2021	2021	
Debt securities issued nominal value	21 209 000	4 000 000	-2 766 000	-	19 975 000
Net premium / discount on bonds payable	-	-4 000	-16 128	20 128	-
Bond interest receivable / payable	-	-	-2 812	2 812	-
Accrued interest	24 114	-	-	3 868	20 247
Amortisation	-4 088	-	-	-8 576	4 488
Fair value adjustment	19 645	-	-	-18 478	38 124
Total debt securities	21 248 672	3 996 000	-2 784 940	-247	20 037 858

Method:

Debt securities is classified at amortised cost or at fair value by "fair value option". Book value at amortised cost corresponds to cost adjusted for amortisation.

Loans issued in NOK as at 31.03.2021

ISIN	Type	Due date	Face value	Book value	Accrued interest	Book value incl. accrued interest	Maturity	interest rate
Bonds at amortised cost								
NO0010775588	FRN	07.10.2021	689 000	688 915	1 704	690 619	0,5	1,06 %
NO0010786494	FRN	15.06.2022	4 000 000	4 010 135	1 964	4 012 100	1,2	1,04 %
NO0010795487	FRN	06.06.2023	4 000 000	4 006 910	2 613	4 009 523	2,2	0,98 %
NO0010841232	FRN	19.06.2024	4 000 000	4 008 144	1 286	4 009 429	3,2	0,89 %
NO0010872757	FRN	13.06.2025	4 000 000	3 974 690	1 436	3 976 125	4,2	0,76 %
NO0010922842	FRN	04.02.2026	4 000 000	3 996 118	4 044	4 000 163	4,9	0,65 %
Bonds at fair value								
NO0010851645 ¹⁾	Fixed	15.05.2029	520 000	539 645	11 067	550 712	8,1	2,42 %
Total debt securities			21 209 000	21 224 557	24 114	21 248 672	3,2	0,91 %

All bond loans are listed on the Nordic ABM stock exchange. They have a bullet structure and fall due in their entirety on the maturity date. See obos.no for further information and agreements on each of the above-mentioned bond loans.

1) The bonds are hedged from fixed to floating interest rates.

Note 10 – Impairment and losses

(Figures in NOK 1000)

Provisions for losses are calculated based on the expected credit loss (ECL) using the 3-step method in IFRS 9, as described in Note 3.

Changes in gross carrying amount

The table below shows changes in gross carrying amount to explain the significance of changes in loan provisions.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2020	22 958 022	398 649	-	23 356 671
Migration to Stage 1	303 094	-303 094	-	-
Migration to Stage 2	-74 883	74 883	-	-
Migration to Stage 3	-3 093	-	3 093	-
Changes in carrying amount which have not migr:	-185 885	-1 691	-24	-187 600
New loans	1 261 790	10 015	-	1 271 805
Disposal of loans	-710 956	-12 737	-	-723 692
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 31.03.2021	23 548 090	166 025	3 068	23 717 184

Movements in provisions and write-downs

The table below shows the loss provisions broken down by the various steps of the transition to IFRS 9 for the period.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	
ECL 31.12.2020	4 377	2 762	-	7 140
Migration to Stage 1	1 537	-1 537	-	-
Migration to Stage 2	-68	68	-	-
Migration to Stage 3	-1	-	1	-
Changes in ECL for loans which have not migrate	-1 285	1 309	371	395
New loans	376	171	-	547
Disposal of loans	-276	-102	-	-379
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	-	-	-	-
Other changes	-	-	-	-
ECL 31.03.2021	4 660	2 671	371	7 703
Provisions (%) of gross capitalised values	0,02 %	1,61 %	0,00 %	0,03 %
Net change (01.01.2021-31.03.2021)	283	-91	371	563

Estimated Stage 1 losses on assets measured at fair value

The table below show changes in fair value and expected losses on loans to customers measured at fair value through profit or loss, which are reversed over other comprehensive income.

	Stage 1	Stage 2	Stage 3	Total
Closing balance	4 377	-	-	4 377
Net change in expected losses	283	-	-	283
Closing balance	4 660	-	-	4 660

Net change in losses on stage 1 on loans measured at fair value, is reversed over other comprehensive income for OBOS Boligkreditt AS.

Breakdown of loan provisions per. segment and stage

The tables below show the provisions broken down by the various segments and the stages, as well as change in loan provisions during the period.

Changes in gross carrying amount - Housing co-operatives segment

The table below shows changes in gross carrying amount to explain the significance of changes in loan provisions.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2020	16 592 213	-	-	16 592 213
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in carrying amount which have not migrated	-126 011	-	-	-126 011
New loans	799 335	-	-	799 335
Disposal of loans	-265 816	-	-	-265 816
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 31.03.2021	16 999 721	-	-	16 999 721

Movements in provisions and write-downs - Housing co-operatives segment

The table below shows the loss provisions broken down by the various steps of the transition to IFRS 9 for the period.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2020	3 091	-	-	3 091
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in ECL for loans which have not migrated	-7	-	-	-7
New loans	45	-	-	45
Disposal of loans	-15	-	-	-15
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	-	-	-	-
Other changes	-	-	-	-
ECL 31.03.2021	3 114	-	-	3 115
Provisions (%) of gross capitalised values	0,02 %	0,00 %	0,00 %	0,02 %
Net change (01.01.2021-31.03.2021)	23	-	-	24

Changes in gross carrying amount - Retail segment

The table below shows changes in gross carrying amount to explain the significance of changes in loan provisions.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2020	6 365 809	398 649	-	6 764 458
Migration to Stage 1	303 094	-303 094	-	-
Migration to Stage 2	-74 883	74 883	-	-
Migration to Stage 3	-3 093	-	3 093	-
Changes in carrying amount which have not migrated	-59 873	-1 691	-24	-61 589
New loans	462 455	10 015	-	472 470
Disposal of loans	-445 140	-12 737	-	-457 877
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 31.03.2021	6 548 369	166 025	3 068	6 717 463

Movements in provisions and write-downs - Retail segment

The table below shows the loss provisions broken down by the various steps of the transition to IFRS 9 for the period.

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2020	1 287	2 762	-	4 049
Migration to Stage 1	1 537	-1 537	-	-
Migration to Stage 2	-68	68	-	-
Migration to Stage 3	-1	-	1	-
Changes in ECL for loans which have not migrated	-1 278	1 309	371	402
New loans	331	171	-	502
Disposal of loans	-261	-102	-	-364
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	-	-	-	-
Other changes	-	-	-	-
ECL 31.03.2021	1 546	2 671	371	4 588
Provisions (%) of gross capitalised values	0,02 %	1,61 %	0,00 %	0,07 %
Net change (01.01.2021-31.03.2021)	260	-91	371	540



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