



**OBOS**  
Boligkreditt

**First quarter report 2023**

Unaudited



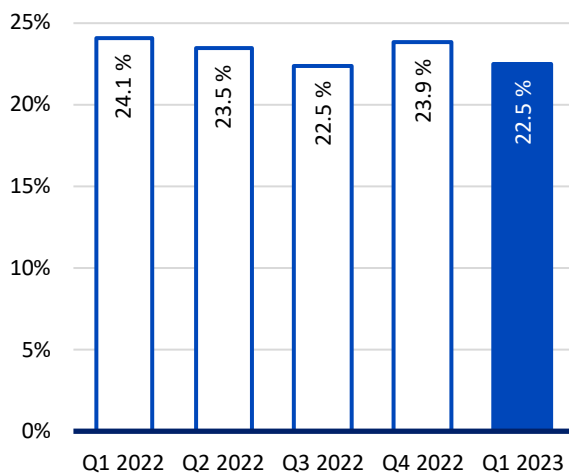
## Key figures

	Q1 2023	Q1 2022	2022
<b>Profitability</b>			
1) Profit after tax	25	28	91
2) Net interest in % of average total assets	0.55 %	0.60 %	0.50 %
3) Profit before tax in % of total assets	0.12 %	0.14 %	0.46 %
4) Cost-to-income ratio	7.5 %	5.6 %	7.0 %
5) Return on equity	5.2 %	5.7 %	4.8 %
<b>Balance sheet</b>			
6) Lending to customers	27 105	25 155	25 383
7) Loss in % of gross loans	0.00 %	0.00 %	-0.01 %
8) Defaults in % of gross loans	0.00 %	0.00 %	0.00 %
9) Total assets	27 456	25 245	25 695
10) Average total assets	26 576	25 501	25 726
11) Covered bonds issued	24 418	22 270	21 870
12) Overcollateralisation	111.2 %	113.1 %	116.3 %
<b>Capital and liquidity</b>			
13) CET 1 Capital ratio	22.5 %	24.1 %	23.9 %
14) T1 Capital ratio	22.5 %	24.1 %	23.9 %
15) Total capital ratio	22.5 %	24.1 %	23.9 %
16) Leverage ratio	6.8 %	7.5 %	7.3 %
17) LCR	N/A	N/A	N/A

### Definitions

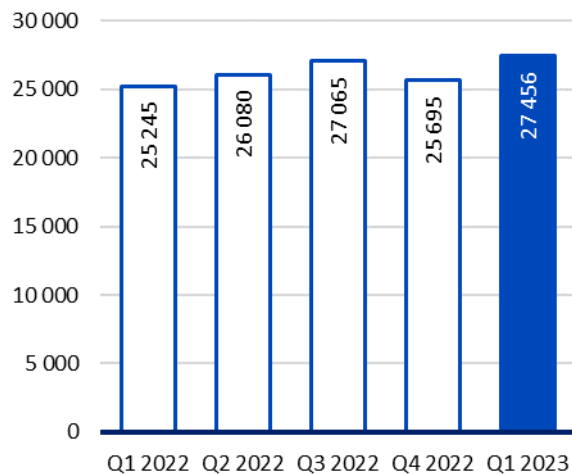
- 2) Net interest income, % of average total assets
- 4) Sum operating expenses before losses, in % of net income
- 5) Return on equity after tax, % of average equity
- 7) Loan losses of the period divided by the average loan volume of the period
- 8) Exposure overdue more than 90 consecutive days in % 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 *(There are no LCR eligible outflows as per the reporting date 31.12.2022)*

### Total capital ratio



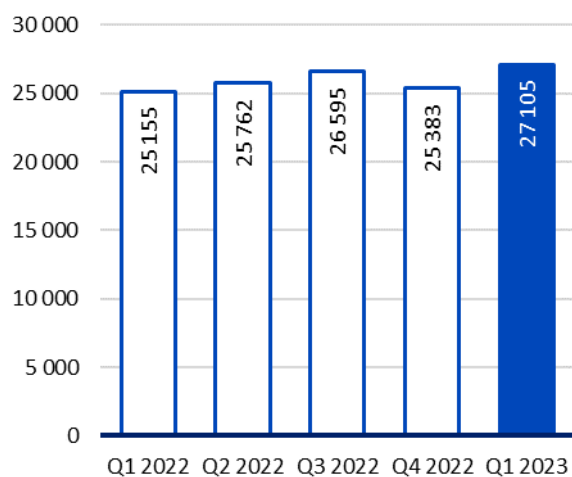
### Total assets

MNOK

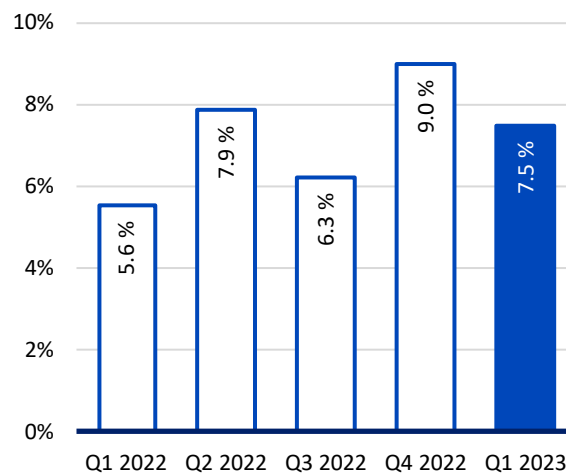


### Lending

MNOK

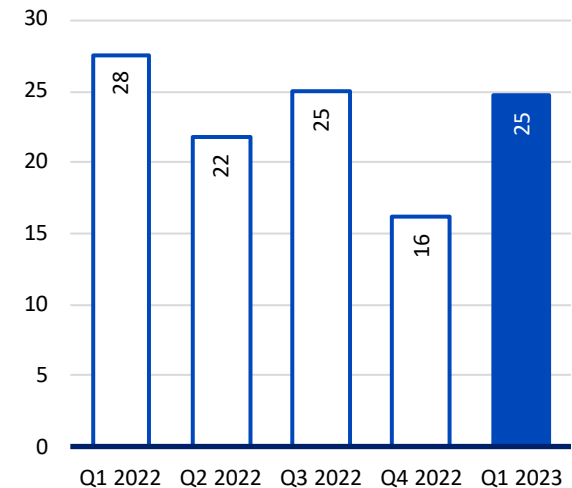


### Cost-to-income ratio

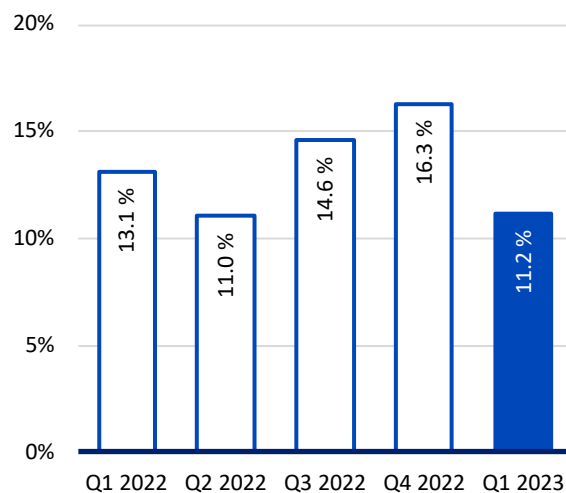


### Profit after tax

MNOK



### Overcollateralisation



## First quarter results

**OBOS Boligkreditt AS (“The company”) is registered in Oslo, and 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.**

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

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

### First quarter results

The company’s net interest income amounted to NOK 36.3 (37.7) million at quarter-end, compared to NOK 27.0 million in the previous quarter.

Operating expenses amounted to NOK 2.6 (2.1) million in the quarter. These expenses are mainly related to payments for services provided by the parent bank. The cost-to-income ratio was 7.5 per cent in the quarter, compared to 5.6 per cent in the first quarter of 2022. The increase in cost-to-income ratio is a result of the reduced net interest income, and not as a result of increased operating expenses.

Profit before loan losses and taxes was NOK 31.8 (36.1) million in the quarter. Net loan losses were NOK 0.1 (0.7) million. Profit after tax was NOK 24.7 million (27.6).

OBOS Boligkreditt AS issued a new NOK 4 000 million covered bond loan in the beginning of the quarter. No covered bonds matured during the quarter.

OBOS Boligkreditt AS had eight bond loans outstanding at quarter-end with total debt securities issued of NOK 24 418 million face value, compared to seven bond loans and NOK 22 270 million face value outstanding at first quarter-end 2022.

Total assets at quarter-end amounted to NOK 27 456 (25 245) million. Lending to customers amounted to NOK 27 105 (25 154) million. All loans are at the time of acquisition from OBOS-banken within 80 per cent of the property’s estimated value. 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 111.2 per cent at quarter end, compared to 113.1 per cent at the corresponding quarter last year. At the end of the quarter, the

mortgages in the cover pool had an unindexed weighted average loan-to-value ratio of 33.9 per cent.

Total equity amounted to NOK 1 934 (1 938) at the quarter-end. Total own funds for the purposes of capital adequacy amounted to NOK 1 878 (1 883) million. Risk weighted assets amounted to NOK 8 346 (7 813) million, the CET 1 capital ratio was 22.5 (24.1) per cent. OBOS Boligkreditt AS uses the standardised approach to calculate capital requirements for credit risk.

OBOS Boligkreditt AS’ liquidity portfolio, consisting of loans and receivables to credit institutions, certificates and bonds, amounted to NOK 319.6 (46.7) million at quarter-end. There were no LCR eligible outflows as per the reporting date, and OBOS Boligkreditt is thus reporting an LCR of 0 (0) per cent.

### Macroeconomic developments and outlook

The first quarter of 2023 has been marked by high inflation, interest rate increases, and high electricity prices, resulting in a decrease in households’ purchasing power and a slowdown in consumption growth. However, despite the monetary policy tightening and the decline in loans to households, the Norwegian economy remains active, and households still have a lot of accumulated funds. The banking crisis in the USA and Europe caused significant fluctuations in financial markets, with stock markets and long-term US and European interest rates falling. Towards the end of the quarter, the markets seemed to calm down.

In the housing market prices have increased slightly after declining through the fall last year. The turnover in the second-hand housing market has remained high, while the number of homes for sale has decreased slightly. The price increase in the first quarter has been unexpectedly high, possibly due to the strong development in the labour market and easing requirements for debt-servicing capacity in lending regulations from the turn of the year. Overall, the first quarter of 2023 has been a period of mixed economic indicators for Norway, with some challenges in the inflation and interest rate fronts, but with an active economy and positive developments in the labour market and housing sector.

Norges Bank raised its policy rate by 0.25 percentage points to 3.00% in the meeting on March 23. Furthermore, the interest rate path, which is the central bank’s forecast for the policy rate, was raised. According to the new interest rate path, there are indications of rate hikes in both May and June. If so, the peak interest rate will be 3.50%. In addition, there is a possibility that the interest rate may be increased once more before the end of the year.

Capital requirements in the form of the countercyclical capital buffer increased to 2.5% with effect from March 31, 2023. The increase in systemically important buffer as of December 31, 2022, was postponed and announced to increase by December 31, 2023. Thus, the systemically important buffer is still 3.0% for OBOS Boligkreditt. OBOS Boligkreditt has a very high capital adequacy compared to the minimum requirements.

The increased market interest rates as observed in the first quarter are likely to continue into the second quarter and may affect the net interest margin. A high level of interest rates, combined with high price growth, creates uncertainty around default development, but OBOS Boligkreditt does not yet see any negative trend.

OBOS Boligkreditt's portfolio has an average loan to value (LTV) ratio at a low 34 percent. With a maximum allowed LTV of 80 percent, there is significant headroom for a severe drop in house prices. The parent bank holds significant volumes of loans which qualify for transfer to OBOS Boligkreditt. Combined with good cost control, outlook is stable for OBOS Boligkreditt AS.

Oslo 08.05.2023

The Board of Directors of OBOS Boligkreditt AS



## Income statement

(In NOK thousand)

	NOTE	Q1 2023	Q1 2022	2022
Interest income calculated using the effective interest method		270 816	117 251	661 820
Interest income from instruments using fair value		2 571	105	4 633
Interest expenses calculated using the effective interest method		-233 980	-76 527	-524 296
Interest expenses from instruments using fair value		-3 103	-3 103	-12 584
<b>Net interest income</b>	4	<b>36 304</b>	<b>37 726</b>	<b>129 573</b>
Commission and banking service expenses		-153	-107	-451
<b>Net commission expenses</b>		<b>-153</b>	<b>-107</b>	<b>-451</b>
<b>Net gain/(loss) and change in value of fin. Instruments</b>	5	<b>-1 733</b>	<b>590</b>	<b>-419</b>
<b>Net operating income</b>		<b>34 418</b>	<b>38 209</b>	<b>128 703</b>
Salaries and other personnel cost		-41	-41	-188
Administration cost		-5	-73	-483
Other operating expenses		-2 541	-2 008	-8 320
<b>Total operating expenses</b>		<b>-2 588</b>	<b>-2 122</b>	<b>-8 990</b>
<b>Profit before loan losses and taxes</b>		<b>31 830</b>	<b>36 087</b>	<b>119 713</b>
Net loan losses	11	-130	-733	-1 285
<b>Profit before tax</b>		<b>31 700</b>	<b>35 354</b>	<b>118 428</b>
Income tax expense		-6 974	-7 778	-27 879
<b>Profit after tax</b>		<b>24 726</b>	<b>27 576</b>	<b>90 549</b>
<b>Attributable to</b>				
Retained earnings		24 726	27 576	90 549
<b>Total</b>		<b>24 726</b>	<b>27 576</b>	<b>90 549</b>

## Statement of comprehensive income

(In NOK thousand)

	NOTE	Q1 2023	Q1 2022	2022
<b>Profit after tax</b>		<b>24 726</b>	<b>27 576</b>	<b>90 549</b>
Losses on loans and guarantees, fair value	11	709	-330	-68
Income tax expense on items that can be reclassified		-156	73	15
<b>Items that can be reclassified to profit or loss</b>		<b>553</b>	<b>-258</b>	<b>-53</b>
Net change in values from own credit risk		1 458	4 690	8 365
Income tax expense on items that will not be reclassified		-321	-1 032	-1 840
<b>Items that will not be reclassified to profit or loss</b>		<b>1 138</b>	<b>3 658</b>	<b>6 524</b>
<b>Comprehensive income for the periode</b>		<b>1 691</b>	<b>3 400</b>	<b>6 471</b>
<b>Total comprehensive income after tax</b>		<b>26 417</b>	<b>30 976</b>	<b>97 020</b>
<b>Attributable to</b>				
Retained earnings		26 417	30 976	97 020
<b>Total</b>		<b>26 417</b>	<b>30 976</b>	<b>97 020</b>

## Balance sheet

(In NOK thousand)

	NOTE	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>				
Loans and receivables to credit institutions		51 063	15 778	30 845
Loans and receivables to customers	6,1	27 104 857	25 154 626	25 383 230
Certificates and bonds	8	268 570	30 875	268 932
Receivables		463 119	505	-
Deferred tax asset		409	3 732	409
Other assets		30 845	39 804	11 457
<b>TOTAL ASSETS</b>		<b>27 456 208</b>	<b>25 245 320</b>	<b>25 694 873</b>
<b>LIABILITIES AND EQUITY</b>				
Loans from credit institutions	6,9	937 753	990 060	1 742 266
Financial derivatives		25 644	18 879	30 555
Debt securities issued	6,8,9	24 447 143	22 265 841	21 891 180
Other liabilities		104 542	23 572	97 216
Deferred tax		7 451	8 737	-
Tax payable		-18	-21	26 382
<b>TOTAL LIABILITIES</b>		<b>25 522 516</b>	<b>23 307 069</b>	<b>23 787 599</b>
Share capital		131 000	131 000	131 000
Share premium		1 369 039	1 369 039	1 369 039
Retained earnings		433 653	438 212	407 236
<b>TOTAL EQUITY</b>		<b>1 933 692</b>	<b>1 938 251</b>	<b>1 907 275</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27 456 208</b>	<b>25 245 320</b>	<b>25 694 873</b>

## Statement of changes in equity

(In NOK thousand)

	Share Capital	Share Premium	Retained earnings	Total equity
<b>Equity as at 01.01.2022</b>	<b>131 000</b>	<b>1 369 039</b>	<b>407 236</b>	<b>1 907 275</b>
Result for the period 01.01.2021 - 31.03.2022			27 576	27 576
Losses on loans and guarantees, fair value			-330	-330
Income tax expense on items that can be reclassified			72 691	72 691
Net change in values from own credit risk			4 690	4 690
Income tax expense on items that will not be reclassified			-1 032	-1 032
<b>Total comprehensive income 01.01.2022 - 31.03.2022</b>			<b>30 976</b>	<b>30 976</b>
<b>Equity as at 31.03.2022</b>	<b>131 000</b>	<b>1 369 039</b>	<b>438 212</b>	<b>1 938 251</b>
Proposed dividend			-97 020	-97 020
Result for the period 01.04.2022 - 31.12.2022			59 573	59 573
Effect of IFRS 9 implementation			6 471	6 471
<b>Equity as at 31.12.2022</b>	<b>131 000</b>	<b>1 369 039</b>	<b>407 236</b>	<b>1 907 275</b>
Result for the period 01.01.2023 - 31.03.2023			24 726	24 726
Losses on loans and guarantees, fair value			709	709
Income tax expense on items that can be reclassified			-156 074	-156 074
Net change in values from own credit risk			1 458	1 458
Income tax expense on items that will not be reclassified			-321	-321
<b>Total comprehensive income 01.01.2023 - 31.03.2023</b>			<b>26 417</b>	<b>26 417</b>
<b>Equity as at 31.03.2023</b>	<b>131 000</b>	<b>1 369 039</b>	<b>433 653</b>	<b>1 933 692</b>



## Cash flow

(In NOK thousand)

	NOTE	31.03.2023	31.03.2022	31.12.2022
Profit before tax		31 700	35 354	118 428
Interest income calculated using the effective interest method	4	-270 816	-117 251	-661 820
Interest payments from customers and credit institutions		265 534	114 518	650 743
Net payments on loans to customers		1 284 757	1 364 229	5 162 981
Payment on certificates and bonds		362	9 536	-228 521
Interest from certificates and bonds/bond funds		-3 337	33 063	39 085
Other net gain/(loss) on derivatives	5	1 604	-32 473	-39 503
Payment for other assets		-19 388	-10 102	18 245
Payment for other debt		5 680	51 203	35 943
Net gain/(loss) on financial instruments	5	1 733	-590	419
Net loan losses		-577	1 066	1 356
Taxes paid		-26 400	-38 434	-38 413
Change in accrued interests		7 713	6 305	58 695
Change in other accruals		-422	535	-45
<b>(A) Net cash flow from operating activities</b>		<b>1 278 144</b>	<b>1 416 959</b>	<b>5 117 592</b>
Purchase of loan portfolio		-3 052 791	-1 013 005	-5 078 618
Sale of loan portfolio		51 570	156 540	202 871
<b>(B) Net cash flow from investment activities</b>		<b>-3 001 221</b>	<b>-856 465</b>	<b>-4 875 747</b>
Net new lines of credit		-804 513	-526 325	225 881
Debt securities issued	9	4 000 000	-	4 000 000
Repayment of covered bonds	9	-1 452 000	-	-4 400 000
Issue of share capital		-	-	-
Change in other time limits related to financing activities		-888	-33 347	-51 817
<b>(C) Net cash flow from financing activities</b>		<b>1 742 599</b>	<b>-559 672</b>	<b>-225 935</b>
<b>(A) + (B) + (C) Net cash flow for the period</b>		<b>19 522</b>	<b>822</b>	<b>15 910</b>
Cash and cash equivalents at beginning of period		30 845	14 935	14 935
Cash and cash equivalents at end of period		50 367	15 757	30 845
<b>Net change in cash and cash equivalents</b>		<b>19 522</b>	<b>822</b>	<b>15 910</b>
<b>Liquidity reserves specified</b>				
Loans and receivables to credit institutions		50 367	15 757	30 845
<b>Cash and cash equivalents</b>		<b>50 367</b>	<b>15 757</b>	<b>30 845</b>

## Quarterly changes in income statement

(In NOK thousand)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest income calculated using the effective interest method	270 816	233 107	174 597	117 251	102 856
Interest income from instruments using fair value	2 571	2 368	1 594	105	181
Interest expenses calculated using the effective interest method	-233 980	-205 286	-138 132	-76 527	-59 315
Interest expenses from instruments using fair value	-3 103	-3 172	-3 172	-3 103	-3 172
<b>Net interest income</b>	<b>36 304</b>	<b>27 018</b>	<b>34 887</b>	<b>37 726</b>	<b>40 550</b>
Commission and banking service expenses	-153	-96	-134	-107	-102
<b>Net Commission expenses</b>	<b>-153</b>	<b>-96</b>	<b>-134</b>	<b>-107</b>	<b>-102</b>
<b>Net gain/(loss) and change in value of fin. instruments</b>	<b>-1 733</b>	<b>-1 222</b>	<b>-325</b>	<b>590</b>	<b>1 637</b>
<b>Net operating income</b>	<b>34 418</b>	<b>25 699</b>	<b>34 429</b>	<b>38 209</b>	<b>42 085</b>
Salaries and other personnel cost	-41	-41	-41	-41	-63
Administration cost	-5	-184	-121	-73	-100
Other operating expenses	-2 541	-2 092	-1 991	-2 008	-2 315
<b>Total operating expenses</b>	<b>-2 588</b>	<b>-2 318</b>	<b>-2 153</b>	<b>-2 122</b>	<b>-2 478</b>
<b>Profit before loan losses and taxes</b>	<b>31 830</b>	<b>23 382</b>	<b>32 276</b>	<b>36 087</b>	<b>39 607</b>
Net loan losses	-130	-285	-216	-733	4 353
<b>Profit before tax</b>	<b>31 700</b>	<b>23 097</b>	<b>32 060</b>	<b>35 354</b>	<b>43 960</b>
Income tax expense	-6 974	-6 907	-7 053	-7 778	-8 831
<b>Profit after tax</b>	<b>24 726</b>	<b>16 191</b>	<b>25 007</b>	<b>27 576</b>	<b>35 129</b>
<b>Attributable to</b>					
Retained earnings	24 726	16 191	25 007	27 576	35 129
<b>Total</b>	<b>24 726</b>	<b>16 191</b>	<b>25 007</b>	<b>27 576</b>	<b>35 129</b>

### Quarterly changes in statement of comprehensive income

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Profit after tax</b>	<b>24 726</b>	<b>16 191</b>	<b>25 007</b>	<b>27 576</b>	<b>35 129</b>
Losses on loans and guarantees, fair value	709	14	83	-330	-3 316
Income tax expense on items that can be reclassified	-156	-3	-18	73	181
<b>Items that can be reclassified to profit or loss</b>	<b>553</b>	<b>11</b>	<b>65</b>	<b>-258</b>	<b>-3 135</b>
Net change in values from own credit risk	1 458	-3 234	1 677	4 690	1 662
Income tax expense on items that will not be reclassified	-321	711	-369	-1 032	183
<b>Items that will not be reclassified to profit or loss</b>	<b>1 138</b>	<b>-2 522</b>	<b>1 308</b>	<b>3 658</b>	<b>1 845</b>
<b>Comprehensive income for the periode</b>	<b>1 691</b>	<b>-2 511</b>	<b>1 373</b>	<b>3 400</b>	<b>-1 290</b>
<b>Total comprehensive income after tax</b>	<b>26 417</b>	<b>13 680</b>	<b>26 379</b>	<b>30 976</b>	<b>33 839</b>
<b>Attributable to</b>					
Retained earnings	26 417	13 680	26 379	30 976	33 839
<b>Total</b>	<b>26 417</b>	<b>13 680</b>	<b>26 379</b>	<b>30 976</b>	<b>33 839</b>

## Quarterly changes in balance sheet

(In NOK thousand)

	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
<b>Assets</b>					
Loans and receivables to credit institutions	51 063	30 845	183 420	15 778	14 935
Loans and receivables to customers	27 104 857	25 383 230	26 594 831	25 154 626	25 660 744
Certificates and bonds	268 570	268 932	268 265	30 875	40 411
Financial derivatives (assets)	-	-	-	-	10 646
Receivables	463 119	-	1 578	505	-
Deferred tax asset	409	409	3 732	3 732	3 732
Other assets	30 845	11 457	13 497	39 804	26 112
<b>Total Assets</b>	<b>27 456 208</b>	<b>25 694 873</b>	<b>27 065 323</b>	<b>25 245 320</b>	<b>25 756 580</b>
<b>Liabilities and equity</b>					
Loans from credit institutions	937 753	1 742 266	1 752 504	990 060	1 516 385
Financial derivatives	25 644	30 555	43 431	18 879	-
Debt securities issued	24 447 143	21 891 180	23 254 625	22 265 841	22 294 295
Other liabilities	104 542	97 216	642	23 572	212
Deferred tax	7 451	-	23 506	8 737	-
Tax payable	-18	26 382	-	-21	38 413
<b>Total Liabilities</b>	<b>25 522 516</b>	<b>23 787 599</b>	<b>25 074 708</b>	<b>23 307 069</b>	<b>23 849 305</b>
Share capital	131 000	131 000	131 000	131 000	131 000
Share premium	1 369 039	1 369 039	1 369 039	1 369 039	1 369 039
Retained earnings	433 653	407 236	490 576	438 212	407 236
<b>Total Equity</b>	<b>1 933 692</b>	<b>1 907 275</b>	<b>1 990 615</b>	<b>1 938 251</b>	<b>1 907 275</b>
<b>Total Liabilities and Equity</b>	<b>27 456 208</b>	<b>25 694 873</b>	<b>27 065 323</b>	<b>25 245 320</b>	<b>25 756 580</b>

## Note information

### 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 01.01.2023-31.03.2023 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.

In addition to this, there is a description of accounting principles in the annual report 2022 for OBOS Boligkreditt. The accounts have not been audited.

#### Derivatives

Derivatives are recorded at fair value at the time the derivative contracts are entered into, and are subsequently recognized at fair value through profit or loss. 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 the company utilises 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". Interest on derivative contracts is an exception to this principle. Interests paid and received in interest rate swaps, 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 2022 Annual Report for OBOS Boligkreditt gives a more detailed description of accounting principles used. This 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 its financial instruments, which are not listed in an active market, using valuation methods described in note 17 in the 2022 Annual Report and in general accounting principles. The credit institution's choice of method and associated assumptions are based on market conditions at the balance sheet date.

#### 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 the increase in credit risk 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, a provision will be made for 12 months' expected loss (stage 1). If the credit risk has increased significantly after initial recognition, but there is no objective evidence for loss, a provision will be made for the total lifetime of such asset (stage 2). If credit risk has increased significantly and there is objective evidence for loss, a provision will be made for the total lifetime of the asset (stage 3). In addition, the interest income for the financial assets under stage 3 will be calculated on the net balance value of the loan, after deduction of write-down on expected loss over its 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 the evaluation and measurement of write-downs, see the 2022 Annual Report, note 2 and 8.

## Note 4 – Net interest and credit commission income

(In NOK thousand)

	Q1 2023	Q1 2022	2022
Interest and similar income from loans to credit institutions, amortised cost	695	20	1 120
Interest and similar income from loans to customers, amortised cost	269 944	117 208	660 528
Other interest and similar income, amortised cost	176	23	171
<b>Total Interest income calculated using the effective interest method</b>	<b>270 816</b>	<b>117 251</b>	<b>661 820</b>
Interest and similar income from certificates and bonds, fair value	2 571	105	4 633
<b>Total Interest income, fair value</b>	<b>2 571</b>	<b>105</b>	<b>4 633</b>
Interest and similar expenses from loans to credit institutions, amortised cost	-14 240	-5 581	-46 014
Interest and similar expenses of issued securities, amortised cost	-218 577	-70 182	-474 362
Other interest and similar expenses, amortised cost	-1 163	-764	-3 921
<b>Total Interest expenses calculated using the effective interest method</b>	<b>-233 980</b>	<b>-76 527</b>	<b>-524 296</b>
Interest and similar expenses of issued securities, fair value	-3 103	-3 103	-12 584
<b>Total Interest expenses, fair value</b>	<b>-3 103</b>	<b>-3 103</b>	<b>-12 584</b>
<b>Net interest and credit commission income</b>	<b>36 304</b>	<b>37 726</b>	<b>129 573</b>

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

(In NOK thousand)

	Q1 2023	Q1 2022	2022
Net gain/(loss) and change in value on certificates and bonds	-337	-56	-887
Net interest income on derivatives <sup>1</sup>	-1 770	1 287	1 230
Other net gain/(loss) and change in value on derivatives	1 604	-32 473	-39 503
Net gain/(loss) and change in value on fixed rate covered bonds <sup>2</sup>	-1 230	31 832	38 742
<b>Net gain/(loss) and change in value of financial instruments</b>	<b>-1 733</b>	<b>590</b>	<b>-419</b>

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/from the Group is -1.5 million Norwegian kroner on 31 March 2023.

## Note 6 – Assets and liabilities measured at amortized cost

(In NOK thousand)

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 securities issued.

## Note 7 – Capital adequacy

(In NOK thousand)

	31.03.2023	31.03.2022	31.12.2022
<b>Net own funds</b>			
Share capital	131 000	131 000	131 000
Share premium	1 369 039	1 369 039	1 369 039
Retained earnings	407 236	407 236	407 236
Qualifying equity from this years result	26 417	30 976	
<b>Total equity</b>	<b>1 907 275</b>	<b>1 907 275</b>	<b>1 907 275</b>
Adjustments in common tier 1 capital	-29 013	-23 964	-27 639
<b>Common equity tier 1 capital</b>	<b>1 878 262</b>	<b>1 883 310</b>	<b>1 879 636</b>
Additional Tier 1 capital			
<b>Tier 1 capital</b>	<b>1 878 262</b>	<b>1 883 310</b>	<b>1 879 636</b>
Tier 2 instruments			
<b>Own funds</b>	<b>1 878 262</b>	<b>1 883 310</b>	<b>1 879 636</b>
<b>Minimum requirement own funds</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.12.2022</b>
Institutions	1 278	50	706
Corporates	311 234	-	-
Retail	16 732	15 486	18 005
Secured by mortgages on immovable property	623 008	584 420	585 691
Exposures in default	1 717	2 174	1 295
Covered bonds	1 280	-	1 286
Other items	37 050	-	-
<b>Credit risk</b>	<b>644 364</b>	<b>602 130</b>	<b>606 984</b>
Operational risk	23 172	22 578	23 172
CVA-risk	163	294	162
<b>Minimum requirement own funds</b>	<b>667 699</b>	<b>625 002</b>	<b>630 318</b>
Risk weighted assets	8 346 234	7 812 519	7 878 975
<b>Capital adequacy ratio</b>			
Common tier 1 capital ratio	22.50 %	24.11 %	23.86 %
Tier 1 capital ratio	22.50 %	24.11 %	23.86 %
<b>Capital adequacy ratio</b>	<b>22.50 %</b>	<b>24.11 %</b>	<b>23.86 %</b>



## Note 8 – Assets and liabilities measured at fair value

(In NOK thousand)

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.

#### *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.

#### *Loans and receivables to customers*

Mortgages to customers mainly consists of loans to the private market. Mortgages to customers, at a floating interest rate, has contractual cash flows that are only payment of interest and principal on given dates and is held in a business model for the purpose of receiving both contractual cash flows and sales. This is because the OBOS-Bank sells mortgages with floating interest rates to OBOS Boligkreditt AS. These loans are recognized at fair value through comprehensive income. The bank calculates contractual cash flows on fixed-rate loans discounted by market interest rates including a credit premium at the balance sheet date. The yield curve is derived from observable market interest rates.

See also note 2: accounting policies.

As at 31.03.2023	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Certificates and bonds	-	268 570	-	268 570
Financial derivatives	-	-	-	-
<b>Assets valued at fair value through OCI</b>				
Loans and receivables to customers			27 107 363	27 107 363
<b>Total assets</b>	<b>-</b>	<b>268 570</b>	<b>27 107 363</b>	<b>27 375 933</b>
<b>Liabilities</b>				
Debt securities issued	-	494 580	-	494 580
Financial derivatives		-25 644		-25 644
<b>Total liabilities</b>	<b>-</b>	<b>468 935</b>	<b>-</b>	<b>468 935</b>

As at 31.03.2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Certificates and bonds	-	30 875	-	30 875
Financial derivatives	-	-	-	-
<b>Assets valued at fair value through OCI</b>				
Loans and receivables to customers			25 157 419	25 157 419
<b>Total assets</b>	<b>-</b>	<b>30 875</b>	<b>25 157 419</b>	<b>25 188 294</b>
<b>Liabilities</b>				
Debt securities issued	-	505 393	-	505 393
Financial derivatives		-18 879		-18 879
<b>Total liabilities</b>	<b>-</b>	<b>486 514</b>	<b>-</b>	<b>486 514</b>

## Note 9 – Debt securities

(In NOK thousand)

	Balance	New	Maturity/	Other	Balance
Changes in debt securities	31.03.2023	issues	buy backs	changes	31.12.2022
		2023	2023	2023	
Debt securities issued nominal value	24 418 000	4 000 000	-1 452 000	-	21 870 000
Net premium / discount on bonds payable	-	-4 000	-3 345	7 345	-
Bond interest receivable / payable	-	-	-7 224	7 224	-
Accrued interest	94 575	-	-	11 019	83 556
Amortisation	-28 945	-	-	-2 827	-26 117
Fair value adjustment	-36 487	-	-	-228	-36 259
<b>Total debt securities</b>	<b>24 447 143</b>	<b>3 996 000</b>	<b>-1 462 568</b>	<b>22 532</b>	<b>21 891 180</b>

### 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 31.03.2023

ISIN	Type	Due date	Face value	Book value	Book value incl.		Maturity	Interest rate
					Accrued interest	accrued interest		
<b>Bonds at amortised cost</b>								
NO0010795487	FRN	06.06.2023	1 148 000	1 148 169	3 134	1 151 303	0,2	3.78 %
NO0010841232	FRN	19.06.2024	4 000 000	4 003 145	5 107	4 008 252	1,2	3.83 %
NO0010872757	FRN	13.06.2025	4 000 000	3 986 405	8 022	3 994 427	2,2	3.80 %
NO0010922842	FRN	04.02.2026	4 000 000	3 997 703	20 520	4 018 223	2,9	3.42 %
NO0011160962	FRN	02.09.2026	2 750 000	2 748 103	7 906	2 756 009	3,4	3.45 %
NO0012493941	FRN	07.05.2027	4 000 000	3 989 421	21 141	4 010 562	4,1	3.59 %
NO0012811266	FRN	17.02.2028	4 000 000	3 996 109	17 678	4 013 787	4,9	3.70 %
<b>Bonds at fair value</b>								
NO0010851645	<sup>1)</sup> Fixed	15.05.2029	520 000	483 513	11 067	494 580	6,1	2.42 %
<b>Total debt securities</b>			<b>24 418 000</b>	<b>24 352 568</b>	<b>94 575</b>	<b>24 447 143</b>	<b>3,0</b>	<b>3,62 %</b>

All bond loans are listed on Nordic ABM. They have a bullet structure and fall due 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 – Cover Pool

(In NOK thousand)

Cover pool	31.03.2023	31.03.2022	31.12.2022
Mortgages <sup>1)</sup>	27 081 232	25 144 238	25 364 768
Ineligible loans	-1 572	-2 871	-1 368
<b>Total Cover pool<sup>2)</sup></b>	<b>27 079 660</b>	<b>25 141 367</b>	<b>25 363 400</b>
<b>Debt through the issuance of securities (excl. accrued interest)</b>	<b>24 352 568</b>	<b>22 230 031</b>	<b>21 807 624</b>
The cover pool's overcollateralization	111.2 %	113.1 %	116.3 %
<b>Regional distribution of mortgages</b>	<b>Housing co-ops and Retail</b>		
Viken	4 750 426	4 807 889	4 579 075
Agder	28 023	18 871	38 014
Troms og Finnmark	148 235	159 600	153 882
Innlandet	1 447 506	1 215 000	1 312 877
Vestland	915 332	939 591	855 182
Møre og Romsdal	196 113	154 084	176 543
Nordland	8 746	14 818	8 797
Trøndelag	482 459	446 844	472 718
Oslo	17 775 121	16 108 918	16 473 722
Rogaland	622 567	591 074	555 598
Vestfold og Telemark	706 705	687 550	738 359
<b>Total Mortgages</b>	<b>27 081 232</b>	<b>25 144 238</b>	<b>25 364 768</b>

1) The cover pool's composition is defined in Finansforetaksloven §11-8. OBOS-banken use Eiendomsverdi or a Real Estate Agent to define the value of the object being used to calculate the loan-to-value ratio. Mortgages transferred to OBOS Boligkreditt have a loan-to-value ratio under 75%. All mortgages over 30 days in default are transferred from OBOS Boligkreditt to OBOS-banken. Therefore, there are no mortgages in default in OBOS Boligkreditt. For information on market-, credit- and liquidity risk see the latest annual report. There have been no significant changes in these aspects since last year.

2) According to Finansforetaksforskriften §11-7 the minimum value of the cover pool should be 105 per cent of the value of the bonds conferring a preferential claim of the cover pool. Overcollateralization consistent with current rating is 107. For maturity structure of the cover pool see the cover pool report published on the website.

Covered bonds ISIN	Type	Due date	Face value
NO0010795487	FRN	06.06.2023	1 148 000
NO0010841232	FRN	19.06.2024	4 000 000
NO0010872757	FRN	13.06.2025	4 000 000
NO0010922842	FRN	04.02.2026	4 000 000
NO0011160962	FRN	02.09.2026	2 750 000
NO0012493941	FRN	07.05.2027	4 000 000
NO0012811266	FRN	17.02.2028	4 000 000
NO0010851645	Fixed	15.05.2029	520 000
<b>Total debt securities</b>			<b>24 418 000</b>

### Criteria for extending the maturity of a standard or premium covered bond:

The maturity of a standard or premium covered bond can with the consent of the Norwegian Financial Supervisory Authority be extended for 12 months when:

a) There is reason to assume the credit institution is expected to be affected by a crisis in the near future, cf. Finansforetaksloven §20-15 second paragraph and there is no reasonable prospect that other measures can prevent the institution from being affected by a crisis, or

b) The ministry of Finance has made a decision pursuant to Finansforetaksloven §20-15 first paragraph or §20-29 first paragraph. An extended maturity can only be used if there is reasonable reason to assume that the obligations can be covered within 12 months.

## Note 11 – Impairment and losses

(In NOK thousand)

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

	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
<b>Gross carrying amount 31.12.2022</b>	<b>25 258 514</b>	<b>112 699</b>	<b>15 100</b>	<b>25 386 312</b>
Migration to Stage 1	40 897	-40 897	-	-
Migration to Stage 2	-31 719	32 849	-1 129	-
Migration to Stage 3	-3 132	-4 920	8 052	-
Changes in carrying amount which have not migrated	-298 211	-506	-243	-298 960
New loans	3 085 249	-	-	3 085 249
Disposal of loans	-1 062 406	-2 833	-	-1 065 239
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
<b>Gross carrying amount 31.03.2023</b>	<b>26 989 191</b>	<b>96 392</b>	<b>21 780</b>	<b>27 107 363</b>

### Movements in provision and write-downs

	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
<b>ECL 31.12.2022</b>	<b>1 816</b>	<b>2 741</b>	<b>332</b>	<b>4 890</b>
Migration to Stage 1	1 216	-1 216	-	-
Migration to Stage 2	-30	80	-50	-
Migration to Stage 3	-	-26	27	-
Changes in ECL for loans which have not migrated	-1 307	231	-64	-1 139
New loans	245	-	-	245
Disposal of loans	-81	-60	-	-141
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	666	437	61	1 165
Other changes	-	-	-	-
<b>ECL 31.03.2023</b>	<b>2 526</b>	<b>2 187</b>	<b>307</b>	<b>5 020</b>
Provisions (%) of gross capitalised values	0.01 %	2.27 %	1.41 %	0.02 %
<b>Net change (01.01.2022-31.03.2023)</b>	<b>710</b>	<b>-554</b>	<b>-25</b>	<b>130</b>

### 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
<b>Opening balance</b>	<b>1 816</b>	-	-	<b>1 816</b>
Net change in expected losses	710	-	-	710
<b>Closing balance</b>	<b>2 526</b>	-	-	<b>2 526</b>

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 table below shows 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

	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
<b>Gross carrying amount 31.12.2022</b>	<b>17 426 291</b>	-	-	<b>17 426 291</b>
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in carrying amount which have not migrated	-719 350	-	-	-719 350
New loans	3 063 667	-	-	3 063 667
Disposal of loans	-	-	-	-
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
<b>Gross carrying amount 31.03.2023</b>	<b>19 770 608</b>	-	-	<b>19 770 608</b>

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

	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
<b>ECL 31.12.2022</b>	<b>965</b>	-	-	<b>965</b>
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in ECL for loans which have not migrated	-116	-	-	-116
New loans	243	-	-	243
Disposal of loans	-	-	-	-
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	475	-	-	475
Other changes	-	-	-	-
<b>ECL 31.03.2023</b>	<b>1 566</b>	-	-	<b>1 566</b>
Provisions (%) of gross capitalised values	0.01 %	0.00 %	0.00 %	0.01 %
<b>Net change (01.01.2022-31.03.2023)</b>	<b>602</b>	-	-	<b>601</b>

### Changes in gross carrying amount - Retail segment

	Expected	Expected	Expected	Total
	loss over 12 months	loss over the lifetime of the instrument	loss over the lifetime of the instrument	
	Stage 1	Stage 2	Stage 3	
<b>Gross carrying amount 31.12.2022</b>	<b>7 832 222</b>	<b>112 699</b>	<b>15 100</b>	<b>7 960 021</b>
Migration to Stage 1	40 897	-40 897	-	-
Migration to Stage 2	-31 719	32 849	-1 129	-
Migration to Stage 3	-3 132	-4 920	8 052	-
Changes in carrying amount which have not migrated	421 139	-506	-243	420 390
New loans	21 582	-	-	21 582
Disposal of loans	-1 062 406	-2 833	-	-1 065 239
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
<b>Gross carrying amount 31.03.2023</b>	<b>7 218 583</b>	<b>96 392</b>	<b>21 780</b>	<b>7 336 755</b>

### Movements in provisions and write-downs - Retail segment

	Expected	Expected	Expected	Total
	loss over 12 months	loss over the lifetime of the instrument	loss over the lifetime of the instrument	
	Stage 1	Stage 2	Stage 3	
<b>ECL 31.12.2022</b>	<b>851</b>	<b>2 741</b>	<b>332</b>	<b>3 925</b>
Migration to Stage 1	1 216	-1 216	-	-
Migration to Stage 2	-30	80	-50	-
Migration to Stage 3	-	-26	27	-
Changes in ECL for loans which have not migrated	-1 191	231	-64	-1 023
New loans	2	-	-	2
Disposal of loans	-81	-60	-	-141
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	192	437	61	691
Other changes	-	-	-	-
<b>ECL 31.03.2023</b>	<b>959</b>	<b>2 187</b>	<b>307</b>	<b>3 454</b>
Provisions (%) of gross capitalised values	0.01 %	2.27 %	1.41 %	0.05 %
<b>Net change (01.01.2022-31.03.2023)</b>	<b>108</b>	<b>-554</b>	<b>-25</b>	<b>-471</b>





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