

KLP



Interim report

KLP BOLIGKREDITT AS
Q4 2022

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KLP BOLIGKREDITT AS

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Interim Financial Statement

KLP BOLIGKREDITT AS

Main features by fourth quarter end:

- Stable lending volume
- Increased funding costs
- No recognized losses on lending

OBJECTIVE

The Company's purpose is to finance KLP Banken's mortgage loans at preferable terms, mainly through the issuance of covered bonds (OMF).

KLP Boligkreditt AS is a wholly owned subsidiary of KLP Banken AS. The KLP Banken Group is owned by Kommunal Landspensjonskasse gjensidig forsikringsselskap (KLP).

INCOME STATEMENT

Net interest and credit commission revenues at the end of the fourth quarter became NOK 74.0 (108.0)¹ million. The background for this development compared to last year is mainly due to lower lending margins because of the strong growth in market interest rates and thus increased funding costs.

Net profit and loss effects from market value changes on financial instruments so far this year was NOK -10.5 (-8.5) million. This comprises both fall in market value of liquid investments as well as by-back of bond issues.

Restructuring of the funding portfolio is done regularly with the purpose of adjusting average duration. This may cause both loss and gain. Buying back own bond issues have caused a net booked loss of NOK -6.0 (-4.9) million in 2022. Realized and unrealized market value changes in the liquidity portfolios gave a profit and loss effect of NOK -4.6 (-3.6) million.

Operating expenses in 2022 was NOK 65.8 (66.6) million. The Company has not had any lending credit losses and have very low loan loss provisions.

The pre-tax profit at the end of the fourth quarter was NOK -2.3 (32.9) million. The change is mainly related to lower net interest revenues. The pre-tax profit in fourth quarter alone was nevertheless positive with NOK 7.4 (2.4) million.

LENDING

The Company's loans to customers as of 31 December 2022 amounted to NOK 12.3 (12.3) billion. The Company has purchased loans from the parent company KLP Banken AS amounting to NOK 4.5 (6.0) billion during 2022. Total assets were NOK 14.1 (14.3) billion.

¹Figures in parenthesis are from the corresponding period last year

LIQUIDITY INVESTMENTS

KLP Boligkreditt AS has strict rules on what assets may be included in the securities holdings. In addition to mortgage loans, the securities holdings consist of secure bonds as well as deposits in other banks. As of 31 December 2022, the securities portfolio's market value was NOK 1.4 (1.7) million.

BORROWING

The Company's borrowing consists of covered bonds (OMF) secured by mortgage loans as well as loans from its parent company, KLP Banken AS. Outstanding intercompany debt amounted to NOK 0.5 (1.1) billion by quarter end. Covered bond debt was NOK 12.6 (12.4) billion. New covered bonds issued in 2022 amounts to NOK 2.5 (3.5) billion. All covered bonds have achieved AAA rating. The Norwegian Financial Authority (Finanstilsynet) has approved the Company's program for issuing OMF Premium in 2022.

RISK AND CAPITAL ADEQUACY

KLP Boligkreditt AS has established a framework for risk management aimed at ensuring that risks are identified, analyzed and subject to management using policies, limits, routines and instructions. The Company is to have a prudent risk profile and earnings are to be principally a result of the borrowing and lending activity as well as liquidity management. This means that the Company is to have low market risk. Interest risk arising within the borrowing and lending activities are reduced using derivatives. The Company is to have sufficient long-term financing within set limits. The credit risk in the Company is very low and lending is limited to local government risk. Management of the Company's liquidity is conducted through investments in banks satisfying high credit quality requirements.

At the end of the fourth quarter 2022, core capital according to the capital adequacy rules was NOK 918.7 (770.2) million. Mortgage loans are risk-weighted by 35 per cent in accordance with the authorities' capital adequacy regulations. KLP Boligkreditt AS had a core capital adequacy and capital adequacy ratio of 19.7 (16.4) percent at the end of the fourth quarter. The minimum statutory requirement is 15.5 per cent capital adequacy ratio. Leverage ratio was 6.5 (5.4) percent. The minimum statutory requirement is 3.0 percent.

Oslo, 8 February 2023

Aage Schaanning
Chair

Aina Slettedal Eide

Lill Stabell

Jonas V. Kårstad

Christopher A. N. Steen
Managing Director

Income statement

KLP BOLIGKREDITT AS

NOTE	NOK THOUSANDS	Q4 2022	Q4 2021	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
	Interest income, effective interest method	114 071	48 045	313 325	186 905
	Other interest income	9 814	3 672	24 999	7 827
3	Total interest income	123 885	51 717	338 324	194 732
	Interest expense, effective interest method	-105 162	-28 242	-264 306	-86 760
3	Total interest expense	-105 162	-28 242	-264 306	-86 760
3	Net interest income	18 723	23 476	74 018	107 972
15	Net gain/(loss) on financial instruments	2 797	-2 958	-10 512	-8 512
	Total net gain/(loss) on financial instruments	2 797	-2 958	-10 512	-8 512
	Other operating expenses	-14 107	-18 106	-65 811	-66 593
16	Net loan losses	-29	-4	-40	-1
	Total operating expenses	-14 136	-18 110	-65 851	-66 594
	Operating profit/loss before tax	7 383	2 407	-2 345	32 866
	Tax ordinary income	-1 624	-530	3 723	-5 860
	Profit for the period	5 759	1 878	1 379	27 005
	Other comprehensive income for the period	0	0	0	0
	Comprehensive income for the period	5 759	1 878	1 379	27 005

Balance sheet

KLP BOLIGKREDITT AS

NOTE	NOK THOUSANDS	31.12.2022	31.12.2021
ASSETS			
5	Loans to credit institutions	364 166	273 318
4,5	Loans to customers	12 282 503	12 331 526
5,6,14	Fixed-income securities	1 424 079	1 704 134
11	Other assets	16 723	4 687
Total assets		14 087 471	14 313 666
LIABILITIES AND OWNERS EQUITY			
LIABILITIES			
5,9	Debt to credit institutions	524 456	1 094 579
5,7	Debt securities issued	12 634 091	12 433 452
	Deferred tax liabilities	4 259	7 982
12	Other liabilities	4 569	5 700
12	Provision for accrued costs and liabilities	0	28
Total liabilities		13 167 375	13 541 741
EQUITY			
	Share capital	380 000	330 000
	Share premium	480 463	380 463
	Other owners' equity	59 633	61 462
Total owners' equity		920 096	771 925
Total liabilities and equity		14 087 471	14 313 666

Statement of changes in equity

KLP BOLIGKREDITT AS

2022 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2022	330 000	380 463	61 462	771 925
Profit for the period	0	0	1 379	1 379
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	1 379	1 379
Group contribution received	0	0	11 372	11 372
Group contribution made	0	0	-14 579	-14 579
Paid-up equity for the period	50 000	100 000	0	150 000
Total transactions with the owners	50 000	100 000	-3 207	146 793
Equity 31 December 2022	380 000	480 463	59 633	920 096
2021 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2021	330 000	380 463	35 827	746 290
Income for the year	0	0	27 005	27 005
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	27 005	27 005
Group contribution received	0	0	4 857	4 857
Group contribution made	0	0	-6 227	-6 227
Total transactions with the owners	0	0	-1 370	-1 370
Equity 31 December 2021	330 000	380 463	61 462	771 925

Statement of cash flow

KLP BOLIGKREDITT AS

NOK THOUSANDS	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
OPERATING ACTIVITIES		
Payments received from customers - interest, commission & charges	294 362	185 695
Disbursements on loans customers & credit institutions	-4 485 153	-6 006 193
Receipts on loans customers & credit institutions	4 533 887	4 496 969
Disbursements on operations	-67 210	-67 556
Net receipts/disbursements from operating activities	-3 593	-3 163
Net interest investment accounts	7 537	978
Net cash flow from operating activities	279 829	-1 393 271
INVESTMENT ACTIVITIES		
Payments on the purchase of securities	-684 123	-1 748 791
Receipts on sale of securities	962 786	561 545
Receipts of interest from securities	21 759	6 133
Net cash flow from investment activities	300 421	-1 181 113
FINANCING ACTIVITIES		
Receipts on loans from credit institutions	2 500 000	3 500 000
Repayment and redemption of loans	-2 500 000	-2 518 000
Change in securities debt, own funds	171 215	834 899
Net payment of interest on loans	-233 841	-87 463
Receipts in internal funding	4 980 740	7 427 296
Repayment in internal funding	-5 551 012	-6 436 333
Net payment of interest on internal funding	-6 890	-4 342
Change in owners' equity	150 000	0
Group contribution paid	-3 207	-1 370
Net cash flows from financing activities	-492 996	2 714 686
Net cash flow during the period	87 255	140 303
Cash and cash equivalents at the start of the period	261 964	121 661
Cash and cash equivalents at the end of the period	349 219	261 964
Net receipts/disbursements	87 255	140 303

Notes to the accounts

KLP BOLIGKREDITT AS

NOTE 1 General information

KLP Boligkreditt AS was formed on 30 October 2013. The company is a housing credit enterprise, and finance the activity primary through issuing covered bonds (OMF).

KLP Boligkreditt AS is registered and domiciled in Norway. It's head office is at Beddingen 8 in Trondheim, with a branch office in Dronning Eufemiasgate 10, Oslo.

The company is a wholly owned subsidiary of KLP Banken AS which is in turn wholly owned by Kommunal Landspensjonskasse (KLP). KLP is a mutual insurance company.

NOTE 2 Accounting principles

The interim report includes the interim Financial Statements of KLP Boligkreditt AS for the period 1 January 2022 – 31 December 2022, specifying the earnings trend in Q4. The interim Financial Statements has not been audited.

The interim financial statements for KLP Boligkreditt AS have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2021, please see the annual report for further information.

NOTE 3 Net interest income

NOK THOUSANDS	Q4 2022	Q4 2021	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
Interest income on loans to customers	110 362	47 488	305 788	185 929
Interest income on loans to credit institutions	3 710	557	7 537	976
Total interest income, effective interest method	114 071	48 045	313 325	186 905
Interest income on bonds and certificates	9 814	3 672	24 999	7 827
Total other interest income	9 814	3 672	24 999	7 827
Total interest income	123 885	51 717	338 324	194 732
Interest expenses on debt from KLP Banken AS	-1 966	-1 155	-7 039	-4 586
Interest expenses on issued securities	-103 196	-27 087	-257 267	-82 175
Total interest expenses, effective interest method	-105 162	-28 242	-264 306	-86 760
Total interest expense	-105 162	-28 242	-264 306	-86 760
Net interest income	18 723	23 476	74 018	107 972

NOTE 4 Loans to customers

NOK THOUSANDS	31.12.2022	31.12.2021
Loans to customers before write-downs	12 263 421	12 323 830
Provisions and write-downs	-65	-25
Loans to customers after write-downs	12 263 355	12 323 805
Accrued interest	19 148	7 722
Loans to customers	12 282 503	12 331 526

NOTE 5 Categories of financial instruments

NOK THOUSANDS	31.12.2022		31.12.2021	
	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE				
Fixed-income securities	1 424 079	1 424 079	1 704 134	1 704 134
Total financial assets at fair value	1 424 079	1 424 079	1 704 134	1 704 134
FINANCIAL ASSETS AT AMORTIZED COST				
Loans to and receivables from credit institutions	364 166	364 166	273 318	273 318
Loans to and receivables from customers	12 282 503	12 282 503	12 331 526	12 331 526
Total financial assets at amortized cost	12 646 669	12 646 669	12 604 844	12 604 844
Total financial assets	14 070 748	14 070 748	14 308 979	14 308 979
FINANCIAL LIABILITIES AT AMORTIZED COST				
Liabilities to credit institutions	524 456	524 456	1 094 579	1 094 579
Covered bonds issued	12 634 091	12 611 328	12 433 452	12 464 959
Total financial liabilities at amortized cost	13 158 547	13 135 784	13 528 031	13 559 539
Total financial liabilities	13 158 547	13 135 784	13 528 031	13 559 539

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock market or similar, valuation techniques are used to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in similar instruments and pricing using externally collected yield curves and yield spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

The different financial instruments are thus priced in the following way:**Fixed-income securities - government**

Nordic Bond Pricing is used as a source for pricing Norwegian government bonds. The prices are compared with the prices from Bloomberg to reveal any errors.

Fixed-income securities - other than government

Norwegian fixed-income securities except government are generally priced using prices from Nordic Bond Pricing. Those securities that are not included in Nordic Bond Pricing are priced theoretically. The theoretical price is based on the assumed present value on the sale of the position. A zero-coupon curve is used for discounting. The zero-coupon curve is adjusted

upwards by means of a credit spread, which is to take account of the risk the bond entails. The credit spread is calculated on the basis of a spread curve taking account of the duration of the bond. Nordic Bond Pricing is the main source of spread curves. They provide company-specific curves for Norwegian saving banks, municipalities and energy. Saving banks have various spread curves based on total assets.

Fair value of loans to retail costumers

Fair value of lending without fixed interest rates is considered virtually the same as book value since the contract terms are continuously changed in step with market interest rates. Fair value of fixed rate loans is calculated by discounting contractual cash flows by the marked rate including a relevant risk margin on the reporting date.

Fair value of loans to and receivables from credit institutions

All receivables from credit institutions (bank deposits) are at variable interest rates. Fair value of these is considered virtually the same as book value since the contract terms are continuously changed in step with marked interest rates.

Fair value of liabilities to credit institutions

These transactions are valued using a valuation model, including relevant credit spread adjustments obtained from the market.

Liabilities created on issuance of covered bonds

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

NOTE 6 Fair value hierarchy

31.12.2022 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	9 943	1 414 136	0	1 424 079
Total assets at fair value	9 943	1 414 136	0	1 424 079

31.12.2021 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	3 997	1 700 138	0	1 704 134
Total assets at fair value	3 997	1 700 138	0	1 704 134

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as listed in an active market if listed prices are simply and regularly available from a stock market, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

LEVEL 1: Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities to which the entity has access at the reporting date. Examples of instruments in Level 1 are stock market listed securities.

LEVEL 2: Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is not therefore considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market

information. Example instruments at Level 2 are fixed-income securities priced on the basis of interest rate paths.

LEVEL 3: Instruments at Level 3 contain non-observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded.

Note 5 discloses the fair value of financial assets and financial liabilities that are recognized at amortized cost. Financial assets measured at amortized cost comprise lending to and due to credit institutions and retail customers. The stated fair value of these assets is determined on terms qualifying for Level 2. Financial liabilities recognized at amortized cost consist of debt securities issued and deposits. The stated fair value of these liabilities is determined by methods qualifying for Level 2.

There have been no transfers between Level 1 and Level 2.

NOTE 7 Debt securities issued - stock exchange listed covered bonds and certificates

NOK THOUSANDS	31.12.2022	31.12.2021
Bond debt, nominal amount	13 000 000	13 000 000
Adjustments	-2 926	21 847
Accrued interest	37 018	7 605
Own holdings, nominal amount	-400 000	-596 000
Total debt securities issued	12 634 091	12 433 452

Interest rate on borrowings through the issuance of securities on the reporting date: 3.61% 1.15%

The interest rate is calculated as a weighted average of the act/360 basis. It includes interest rate effects and amortization costs.

NOK THOUSANDS	Balance sheet 31.12.2021	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2022
Bond debt, nominal amount	13 000 000	2 500 000	-2 500 000	0	13 000 000
Adjustments	21 847	0	0	-24 774	-2 926
Accrued interest	7 605	0	0	29 413	37 018
Own holdings, nominal amount	-596 000	0	196 000	0	-400 000
Total debt securities issued	12 433 452	2 500 000	-2 304 000	4 639	12 634 091

NOTE 8 Over-collateralisation

NOK THOUSANDS	31.12.2022	31.12.2021
SECURITY POOL		
Loans to customers ¹	11 478 090	11 978 685
Additional collateral ²	2 159 749	2 445 850
Total security pool	13 637 839	14 424 536
Outstanding covered bonds incl. own funds and premium/discount	13 012 603	13 060 145
Coverage of the security pool	104.8%	110.4%

¹ Excluding mortgage loans that do not qualify for security pool.

² Additional collateral includes loans to and receivables from credit institutions and bonds and certificates. Liquid assets used in the LCR liquidity reserve are not included in additional collateral.

Section 11-7 of the Regulations on Financial Institutions lays down a requirement for over-collateralisation by at least 2 percent of the value of the outstanding covered bonds.

NOTE 9 Liabilities to credit institutions

31.12.2022 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2024	494 036	401	494 437
Debt to KLP Banken AS	15.12.2024	30 000	19	30 019
Total liabilities to credit institutions		524 036	420	524 456

Interest rate on debt to credit institutions at the reporting date: 1.72 %

The interest rate is calculated as a weighted average of the act/360 basis.

31.12.2021 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2023	800 000	219	800 219
Debt to KLP Banken AS	15.12.2023	294 308	52	294 360
Total liabilities to credit institutions		1 094 308	271	1 094 579

Interest rate on debt to credit institutions at the reporting date: 0.58 %

NOTE 10 Transactions with related parties

NOK THOUSANDS	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
KLP Banken AS, interest on borrowing	-7 039	-4 586
KLP Banken AS, interest on deposits	4 177	785
KLP Banken AS, administrative services (at cost)	-60 693	-62 267
KLP Kapitalforvaltning AS, fees for services provided	-19	-17
KLP Group companies, subsidised interest employee loans	8 408	7 273
KLP Banken AS, purchase of loans	-4 485 153	-6 006 193

NOK THOUSANDS	31.12.2022	31.12.2021
BALANCES		
KLP Banken AS, borrowing Group current liabilities	-524 456	-1 094 579
KLP Banken AS, deposit	205 229	201 052
KLP Banken AS, net internal liabilities	14 697	2 982
Net outstanding accounts to:		
KLP Banken AS	-4 569	-5 612
KLP	1 318	1 118
KLP Group companies, net other internal accounts	708	587

There are no direct salary cost in KLP Boligkreditt AS. Personnel costs (administrative services) are allocated from KLP Banken AS.

Transactions with related parties are carried out at general market terms, with the exception of the Company's share of common functions, which is allocated at cost. Allocation is based on actual use. All internal receivables are settled as they arise.

NOTE 11 Other assets

NOK THOUSANDS	31.12.2022	31.12.2021
Intercompany receivables	16 723	4 687
Total other assets	16 723	4 687

NOTE 12 Other liabilities and provision for accrued costs and liabilities

NOK THOUSANDS	31.12.2022	31.12.2021
Creditors	0	88
Intercompany payables	4 569	5 612
Total other liabilities	4 569	5 700
VAT	0	28
Total accrued costs and liabilities	0	28

NOTE 13 Capital adequacy

NOK THOUSANDS	31.12.2022	31.12.2021
Share capital and share premium fund	860 463	710 463
Other owners' equity	59 633	61 462
Total owners' equity	920 097	771 925
Adjustments due to requirements for proper valuation	-1 424	-1 704
Core capital/Tier 1 capital	918 672	770 221
Supplementary capital/Tier 2 capital	0	0
Supplementary capital/Tier 2 capital	0	0
Total eligible own funds (Tier 1 and Tier 2 capital)	918 672	770 221
Capital requirement	373 302	374 663
Surplus of own funds (Tier 1 and Tier 2 capital)	545 370	395 558
Estimate basis credit risk:		
Institutions	76 036	55 484
Investments with mortgage security in real estate	4 298 876	4 316 034
Covered bonds	141 414	170 014
Other holdings	708	587
Calculation basis credit risk	4 517 033	4 542 119
Credit risk	361 363	363 369
Operating risk	11 940	11 294
Total capital requirement assets	373 302	374 663
Core capital adequacy ratio	19.7 %	16.4 %
Supplementary capital ratio	0.0 %	0.0 %
Capital adequacy ratio	19.7 %	16.4 %
Leverage ratio	6.5 %	5.4 %

CAPITAL REQUIREMENT PER 31.12.2022	Core capital/ Tier 1 capital	Supplementary capital/Tier 2 capital	Own funds
Minimum requirement excl. buffers	4.5 %	3.5 %	8.0 %
Protective buffer	2.5 %	0.0 %	2.5 %
Systemic risk buffer	3.0 %	0.0 %	3.0 %
Counter-cyclical capital buffer	2.0 %	0.0 %	2.0 %
Current capital requirement including buffers	12.0 %	3.5 %	15.5 %
Capital requirement leverage ratio	3.0 %	0.0 %	3.0 %

NOTE 14 Fixed-income securities

NOK THOUSANDS	31.12.2022		31.12.2021	
	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	9 937	9 943	3 997	3 997
Bonds	1 411 555	1 414 136	1 700 645	1 700 138
Total fixed-income securities	1 421 491	1 424 079	1 704 642	1 704 134

Fixed income securities are brought to account at market value, including accrued but not due interests.

NOTE 15 Net gain(loss) on financial instruments

NOK THOUSANDS	Q4 2022	Q4 2021	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
Net gain/(loss) on fixed-income securities	2 797	-2 937	-4 554	-3 622
Net gain/(loss) financial derivatives and realized repurchase of own debt	0	-21	-5 958	-4 890
Total net gain/(loss) financial instruments	2 797	-2 958	-10 512	-8 512

NOTE 16 Loan loss provision

In the fourth quarter of 2022 the company has changed on of the rules for moving a loan from stage 1 to stage 2. The relative change in 12 months PD should be more than 1.5 before the change is significant, previously 2.5. As the loan loss provisions in the portfolio are small, changes in individual loans can have a large percentage effect on the loan loss provisions, which is the case in this quarter.

Refer to Note 8 and Note 2 in the annual report for more details of the model.

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL not credit impaired stage 2	Lifetime ECL credit impaired stage 3	Total
EXPECTED CREDIT LOSS (ECL) - LOANS TO CUSTOMERS - MORTGAGE				
Opening balance ECL 01.01.2022	23	3	0	26
Transfers to stage 1	2	-2	0	0
Transfers to stage 2	-2	2	0	0
Transfers to stage 3	0	0	0	0
Net changes	-11	35	0	25
New losses	19	2	0	21
Write-offs	-7	0	0	-7
Change in risk model	0	1	0	1
Closing balance ECL 31.12.2022	25	41	0	66
Changes (01.01.2022-31.12.2022)	2	38	0	40

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL not credit impaired stage 2	Lifetime ECL credit impaired stage 3	Total
VALUE OF LENDING AND RECEIVABLES FOR CUSTOMERS RECOGNISED IN THE BALANCE SHEET - MORTGAGE				
Lending 01.01.2022	12 055 831	275 721	0	12 331 551
Transfers to stage 1	134 407	-134 407	0	0
Transfers to stage 2	-157 957	157 957	0	0
Transfers to stage 3	0	0	0	0
Net changes	-485 677	-7 593	0	-493 270
New lending	3 534 758	17 678	0	3 552 436
Write-offs	-3 047 958	-60 191	0	-3 108 149
Lending 31.12.2022	12 033 404	249 164	0	12 282 568

Quarterly earnings trend

NOK MILLIONS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest income	123.9	85.8	69.4	59.3	51.3
Interest expense	-105.2	-66.6	-52.3	-40.2	-28.2
Net interest income	18.7	19.2	17.1	19.1	23.5
Net gain/ (loss) on financial instruments	2.8	-1.4	-7.3	-4.6	-3.0
Total net gain/(loss) on financial instruments	2.8	-1.4	-7.3	-4.6	-3.0
Other operating expenses	-14.1	-16.1	-17.6	-18.0	-18.1
Total operating expenses	-14.1	-16.1	-17.6	-18.0	-18.1
Operating profit/loss before tax	7.4	1.7	-7.9	-3.5	2.4
Tax ordinary income	-1.6	-0.4	1.7	4.0	-0.5
Profit for the period	5.8	1.3	-6.2	0.5	1.9

Key figures accumulated

NOK MILLIONS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Pre-tax income	-2.3	-9.7	-11.4	-3.5	32.9
Net interest income	74.0	55.3	36.1	19.1	108.0
Other operating expenses	-65.9	-51.7	-35.6	-18.0	-66.6
Net gain/ (loss) financial instruments	-10.5	-13.3	-11.9	-4.6	-8.5
Housing mortgage lending	12 282.5	12 671.4	12 919.7	12 749.4	12 331.5
Non-performing loans	0.0	0.0	0.0	0.0	0.0
Total liabilities created on issuance of securities	12 634.1	12 624.0	12 213.9	12 394.9	12 433.5
Other borrowing	524.5	564.2	1 092.1	1 480.2	1 094.6
Total assets	14 087.5	14 109.9	14 227.0	14 654.2	14 313.7
Average total assets	14 200.6	14 211.8	14 270.3	14 483.9	12 894.7
Equity	920.1	914.3	913.0	769.2	771.9
Interest net	0.52 %	0.39 %	0.25 %	0.13 %	0.84 %
Profit/loss from ordinary operation before taxes	-0.02 %	-0.07 %	-0.08 %	-0.02 %	0.25 %
Return on equity	-0.30 %	-1.68 %	-2.95 %	-1.82 %	4.40 %
Capital adequacy ratio	19.7 %	19.2 %	18.9 %	15.9 %	16.4 %
Liquidity coverage ratio (LCR)	483 %	723 %	1 160 %	580 %	789 %



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