

The background of the upper half of the page is a large, abstract graphic composed of overlapping, semi-transparent green circles and shapes. The colors range from a light, vibrant green to a darker, forest green, creating a sense of depth and movement.

# First quarter report 2022

Unaudited

# Financial highlights

## Income statement

	DNB Boligkreditt AS		
<i>Amounts in NOK million</i>	1st quarter 2022	1st quarter 2021	Full year 2021
Net interest income	1 140	1 431	5 989
Net other operating income	938	(704)	(257)
Of which net gains on financial instruments at fair value	942	(716)	(313)
Total operating expenses	(72)	(420)	(1 944)
Impairment of financial instruments	2	12	5
Pre-tax operating profit	2 008	320	3 792
Tax expense	(502)	(80)	(948)
<b>Profit for the period</b>	<b>1 506</b>	<b>240</b>	<b>2 844</b>

## Balance sheet

<i>Amounts in NOK million</i>	31 March 2022	31 Dec. 2021	31 March 2021
Total assets	709 420	746 367	724 035
Loans to customers	683 099	689 142	688 487
Debt securities issued	359 609	440 950	495 974
Total equity	40 475	38 933	47 699

## Key figures and alternative performance measures

	1st quarter 2022	1st quarter 2021	Full year 2021
Return on equity, annualised (%) <sup>1)</sup>	15.4	2.0	6.5
Total average spreads for lending (%) <sup>1)</sup>	0.56	0.75	0.77
Impairment relative to average net loans to customers, annualised (per cent) <sup>1)</sup>	0.00	0.01	0.00
Net loans and financial commitments in stage 3, per cent of net loans <sup>1)</sup>	0.23	0.31	0.24
Net loans and financial commitments in stage 3, (NOK million) <sup>1)</sup>	1 590	2 104	1 660
Common equity Tier 1 capital ratio end of period (%)	18.7	23.4	18.7
Capital ratio end of period (%)	21.5	26.3	21.5
Common equity Tier 1 capital (NOK million)	34 673	42 025	34 708
Total risk exposure amount (NOK million)	185 324	179 448	185 640
Number of full-time positions at end of period	5	6	6

1) Defined as alternative performance measures (APM). APMs are described on [ir.dnb.no](#).

# First quarter report 2022

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There has been no full or partial external audit of the quarterly directors' report and accounts.

# Directors' report

DNB Boligkreditt AS is the DNB Group's vehicle for the issue of covered bonds based on residential mortgages. The company's office is located in Oslo. DNB Boligkreditt is a wholly-owned subsidiary of DNB Bank ASA and is reported as part of the Personal Banking Norway business area in DNB's consolidated accounts. Based on developments in international capital markets, DNB Boligkreditt has come to play a key role in ensuring long-term favourable funding for the Group. The rating agencies' assessments are of significance to the company's funding terms. DNB Boligkreditt's covered bond programmes are rated AAA by Moody's and Standard & Poor's.

## Financial accounts

DNB Boligkreditt recorded a profit of NOK 1 506 million in the first quarter of 2022, compared with a profit of NOK 240 million in the first quarter of 2021.

### Total income

Income totalled NOK 2 078 million in the first quarter of 2022, up from NOK 728 million in the year-earlier period.

Amounts in NOK million	1st quarter		1st quarter	
	2022	Change	2021	
Total income	2 078	1 350	728	
Net interest income		(291)		
Net commission and fee income		(3)		
Net gains/(losses) on financial instruments at fair value		1 659		
Other income		(15)		

Compared to the same period in the previous year, the net interest income has decreased, due to tighter lending spreads and reduced lending volume. The recorded gains on financial instruments reflect the effects of unrealised changes in the market value of covered bonds, derivatives and loans measured at fair value. Gains and losses from such instruments tend to vary considerably from quarter to quarter and will typically be reversed in subsequent periods due to stabilising markets or because the maturity dates of the instruments are approaching.

### Operating expenses and impairment of loans

Operating expenses are volatile due to the management fee paid to DNB Bank. The cooperation with DNB Bank is formalised through an extensive servicing agreement that ensures DNB Boligkreditt sound competence in key areas and cost-effective operations. The management fee calculation is based primarily on lending volume and the spreads achieved, thus the fee will fluctuate with the net interest income. The servicing agreement also ensures DNB Boligkreditt a minimum fee based on the net interest rate margin achieved on loans to customers. The fee structure shall ensure a stable return on equity and the fee amounted to NOK 50 million in the first quarter of 2022, down from 387 NOK million in the first quarter of 2021.

The company has generally recorded low impairment losses on loans. In the first quarter of 2022, the company reported net recoveries on impairment losses of NOK 2 million. The Board of Directors considers the level of impairment to be satisfactory relative to the high quality of the loan portfolio.

### Funding, liquidity and balance sheet

#### Balance sheet

At end-March 2022, DNB Boligkreditt had total assets of NOK 709.4 billion, a decrease of NOK 14.6 billion from end-March 2021.

Amounts in NOK million	31 March		31 March	
	2022	Change	2021	
Total assets	709 420	(14 615)	724 035	
Loans to customers		(5 388)		
Financial derivatives		(158)		
Deferred tax assets		2 949		
Other assets		(12 018)		
Total liabilities	668 946	(7 390)	676 336	
Due to credit institutions		112 415		
Financial derivatives		17 246		
Debt securities issued		(136 365)		
Other liabilities		(686)		

Loans to customers originate from the acquisition of residential mortgage portfolios from DNB Bank and the sale of new loans through the bank's distribution network.

Debt securities issued were down by net NOK 136.4 billion from end-March 2021. New issues of covered bonds have been lower than in previous years, and the appreciation of NOK has also lowered the market value of covered bonds issued in other currencies. The company issued covered bonds under existing programmes totalling NOK 50 billion in the first quarter of 2022. Total debt securities issued amounted to NOK 359.6 billion at end-March 2022.

### Risk and capital adequacy

The company has established guidelines and limits for management and control of the different types of risk.

Currency risk is offset through the use of financial derivatives. Interest rate and liquidity risk is managed in accordance with stipulations concerning covered bonds in the Financial Institutions Act and guidelines and limits approved by the Board of Directors. The company's overall financial risk is considered to be low.

Changes in the market value of the company's bonds due to credit risk are monitored on a daily basis.

The servicing agreement with DNB Bank comprises administration, bank production, IT operations and financial and liquidity management. The fee structure in the servicing agreement shall ensure a stable return on equity, but does not take the effects of unrealised gains or losses on financial instruments into consideration. Operational risk is assessed to be low.

Negative developments in the housing market will affect the company. A decline in housing prices will reduce the value of the company's cover pool relative to the statutory asset coverage requirement. Quarterly stress tests are carried out to estimate the effects of a negative development in housing prices. A short-term measure to meet a significant fall in housing prices will be to supply DNB Boligkreditt with more substitute collateral. The Board of Directors considers the company's total risk exposure to be low.

At end-March 2022, the company's equity totalled NOK 40.5 billion, of which NOK 34.7 billion represented Tier 1 capital. Own funds for capital adequacy purposes in the company was NOK 39.9 billion. The Tier 1 capital ratio was 18.7 per cent, while the capital adequacy ratio was 21.5 per cent.

## New regulatory framework

### EU Banking Package to enter into force in Norway on 1 June 2022

Amendments to the Financial Institutions Act implementing the EU Banking Package in Norwegian law were adopted by the Storting (Norwegian parliament) last year. The aim of the Norwegian Ministry of Finance is that the amended Act and associated regulatory provisions should enter into force on 1 June 2022. The Banking Package consists of the EU's revised Capital Requirements Regulation and Capital Requirements Directive (CRR II and CRD V), as well as amendments to the Bank Recovery and Resolution Directive (BRRD II). Among the changes introduced in the CRR II is an expansion of the SME supporting factor, which reduces banks' capital requirements in connection with lending to small and medium-sized enterprises (SMEs).

### Pillar 2 process to be made more transparent

In the Ministry of Finance's view, considerations relating to the rule of law may indicate that the parameters for setting bank-specific additional capital requirements (Pillar 2 requirements) should to a greater extent than today be laid down in legislation and regulations. In addition, the Ministry is of the opinion that rules of this kind should be implemented in Norwegian rules and legislation due to EEA-related legal obligations. The Ministry of Finance also highlights the need for transparency in the justification and structuring of Pillar 2 requirements. Finanstilsynet (the Financial Supervisory Authority of Norway) has therefore been tasked with giving an account of the current Pillar 2 practice, clarifying the parameters for the Authority's setting of Pillar 2 requirements, and proposing statutory and regulatory provisions that implement the rules on Pillar 2 requirements and the Pillar 2 guidance that follow from the CRD V. The task is due to be completed by 25 October 2022, and the Ministry of Finance is expected to submit its proposals for public consultation.

### Increased countercyclical capital buffer and key policy rate

Norway's central bank, Norges Bank, sets the level of the countercyclical capital buffer, which is a time-varying capital requirement for banks. On 24 March 2022, Norges Bank decided to increase the requirement to 2.5 per cent with effect from 31 March 2023, in line with previous signals. It has previously been decided to increase the buffer requirement from 1.0 per cent to 1.5 per cent with effect from 30 June 2022, and to 2.0 per cent with effect from 31 December 2022.

In March 2020, the Ministry of Finance reduced the buffer requirement from 2.5 to 1 per cent. The reduction was made in the context of the COVID-19 infection control measures that had led to a sharp decline in activity in the Norwegian economy. The level of activity in the Norwegian economy has continued to increase since the infection control measures were removed this winter. The increase to 2.5 per cent was therefore expected, and had already been incorporated into DNB Boligkreditt's capital planning.

### Ministry of Finance issues statement on IRB circular

Last summer, Finanstilsynet published a circular that is intended to guide banks on the Authority's practice for the approval and supervision of IRB models. The circular contains important points that may entail stricter regulation of risk weights than proposed in the EU capital requirements rules and legislation.

In a letter to Finanstilsynet dated 13 January 2022, the Ministry of Finance notes that the circular is intended to clarify the Authority's application of the IRB rules, but also makes clear that in concrete decisions vis-à-vis banks, any requirements made by the Authority must have a legal basis in laws or regulations that implement the relevant EU regulations in Norway.

### New Financial Contracts Act to enter into force on 1 January 2023

The new Financial Contracts Act was adopted just before Christmas 2020 and is intended to replace the current Financial Contracts Act of 1999 and the Act relating to the duty of disclosure and the right to cancel distance contracts and off-premises sales (The Cancellation Act) in the area of banking and finance. The new Act implements five EU directives: the revised Payment Services Directive (PSD2), the Payment Account Directive (PAD), the Mortgage Credit Directive, the Consumer Credit Directive and the Distance Selling Directive.

The Act was initially due to enter into force in early 2022. However, due to the COVID-19 pandemic, the work on the Act's regulatory provisions has taken longer than originally envisaged. In addition to regulations, it is expected that an interpretive statement will be issued, relating to the new Act's provisions on interest rate adjustment for credit agreements and other floating rate agreements. The Ministry of Justice and Public Security has announced in a statement that it aims to draw up regulations in the autumn of 2022, and that a new Act may enter into force on 1 January 2023.

### Macroeconomic developments

The global economic situation in the first quarter was marked by high rates of inflation in the US and in Europe. Significant growth in the price of commodities, bottlenecks in production and transport, and high rates of growth in aggregate demand were prominent features. In the US, the Federal Reserve approved an interest rate hike in March. Russia's invasion of Ukraine – along with the economic sanctions imposed on Russia by the US, the EU and the UK – caused further turbulence in a number of markets.

In the first quarter of 2022, the Norwegian economy was characterised by high capacity utilisation and high inflation. The restrictions introduced in December 2021 were to a large extent removed in February 2022, and activity picked up again. At the end of March, the recorded unemployment rate, adjusted for normal seasonal variations, was 1.9 per cent, the lowest unemployment rate since 2008.

Inflation rose significantly during the latter half of 2021, primarily as a result of higher electricity prices, reaching 5.3 per cent in December. It then fell slightly in the first two months of 2022, but rose again in March to (5.4) per cent, the highest rate of inflation since 1988. In addition to high electricity prices, international food and commodity prices have also risen markedly. In this year's pay settlement in the leading sectors, the parties entered into a new agreement, with an estimated wage growth in the sectors of 3.7 per cent. This is slightly higher than in 2021, and the parties based the estimate on a real wage growth of 0.4 per cent.

In September 2021, Norges Bank's view was that the Norwegian economy had recovered substantially and that there was less need for a highly expansive monetary policy. Norges Bank raised the key policy rate in September and December 2021, and then further to 0.75 per cent in March this year. The rise in inflation further underlined the need to terminate the monetary policy stimulus measures. Norges Bank wanted to raise the key policy rate gradually, and in March signalled that the rate may be increased by 0.25 percentage points each quarter in 2022 and 2023, in which case it will reach 2.50 per cent at the end of 2023.

In the market for existing homes, turnover and prices have been affected by new requirements for survey reports for homes being sold, which probably contributed to a high price growth in the first quarter. In March, there were signs that the supply of homes was picking up after a sluggish start to the year. So far, it would seem that the prospect of higher interest rates has had little effect on the housing market.

## Future prospects

Housing prices were up in the first quarter of 2022. Operating income was strong with very low impairment losses.

In the period 2022 to 2023, the annual increase in lending volumes is expected to be around 3 to 4 per cent. Norges Bank's forecasts indicate that the key policy rate is expected to increase by 0.25 per cent in June, to 1.00 per cent. A further six hikes of 0.25 per cent are also expected, bringing the key policy rate to 2.50 per cent by the end of 2023.

The common equity Tier 1 (CET1) capital ratio requirement for DNB Boligkreditt is 14.80 per cent, while the Tier 1 requirement is 16.30 per cent. The Norwegian Ministry of Finance has announced an increase in the counter-cyclical buffer requirement from 1 to 1.5

per cent with effect from June 2022, an additional increase to 2 per cent from December 2022 and to 2.5 per cent from March 2023. In its capital planning, DNB Boligkreditt has taken into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which will increase the regulatory requirement for the Tier 1 ratio level to 18.55 per cent, including a management buffer of 0.75 per cent. As per 31 March 2022 the CET1 capital ratio was 18.7 per cent.

Covered bonds have gained a leading position as a funding vehicle for Norwegian banks. Norwegian covered bonds still seem attractive, with relatively low credit and market risk. The volume of covered bond issues the next couple of years is however expected to be lower than in the previous years, due to the DNB Group's reduced need for this funding instrument.

Oslo, 27 April 2022

The Board of Directors of DNB Boligkreditt AS



Henrik Lidman  
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



Anne-Lene Åvanger Hødnebo  
(Chief Executive Officer, CEO)

## Comprehensive income statement

		DNB Boligkreditt AS		
<i>Amounts in NOK million</i>	Note	1st quarter 2022	1st quarter 2021	Full year 2021
Interest income, amortised cost		3 406	2 821	11 605
Other interest income		230	267	1 027
Interest expenses, amortised cost		(1 232)	(509)	(2 134)
Other interest expenses		(1 263)	(1 148)	(4 510)
<b>Net interest income</b>		<b>1 140</b>	<b>1 431</b>	<b>5 989</b>
Commission and fee income		12	14	59
Commission and fee expenses		(1)	(1)	(4)
Net gains on financial instruments at fair value		942	(716)	(313)
Other income		(15)		1
<b>Net other operating income</b>		<b>938</b>	<b>(704)</b>	<b>(257)</b>
<b>Total income</b>		<b>2 078</b>	<b>728</b>	<b>5 731</b>
Salaries and other personnel expenses		(2)	(4)	(13)
Other expenses	7	(71)	(416)	(1 931)
<b>Total operating expenses</b>		<b>(72)</b>	<b>(420)</b>	<b>(1 944)</b>
Impairment of financial instruments	3	2	12	5
<b>Pre-tax operating profit</b>		<b>2 008</b>	<b>320</b>	<b>3 792</b>
Tax expense		(502)	(80)	(948)
<b>Profit for the period</b>		<b>1 506</b>	<b>240</b>	<b>2 844</b>
Other comprehensive income that will not be reclassified to profit or loss		47	(5)	28
Tax		(12)	1	(7)
<b>Total comprehensive income for the period</b>		<b>1 541</b>	<b>236</b>	<b>2 865</b>

## Balance sheet

		DNB Boligkreditt AS		
<i>Amounts in NOK million</i>	Note	31 March 2022	31 Dec. 2021	31 March 2021
<b>Assets</b>				
Due from credit institutions	7	7 658	33 092	19 688
Loans to customers	3, 6	683 099	689 142	688 487
Financial derivatives	6	15 695	21 129	15 854
Deferred tax assets		2 949	2 949	
Other assets		19	55	7
<b>Total assets</b>		<b>709 420</b>	<b>746 367</b>	<b>724 035</b>
<b>Liabilities and equity</b>				
Due to credit institutions	7	272 318	235 701	159 903
Financial derivatives	6	26 663	20 850	9 417
Debt securities issued	4, 6	359 609	440 950	495 974
Payable taxes		5 071	4 557	4 529
Deferred taxes				655
Other liabilities		44	136	619
Provisions		31	32	32
Subordinated loan capital	5	5 209	5 207	5 206
<b>Total liabilities</b>		<b>668 946</b>	<b>707 434</b>	<b>676 336</b>
Share capital		4 527	4 527	5 257
Share premium		25 149	25 149	31 719
Other equity		10 799	9 257	10 723
<b>Total equity</b>		<b>40 475</b>	<b>38 933</b>	<b>47 699</b>
<b>Total liabilities and equity</b>		<b>709 420</b>	<b>746 367</b>	<b>724 035</b>

## Statement of changes in equity

	DNB Boligkreditt AS				
<i>Amounts in NOK million</i>	Share capital	Share premium	Liability credit reserve	Other equity	Total equity
<b>Balance sheet as at 31 December 2020</b>	<b>5 257</b>	<b>31 719</b>	<b>(44)</b>	<b>10 531</b>	<b>47 463</b>
Profit for the period				240	240
Financial liabilities designated at FVTPL, changes in credit risk			(5)		(5)
Tax on other comprehensive income			1		1
Comprehensive income for the period			(4)	240	236
<b>Balance sheet as at 31 March 2021</b>	<b>5 257</b>	<b>31 719</b>	<b>(48)</b>	<b>10 771</b>	<b>47 699</b>
<b>Balance sheet as at 31 December 2021</b>	<b>4 527</b>	<b>25 149</b>	<b>(23)</b>	<b>9 280</b>	<b>38 933</b>
Profit for the period				1 506	1 506
Financial liabilities designated at FVTPL, changes in credit risk			47		47
Tax on other comprehensive income			(12)		(12)
Comprehensive income for the period			35	1 506	1 541
<b>Balance sheet as at 31 March 2022</b>	<b>4 527</b>	<b>25 149</b>	<b>12</b>	<b>10 786</b>	<b>40 475</b>

### Share capital

All shares and voting rights of the company are held by DNB Bank ASA. Share capital at the beginning of 2022 was NOK 4 527 million (45 270 000 shares at NOK 100).



## Cash flow statement

	DNB Boligkreditt AS		
	January-March	Full year	
<i>Amounts in NOK million</i>	2022	2021	2021
<b>Operating activities</b>			
Net receipts on loans to customers	6 918	3 075	12 376
Interest received from customers	3 515	3 069	12 566
Net receipts on loans from credit institutions	62 045	15 966	78 367
Interest received from credit institutions	43	(0)	20
Interest paid to credit institutions	(1 121)	(469)	(2 087)
Net receipts on commissions and fees	11	13	55
Payments for operating expenses	(160)	58	(2 061)
Taxes paid		(1 013)	(5 465)
<b>Net cash flow relating to operating activities</b>	<b>71 251</b>	<b>20 698</b>	<b>93 771</b>
<b>Investing activities</b>			
Net purchase of loan portfolio	(1 861)	(15 520)	(26 034)
<b>Net cash flow relating to investing activities</b>	<b>(1 861)</b>	<b>(15 520)</b>	<b>(26 034)</b>
<b>Financing activities</b>			
Receipts on issued bonds and commercial paper	50 000	16 565	26 597
Payments on redeemed bonds and commercial paper	(118 146)	(20 552)	(78 571)
Interest payments on issued bonds and commercial paper	(1 213)	(1 167)	(4 265)
Interest payments on subordinated loan capital	(30)	(25)	(105)
Repaid capital			(7 300)
Group contribution payments			(4 095)
<b>Net cash flow from financing activities</b>	<b>(69 389)</b>	<b>(5 179)</b>	<b>(67 738)</b>
<b>Net cash flow</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>
Cash as at 1 January	0	2	2
Net payments of cash	(0)	(1)	(1)
Cash at end of period	0	0	0

## Note 1 Basis for preparation

The quarterly financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgements and assumptions that affect the application of the accounting principles, as well as income, expenses, and the carrying amount of assets and liabilities. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates and areas where judgement is applied can be found in Note 1 Accounting principles in the annual report for 2021. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied are in conformity with those described in the annual report.

## Note 2 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD IV).

Own funds	DNB Boligkreditt AS	
	31 March 2022	31 Dec. 2021
<i>Amounts in NOK million</i>		
Share capital	4 527	4 527
Other equity	34 441	34 406
Total equity	38 968	38 933
Regulatory adjustments		
IRB provisions shortfall (-)	(957)	(1 046)
Additional value adjustments (AVA)	(453)	(341)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(12)	23
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(30)	(18)
Group contributions	(2 843)	(2 843)
Common equity Tier 1 capital	34 673	34 708
Tier 2 capital	5 200	5 200
Own funds	39 873	39 908
Total risk exposure amount	185 324	185 640
Minimum capital requirement	14 826	14 851
Common equity Tier 1 capital ratio (%)	18.7	18.7
Capital ratio (%)	21.5	21.5

Specification of exposures	DNB Boligkreditt AS				
	Nominal exposure	Exposure at default EAD	Risk amount REA	Capital requirement	Capital requirement
	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 Dec. 2021
<i>Amounts in NOK million</i>					
IRB approach					
Corporate	350	350	113	9	9
Retail - secured by immovable property	758 160	758 160	160 646	12 852	12 887
Total credit risk, IRB approach	758 510	758 510	160 759	12 861	12 895
Standardised approach					
Institutions	9 438	9 438	1 888	151	153
Corporate	20 279	20 255	5 652	452	450
Retail	540	399	299	24	25
Retail - secured by immovable property	687	621	220	18	39
Other assets	3 231	3 212	7 766	621	590
Total credit risk, standardised approach	34 176	33 924	15 824	1 266	1 257
Total credit risk	792 685	792 434	176 583	14 127	14 152
Credit value adjustment (CVA)					
Operational risk			8 741	699	699
Total risk exposure amount			185 324	14 826	14 851

## Note 3 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost	DNB Boligkreditt AS							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
<b>Accumulated impairment as at 31 Dec.</b>	<b>(8)</b>	<b>(9)</b>	<b>(23)</b>	<b>(40)</b>	<b>(14)</b>	<b>(13)</b>	<b>(40)</b>	<b>(66)</b>
Transfer to stage 1	(2)	2			(4)	4		
Transfer to stage 2								
Transfer to stage 3							(1)	
Originated and purchased during the period	(1)			(1)	(2)			(2)
Increased expected credit loss	(1)	(7)	(11)	(19)	(2)	(6)	(11)	(19)
Decreased (reversed) expected credit loss	4		11	16	9	1	18	28
Write-offs								
Derecognition		2		2		3		3
<b>Accumulated impairment as at 31 March</b>	<b>(7)</b>	<b>(13)</b>	<b>(22)</b>	<b>(43)</b>	<b>(11)</b>	<b>(11)</b>	<b>(32)</b>	<b>(54)</b>

## Note 4 Debt securities issued

Debt securities issued	DNB Boligkreditt AS		
	31 March 2022	31 Dec. 2021	31 March 2021
<i>Amounts in NOK million</i>			
Listed covered bonds, nominal amount	306 549	371 612	417 419
Private placements under the bond programme, nominal amount	52 594	56 195	59 085
Total bonds, nominal amount	359 143	427 808	476 504
Accrued interest	1 609	2 160	2 188
Unrealised losses <sup>1)</sup>	(1 143)	10 982	17 282
Adjustments	466	13 142	19 470
<b>Total debt securities issued</b>	<b>359 609</b>	<b>440 950</b>	<b>495 974</b>

1) Unrealised losses comprise of adjustments for net gain attributable to hedged risk on debt securities that are accounted for as hedged items and mark-to-market adjustments on debt securities that are designated as at fair value through profit or loss (fair value option).

Changes in debt securities issued	DNB Boligkreditt AS						
	Balance sheet 31 March 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Balance sheet 31 Dec. 2021	
	<i>Amounts in NOK million</i>						
Bond debt, nominal amount	359 143	50 000	(110 761)	(7 904)		427 808	
Adjustments	466				(12 677)	13 142	
<b>Total debt securities issued</b>	<b>359 609</b>	<b>50 000</b>	<b>(110 761)</b>	<b>(7 904)</b>	<b>(12 677)</b>	<b>440 950</b>	

Maturity of debt securities issued	DNB Boligkreditt AS		
	NOK	Foreign currency	Total
<i>Amounts in NOK million</i>			
2022	20 000	13 939	33 939
2023	257	65 846	66 103
2024	58 000	33 909	91 909
2025	11 500	30 613	42 113
2026 and later	3 600	121 479	125 079
<b>Total bond debts, nominal amount</b>	<b>93 357</b>	<b>265 786</b>	<b>359 143</b>

## Note 4 Debt securities issued (continued)

Debt securities issued - matured/redeemed during the period						DNB Boligkreditt AS	
<i>Amounts in NOK million</i>		Matured redeemed amount	Interest	Issued	Matured	Remaining nominal amount	
ISIN Code	Currency					31 March 2022	31 Dec. 2021
Private	EUR	1 498	Fixed	2010	2022	Matured	1 498
XS0737340538	USD	44	Fixed	2012	2022	Matured	44
Private	EUR	529	Fixed	2012	2022	Redeemed	529
XS0759310930	EUR	19 977	Fixed	2012	2022	Matured	19 977
NO 0010730799	NOK	3 500	Fixed	2015	2022	Matured	3 500
NO 0010730799	NOK	500	Fixed	2016	2022	Matured	500
XS1548410080	EUR	19 977	Fixed	2017	2022	Matured	19 977
NO 0010730799	NOK	1 500	Fixed	2017	2022	Matured	1 500
XS1587060085	USD	13 235	Fixed	2017	2022	Matured	13 235
NO0010877350	NOK	50 000	Floating	2020	2022	Matured	50 000
<b>Total debt securities issued, nominal value</b>		<b>110 761</b>					<b>110 761</b>

Cover pool	DNB Boligkreditt AS		
	31 March 2022	31 Dec. 2021	31 March 2021
<i>Amounts in NOK million</i>			
Pool of eligible loans	681 152	687 034	685 542
Market value of eligible derivatives		279	6 436
<b>Total collateralised assets</b>	<b>681 152</b>	<b>687 313</b>	<b>691 978</b>
Debt securities issued, carrying value	359 609	440 950	495 974
Less valuation changes attributable to changes in credit risk on debt carried at fair value	16	(30)	(64)
Market value of eligible derivatives	10 968		
<b>Debt securities issued, valued according to regulation <sup>1)</sup></b>	<b>370 593</b>	<b>440 920</b>	<b>495 910</b>
Collateralisation (per cent)	183.8	155.9	139.5

1) The debt securities issued are bonds with preferred rights in the appurtenant cover pool. The composition and calculation of values in the cover pool are defined in Sections 11-8 and 11-11 of the Financial Institutions Act with appurtenant regulations.

## Note 5 Subordinated loan capital

							DNB Boligkreditt AS		
<i>Amounts in NOK million</i>	Currency	Nominal amount	Interest rate	Issue date	Call date	Maturity date	31 March 2022	31 Dec. 2021	31 March 2021
Term subordinated loan capital	NOK	1 900	3 month Nibor + 160 bp	2018	2023	2028	1 900	1 900	1 900
Term subordinated loan capital	NOK	3 300	3 month Nibor + 160 bp	2018	2023	2028	3 300	3 300	3 300
Accrued interest							9	7	6
<b>Total subordinated loan capital</b>							<b>5 209</b>	<b>5 207</b>	<b>5 206</b>

## Note 6 Financial instruments at fair value

<i>Amounts in NOK million</i>	<b>DNB Boligkreditt AS</b>			
	Level 1	Level 2	Level 3	Total
<b>Assets as at 31 March 2022</b>				
Loans to customers			34 795	34 795
Financial derivatives		15 695		15 695
<b>Liabilities as at 31 March 2022</b>				
Debt securities issued		6 328		6 328
Financial derivatives		26 663		26 663
<b>Assets as at 31 March 2021</b>				
Loans to customers			39 932	39 932
Financial derivatives		15 854		15 854
<b>Liabilities as at 31 March 2021</b>				
Debt securities issued		18 092		18 092
Financial derivatives		9 417		9 417

### Financial instruments at fair value, level 3

<i>Amounts in NOK million</i>	<b>DNB Boligkreditt AS</b>	
		Loans to customers
<b>Carrying amount as at 31 December 2020</b>		
		<b>40 934</b>
Net gains recognised in the income statement		(501)
Additions/purchases		2 171
Sales		(34)
Settled		(2 637)
<b>Carrying amount as at 31 March 2021</b>		
		<b>39 932</b>
<b>Carrying amount as at 31 December 2021</b>		
		<b>35 221</b>
Net gains recognised in the income statement		(1 073)
Additions/purchases		3 061
Sales		(17)
Settled		(2 397)
<b>Carrying amount as at 31 March 2022</b>		
		<b>34 795</b>

For a further description of the instruments and valuation techniques, see DNB Boligkreditt's annual report for 2021.

## Note 7 Information on related parties

### DNB Bank ASA

In the first quarter of 2022, loan portfolios representing NOK 1.9 billion (NOK 15.5 billion in the first quarter of 2021) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

The management fee paid to the bank for purchased services is recognised as "Other expenses" in the statement of comprehensive income and amounted to NOK 50 million in the first quarter of 2022 (NOK 387 million in the first quarter of 2021).

At end-March 2022, the bank had invested NOK 54.3 billion in covered bonds issued by DNB Boligkreditt.

In the first quarter of 2022, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 6.5 billion at end-March 2022.

DNB Boligkreditt AS has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 290 billion.

### DNB Livsforsikring AS

At end-March 2022 DNB Livsforsikring's holding of DNB Boligkreditt bonds was valued at NOK 253 million.

### Sbanken ASA

At end-March 2022, Sbanken ASA's holding of DNB Boligkreditt bonds was valued at NOK 135 million.

# Contact information

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## **Other sources of information**

### **Annual and quarterly reports**

DNB Boligkreditt AS is part of the DNB Group. Annual and quarterly reports for DNB Boligkreditt AS and the DNB Group are available on [ir.dnb.no](http://ir.dnb.no).



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So you can stay ahead.**

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