

DNB Boligkreditt AS

A company in the DNB Group

Second quarter and first half report 2023

Unaudited

Financial highlights

Income statement

<i>Amounts in NOK million</i>	2nd quarter 2023	2nd quarter 2022	Jan.-June 2023	Jan.-June 2022	Full year 2022
Net interest income	640	998	1 389	2 138	2 971
Net other operating income	207	240	(129)	1 178	1 358
Of which net gains on financial instruments at fair value	197	228	(150)	1 171	1 328
Total operating expenses	471	62	851	(10)	1 345
Impairment of financial instruments	(7)	(4)	(13)	(1)	(25)
Pre-tax operating profit	1 312	1 296	2 098	3 305	5 649
Tax expense	(328)	(324)	(525)	(826)	(1 412)
Profit for the period	984	972	1 573	2 479	4 237

Balance sheet

<i>Amounts in NOK million</i>	30 June 2023	31 Dec. 2022	30 June 2022
Total assets	732 539	732 992	718 061
Loans to customers	679 739	686 604	684 777
Debt securities issued	354 958	365 316	369 462
Total equity	37 845	40 375	38 627

Key figures and alternative performance measures

	2nd quarter 2023	2nd quarter 2022	Jan.-June 2023	Jan.-June 2022	Full year 2022
Return on equity, annualised (%) ¹	10.4	10.1	8.1	12.8	10.7
Total average spreads for lending (%) ¹	0.33	0.46	0.33	0.51	0.29
Impairment relative to average net loans to customers, annualised (per cent) ¹	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net loans and financial commitments in stage 3, per cent of net loans ¹	0.28	0.23	0.28	0.23	0.25
Net loans and financial commitments in stage 3, (NOK million) ¹	1 921	1 574	1 921	1 574	1 709
Common equity Tier 1 capital ratio end of period (%)	19.0	18.7	19.0	18.7	18.7
Capital ratio end of period (%)	21.8	21.5	21.8	21.5	21.5
Common equity Tier 1 capital (NOK million)	34 881	34 696	34 881	34 696	34 825
Total risk exposure amount (NOK million)	183 793	185 514	183 793	185 514	186 016
Number of full-time positions at end of period	5	5	5	5	5

1) Defined as alternative performance measures (APM). APMs are described on [ir.dnb.no](https://www.dnb.no).

Contents

Directors' report	4
--------------------------------	---

Accounts

Comprehensive income statement	7
Balance sheet	7
Statement of changes in equity.....	8
Cash flow statement.....	9
Note 1 Basis for preparation.....	10
Note 2 Capital adequacy.....	10
Note 3 Development in accumulated impairment of financial instruments.....	11
Note 4 Debt securities issued	11
Note 5 Subordinated loan capital	12
Note 6 Financial instruments at fair value.....	13
Note 7 Information on related parties.....	13

Statement pursuant to the Securities trading Act	14
---	----

Contact information	15
----------------------------------	----

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 in Oslo. DNB Boligkreditt is a wholly owned subsidiary of DNB Bank ASA and is reported as part of the Personal Customers 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 984 million in the second quarter of 2023, compared with a profit of NOK 972 million in the second quarter of 2022.

Total income

Income totalled NOK 848 million in the second quarter of 2023, down from NOK 1 238 million in the year-earlier period.

Amounts in NOK million	2nd quarter		2nd quarter
	2023	Change	2022
Total income	848	(390)	1 238
Net interest income		(358)	
Net commission and fee income		(2)	
Net gains/(losses) on financial instruments at fair value		(31)	
Other income		1	

Compared to the same period in the previous year, the net interest income has decreased, due to tighter lending spreads. The recorded gains on financial instruments have also decreased in the second quarter of 2023, because 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-profit based on the net interest rate margin achieved on loans to customers. A net interest rate margin below a minimum level agreed upon with DNB Bank, will result in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The fee amounted to a negative NOK 500 million in the second quarter of 2023, down from a negative NOK 86 million in the second quarter of 2022.

The company has generally recorded low impairment losses on loans. In the second quarter of 2023, the company reported a net impairment loss of NOK 7 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-June 2023, DNB Boligkreditt had total assets of NOK 732.5 billion, a decrease of NOK 14.5 billion from end-June 2022.

Amounts in NOK million	30 June		30 June
	2023	Change	2022
Total assets	732 539	14 478	718 061
Loans to customers		(5 038)	
Financial derivatives		29 611	
Deferred tax assets		(2 949)	
Other assets		(7 146)	
Total liabilities	694 693	15 259	679 434
Due to credit institutions		17 436	
Financial derivatives		9 829	
Debt securities issued		(14 504)	
Deferred taxes		2 529	
Other liabilities		(31)	

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 14.5 billion from end-June 2022, due to lower issue volumes. The company issued covered bonds under existing programmes totalling NOK 13 billion in the second quarter of 2023. Total debt securities issued amounted to NOK 355.0 billion at end-June 2023.

Other events

Sustainability

During the quarter, DNB's Group Sustainability Committee continued its work to ensure coherent implementation of sustainability measures across the Group. An important area of discussion in the Committee is the work to develop DNB's climate transition plan, which will be published later this year. Moreover, regulatory developments such as the reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and the Norwegian Transparency Act were important matters handled by the Committee. DNB's report for 2022 under the Transparency Act was published on 15 June.

Merger with Sbanken Boligkreditt

As of the 2 May, the merger between DNB Bank and Sbanken was completed. The merger between the subsidiaries DNB Boligkreditt and Sbanken Boligkreditt was initiated following this merger and is planned to be completed during the third quarter of 2023.

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 using 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 low.

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

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 that DNB Bank supplies DNB Boligkreditt with more substitute collateral. The Board of Directors considers the company's total risk exposure to be low.

At end-June 2023, the company's equity totalled NOK 37.8 billion, of which NOK 34.9 billion represented Tier 1 capital. Own funds for capital adequacy purposes in the company was NOK 40.1 billion. The Tier 1 capital ratio was 19.0 per cent, while the capital adequacy ratio was 21.8 per cent.

New regulatory framework

Counter-cyclical capital buffer and Pillar 2 requirements

The counter-cyclical capital buffer requirement was increased by 0.5 per cent to 2.5 per cent with effect from 31 March 2023 and at its meeting on 3 May, Norges Bank decided to maintain this level. Norges Bank emphasises that the Norwegian financial system is well equipped to withstand market turbulence.

In June, Finanstilsynet changed its practice for publishing decisions on Pillar 2 capital requirements and expectations regarding Pillar 2 Guidance. Previously, the actual letter of decision for each individual bank was published. This information will now be made available in a table that provides an overview of the banks' Pillar 2 requirements, the proportion of the Pillar 2 requirement that is to be covered by CET1 capital, and Finanstilsynet's expectation regarding Pillar 2 Guidance for each bank. The table also shows the date of entry into force of the Pillar 2 requirement, and the date of publication of the requirement.

Changes to the use of flexibility quotas for loans secured by other collateral than property

Norwegian Lending Regulations are temporary rules that oversee lending practices of financial institutions for consumer loans. Initially introduced in 2015 for loans secured by residential property, these regulations have been extended until 2024. As of 1 July 2023, the regulations also cover loans secured by assets other than residential property, such as cars. Financial institutions will be allowed to grant loans with collateral in non-property assets that do not meet certain conditions for debt-servicing capacity and maximum loan-to-income ratio, but only up to 10% of the value of such loans each quarter. These rule changes will result in stricter practices within the industry, but do not affect how DNB evaluates mortgage loan applications.

Macroeconomic developments

Inflation in the OECD countries, measured as growth in the consumer price index, continued to decline in the second quarter. The decline was largely driven by lower energy prices. Core inflation in the US, the eurozone, Sweden and the UK had previously shown signs of abating but remained fairly unchanged in the second quarter. During the quarter, the central banks in these countries raised their key policy rates further and/or announced future increases. In the US, the S&P 500 rose during the second half of March and continued to do so throughout the second quarter. Market interest rate expectations also rose during the quarter.

The Norwegian krone (NOK) depreciated during the first quarter, both against the euro and against the US dollar. This depreciation continued in the second quarter, but the NOK recovered somewhat during the first part of June.

Activity in the Norwegian economy, measured in terms of mainland GDP, declined somewhat at the beginning of the second quarter, after falling by 0.4 per cent from March to April. The first quarter saw little change in activity levels. It was particularly the level of activity in the service sector, probably pulled down by a fall in private consumption, that brought down growth in mainland GDP. Increased net exports of traditional goods have contributed positively so far this year. There is considerable uncertainty surrounding the activity figures, partly due to the effects of the timing of Easter and of the strike in connection with this year's pay settlement between the Norwegian Federation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO). The regional network of the Norwegian central bank, Norges Bank, indicates that production increased slightly in the second quarter, and that a further rise in production is expected in the third quarter. In May, 1.8 per cent of the workforce were registered as unemployed, adjusted for seasonal variations, and vacant positions were still in ample supply.

Consumer prices were up 6.7 per cent in May, calculated from the same time last year. Inflation peaked in October 2022, at 7.5 per cent. However, core inflation rose to a record high 6.7 per cent in May, well above Norges Bank's projections for the month. There was high inflation both for imported consumer goods and for domestic goods and services. In the pay settlement between LO and NHO, the parties agreed, following a strike, on an agreement that means an average wage growth of 5.2 per cent. Last year, the average wage growth was set at 3.7 per cent, but the average wage growth for all groups ended up being 4.4 per cent.

Higher-than-expected inflation, a substantial depreciation of the Norwegian krone and a further rise in interest rates internationally were key elements in Norges Bank's assessment when it raised the key policy rate to 3.75 per cent at its monetary policy meeting in June. At the same time, the central bank announced another increase in August, and the presented interest rate path indicates that the interest rate may be 4.00 per cent or more towards the end of the year.

Future prospects

The stepwise increase in Norges Bank's key policy rate from 0.50 per cent to 2.75 per cent during 2022, followed by DNB's repricing announcements, will have full annual effect in 2023. Moreover, Norges Bank's stepwise increase of the key policy rate in March, May, and June, to 3.75 per cent, will have additional positive effects on interest income in 2023.

In the period 2023 to 2024, the annual increase in lending volumes is expected to be around 2 to 3 per cent.

The common equity Tier 1 (CET1) capital ratio requirement for DNB Boligkreditt is 16.30 per cent, while the Tier 1 requirement is 17.80 per cent. Including a management buffer of 0.75 per cent the Tier 1 requirement is 18.55 per cent. As per 30 June 2023 the CET1 capital ratio was 19.0 per cent.

Covered bonds have 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, 11 July 2023

The Board of Directors of DNB Boligkreditt AS



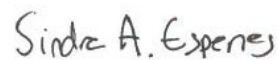
Henrik Lidman
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



Sindre Andreas Espenes
(Chief Executive Officer, CEO)

Accounts for DNB Boligkreditt

COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	Note	2nd quarter 2023	2nd quarter 2022	Jan.-June 2023	Jan.-June 2022	Full year 2022
Interest income, amortised cost		7 181	3 689	13 964	7 095	17 433
Other interest income		249	243	494	472	969
Interest expenses, amortised cost		(6 846)	(1 581)	(12 519)	(2 813)	(10 468)
Other interest expenses		56	(1 353)	(550)	(2 616)	(4 963)
Net interest income		640	998	1 389	2 138	2 971
Commission and fee income		11	13	22	25	50
Commission and fee expenses		(1)	(1)	(2)	(2)	(4)
Net gains on financial instruments at fair value		197	228	(150)	1 171	1 328
Other income			(1)		(16)	(16)
Net other operating income		207	240	(129)	1 178	1 358
Total income		848	1 238	1 260	3 316	4 328
Salaries and other personnel expenses		(2)	(1)	(5)	(3)	(8)
Other income (expenses) related to management fee	7	500	86	906	36	1 442
Other expenses exclusive management fee		(27)	(23)	(51)	(43)	(89)
Total operating expenses		471	62	851	(10)	1 345
Impairment of financial instruments	3	(7)	(4)	(13)	(1)	(25)
Pre-tax operating profit		1 312	1 296	2 098	3 305	5 649
Tax expense		(328)	(324)	(525)	(826)	(1 412)
Profit for the period		984	972	1 573	2 479	4 237
Other comprehensive income that will not be reclassified to profit or loss		2	30	10	77	63
Tax		(1)	(8)	(3)	(19)	(16)
Total comprehensive income for the period		986	995	1 581	2 536	4 284

BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 June 2023	31 Dec. 2022	30 June 2022
Assets				
Due from credit institutions	7	8 370	26 418	15 799
Loans to customers	3, 6	679 739	686 604	684 777
Financial derivatives	6	43 984	17 585	14 373
Deferred tax assets			1 822	2 949
Other assets		446	563	163
Total assets		732 539	732 992	718 061
Liabilities and equity				
Due to credit institutions	7	302 700	294 512	285 264
Financial derivatives	6	28 699	27 184	18 870
Debt securities issued	4, 6	354 958	365 316	369 462
Payable taxes		527	0	544
Deferred taxes		2 529		
Other liabilities		33	360	56
Provisions		31	31	31
Subordinated loan capital	5	5 216	5 214	5 208
Total liabilities		694 693	692 617	679 434
Share capital		4 527	4 527	4 527
Share premium		25 149	25 149	25 149
Other equity		8 169	10 699	8 951
Total equity		37 845	40 375	38 627
Total liabilities and equity		732 539	732 992	718 061

STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Share capital	Share premium	Liability credit reserve	Other equity	Total equity
Balance sheet as at 31 December 2021	4 527	25 149	(23)	9 280	38 933
Profit for the period				2 479	2 479
Financial liabilities designated at FVTPL, changes in credit risk			77		77
Tax on other comprehensive income			(19)		(19)
Comprehensive income for the period			58	2 479	2 536
Group contribution paid				(2 842)	(2 842)
Balance sheet as at 30 June 2022	4 527	25 149	35	8 916	38 627
Balance sheet as at 31 December 2022	4 527	25 149	25	10 673	40 375
Profit for the period				1 573	1 573
Financial liabilities designated at FVTPL, changes in credit risk			10		10
Tax on other comprehensive income			(3)		(3)
Comprehensive income for the period			8	1 573	1 581
Group contribution paid				(4 110)	(4 110)
Balance sheet as at 30 June 2023	4 527	25 149	32	8 136	37 845

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

<i>Amounts in NOK million</i>	Jan.-June 2023	Jan.-June 2022	Full year 2022
Operating activities			
Net receipts on loans to customers	7 022	7 105	12 378
Receipts on issued bonds and commercial paper	13 419	60 000	90 000
Payments on redeemed bonds and commercial paper	(47 966)	(124 007)	(154 180)
Net receipts on loans from credit institutions	26 221	66 852	65 499
Interest received	14 374	7 482	17 761
Interest paid	(13 079)	(5 197)	(14 193)
Net receipts on commissions and fees	20	23	46
Net receipts/(payments) for operating expenses	548	(237)	1 102
Taxes paid	4 351	(4 859)	(3 911)
Net cash flow relating to operating activities	4 911	7 163	14 502
Investing activities			
Purchase of loan portfolio	(1 123)	(4 639)	(11 332)
Sale of loan portfolio	322	318	620
Net cash flow relating to investing activities	(801)	(4 321)	(10 712)
Financing activities			
Group contribution payments	(4 110)	(2 842)	(3 790)
Net cash flow from financing activities	(4 110)	(2 842)	(3 790)
Net cash flow	0	0	0
Cash as at 1 January	0	0	0
Net payments of cash	0	0	0
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 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 2022. 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.

Cash flow statement

As of 1 January 2023, DNB Boligkreditt presents the line items 'Receipts on issued bonds and commercial paper', 'Payments on redeemed bonds and commercial paper', 'Interest paid' and 'Interest received' as cash flow from operating activities in the cash flow statement. The changes are reflected in the comparative figures.

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).

Own funds

<i>Amounts in NOK million</i>	30 June 2023	31 Dec. 2022	30 June 2022
Share capital	4 527	4 527	4 527
Other equity	31 745	35 848	31 621
Total equity	36 272	40 375	36 148
Regulatory adjustments			
IRB provisions shortfall (-)	(985)	(949)	(966)
Additional value adjustments (AVA)	(366)	(441)	(420)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(32)	(25)	(35)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(8)	(25)	(30)
Group contributions		(4 110)	
Common equity Tier 1 capital	34 881	34 825	34 696
Tier 2 capital	5 200	5 200	5 200
Own funds	40 081	40 025	39 896
Total risk exposure amount	183 793	186 016	185 514
Minimum capital requirement	14 703	14 881	14 841
Common equity Tier 1 capital ratio (%)	19.0	18.7	18.7
Capital ratio (%)	21.8	21.5	21.5

Specification of exposures

<i>Amounts in NOK million</i>	Nominal exposure 30 June 2023	Exposure at default EAD 30 June 2023	Risk amount REA 30 June 2023	Capital requirement 30 June 2023	Capital requirement 31 Dec. 2022
IRB approach					
Corporate	489	489	200	16	11
Retail - secured by immovable property	767 824	767 824	163 686	13 095	13 103
Total credit risk, IRB approach	768 313	768 313	163 887	13 111	13 113
Standardised approach					
Institutions	20 952	20 952	4 190	335	94
Corporate	17 773	17 769	4 850	388	423
Retail	565	409	307	25	25
Retail - secured by immovable property	1 073	974	584	47	18
Other assets					390
Total credit risk, standardised approach	40 363	40 104	9 931	794	950
Total credit risk	808 677	808 417	173 818	13 905	14 063
Currency risk			1 638	131	151
Operational risk			8 338	667	667
Total risk exposure amount			183 793	14 703	14 881

NOTE 3 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(19)	(22)	(25)	(67)	(8)	(9)	(23)	(40)
Transfer to stage 1	(10)	9			(4)	4		
Transfer to stage 2	1	(2)		0	1	(1)		
Transfer to stage 3								
Originated and purchased during the period	(13)			(13)	(2)			(2)
Increased expected credit loss	(7)	(22)	(38)	(67)	(2)	(14)	(22)	(38)
Decreased (reversed) expected credit loss	30	3	23	55	9	1	18	28
Write-offs			3	3			1	1
Derecognition		6		6		4		4
Accumulated impairment as at 30 June	(17)	(28)	(37)	(82)	(7)	(15)	(25)	(48)

For explanatory comments about the impairment of financial instruments, see the directors' report.

NOTE 4 DEBT SECURITIES ISSUED

Debt securities issued

<i>Amounts in NOK million</i>	30 June 2023	31 Dec. 2022	30 June 2022
Listed covered bonds, nominal amount	319 011	329 953	325 008
Private placements under the bond programme, nominal amount	56 904	55 720	54 976
Total covered bonds, nominal amount	375 914	385 674	379 984
Accrued interest	1 953	1 800	1 515
Unrealised losses ¹	(22 909)	(22 157)	(12 037)
Adjustments	(20 956)	(20 358)	(10 522)
Total debt securities issued	354 958	365 316	369 462

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

<i>Amounts in NOK million</i>	Balance sheet 30 June 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Balance sheet 31 Dec. 2022
Covered bond debt, nominal	375 914	13 000	(49 005)	26 246		385 674
Adjustments	(20 956)				(598)	(20 358)
Total debt securities issued	354 958	13 000	(49 005)	26 246	(598)	365 316

Maturity of debt securities issued

<i>Amounts in NOK million</i>	NOK	Foreign currency	Total
2023	257	27 424	27 681
2024	58 000	39 483	97 483
2025	51 500	35 907	87 407
2026	15 500	41 316	56 816
2027 and later	1 100	105 428	106 528
Total covered bond debts, nominal amount	126 357	249 557	375 914

NOTE 4 DEBT SECURITIES ISSUED (continued)

Debt securities issued - matured/redeemed during the period

ISIN Code	Currency	Matured redeemed amount	Interest	Issued	Matured	Remaining nominal amount	
						30 June 2023	31 Dec. 2022
Private	EUR	263	Fixed	2010	2023	Matured	263
Private	EUR	105	Fixed	2013	2023	Matured	105
XS0877622620	EUR	158	Fixed	2013	2023	Matured	158
Private	EUR	1 388	Fixed	2013	2023	Matured	1 388
Private	EUR	53	Fixed	2016	2023	Matured	53
XS1756428469	EUR	15 776	Fixed	2018	2023	Matured	15 776
Private	EUR	342	Fixed	2008	2023	Matured	342
Private	EUR	1 265	Fixed	2008	2023	Redeemed	1 265
Private	EUR	171	Fixed	2008	2023	Matured	171
LUX	EUR	968	Fixed	2011	2023	Matured	968
XS0922846620	EUR	228	Fixed	2013	2023	Matured	228
Private	EUR	171	Floating	2013	2023	Matured	171
XS1396253236	EUR	17 089	Fixed	2016	2023	Matured	17 089
XS182007382	EUR	570	Floating	2018	2023	Matured	570
XS1847812713	USD	10 459	Fixed	2018	2023	Matured	10 459
Total debt securities matured/ redeemed, nominal amount		49 005					49 005

Cover pool

Amounts in NOK million	30 June 2023	31 Dec. 2022	30 June 2022
Pool of eligible loans	677 530	683 646	682 915
Market value of eligible derivatives	15 285		
Total collateralised assets	692 815	683 646	682 915
Debt securities issued, carrying value	354 958	365 316	369 462
Valuation changes attributable to changes in credit risk on debt carried at fair value	43	33	47
Market value of eligible derivatives		9 599	4 496
Debt securities issued, valued according to regulation¹	355 001	374 948	374 004
Collateralisation (per cent)	195.2	182.3	182.6

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

Amounts in NOK million	Currency	Nominal amount	Interest rate	Issue date	Call date	Maturity date	30 June 2023	31 Dec. 2022	30 June 2022
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							16	14	8
Total subordinated loan capital							5 216	5 214	5 208

NOTE 6 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
Assets as at 30 June 2023				
Loans to customers			33 143	33 143
Financial derivatives		43 984		43 984
Liabilities as at 30 June 2023				
Debt securities issued		6 019		6 019
Financial derivatives		28 699		28 699
Assets as at 30 June 2022				
Loans to customers			34 384	34 384
Financial derivatives		14 373		14 373
Liabilities as at 30 June 2022				
Debt securities issued		6 171		6 171
Financial derivatives		18 870		18 870

Financial instruments at fair value, level 3

<i>Amounts in NOK million</i>	Loans to customers
Carrying amount as at 31 December 2021	35 221
Net gains recognised in the income statement	(1 670)
Additions/purchases	4 949
Sales	(41)
Settled	(4 076)
Carrying amount as at 30 June 2022	34 384
Carrying amount as at 31 December 2022	34 499
Net gains recognised in the income statement	(732)
Additions/purchases	2 701
Sales	(21)
Settled	(3 303)
Carrying amount as at 30 June 2023	33 143

For a further description of the instruments and valuation techniques, see DNB Boligkreditt's annual report for 2022.

Sensitivity analysis, level 3

An increase in the discount rate on fixed-rate loans by 10 basis points will decrease the fair value by NOK 95 million.

NOTE 7 INFORMATION ON RELATED PARTIES

DNB Bank ASA

In the first half of 2023, loan portfolios representing NOK 0.8 billion (NOK 4.3 billion in the first half of 2022) 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 servicing agreement between DNB Boligkreditt and DNB Bank ensures DNB Boligkreditt a minimum margin achieved on loans to customers. A margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The management fee paid to the bank for purchased services is recognised as 'Other income (expenses) related to management fee' in the comprehensive income statement and amounted to a negative NOK 906 million in the first half of 2023 (a negative NOK 36 million in the first half of 2022).

At end-June 2023, DNB Bank had invested NOK 92.2 billion in covered bonds issued by DNB Boligkreditt.

In the first half of 2023, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 7.1 billion at end-June 2023.

As of end-June 2023, DNB Bank's ownership of subordinated loans issued by DNB Boligkreditt amounted to NOK 1.9 billion. At the same time, DNB Invest Denmark A/S' ownership of subordinated loans issued by DNB Boligkreditt amounted to NOK 3.3 billion.

DNB Boligkreditt has a long-term overdraft facility in DNB Bank with a limit of NOK 335 billion.

DNB Livsforsikring AS

At end-June 2023 DNB Livsforsikring AS's holding of DNB Boligkreditt bonds was valued at NOK 256 million.

Statement pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the company for the period 1 January through 30 June 2023 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the company over the next accounting period
- description of major transactions with related parties.

Oslo, 11 July 2023

The Board of Directors of DNB Boligkreditt AS



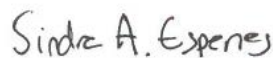
Henrik Lidman
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



Sindre Andreas Espenes
(Chief Executive Officer, CEO)

Contact information

DNB Boligkreditt AS

Mailing address P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address Dronning Eufemias gate 30, Oslo
Telephone +47 91 50 48 00
Internet dnb.no
Organisation number NO 985 621 551 MVA

DNB

Mailing address P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address Dronning Eufemias gate 30, Oslo
Telephone +47 91 50 48 00
Internet dnb.no
Organisation number NO 984 851 006 MVA

Chief Executive Officer

Sindre Andreas Espenes
Tel: +47 41 23 60 45
sindre.espenes@dnb.no

Financial reporting

Roar Sørensen
Tel: +47 93 47 96 16
roar.sorensen@dnb.no

Other sources of information

DNB Boligkreditt AS is part of the DNB Group. Quarterly and annual reports for the DNB Group and DNB Boligkreditt are available on ir.dnb.no.

DNB Boligkreditt AS

Mailing address:

P.O.Box 1600 Sentrum
N-0021 Oslo

Visiting address:

Dronning Eufemias gate 30
Bjørvika, Oslo

[dnb.no](https://www.dnb.no)