

2nd quarter report 2023

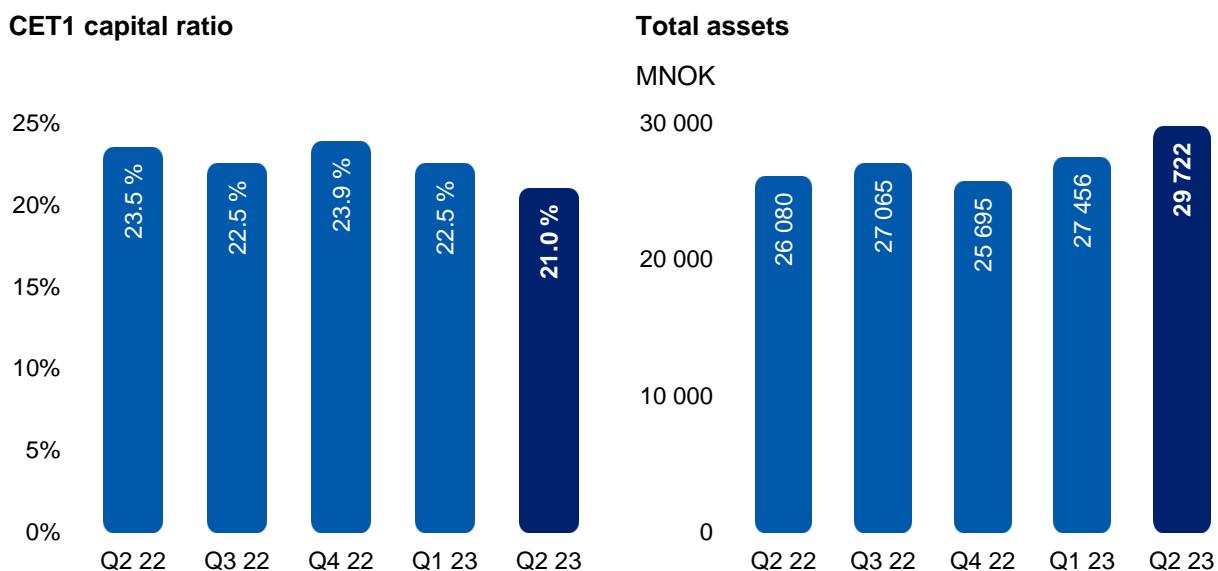
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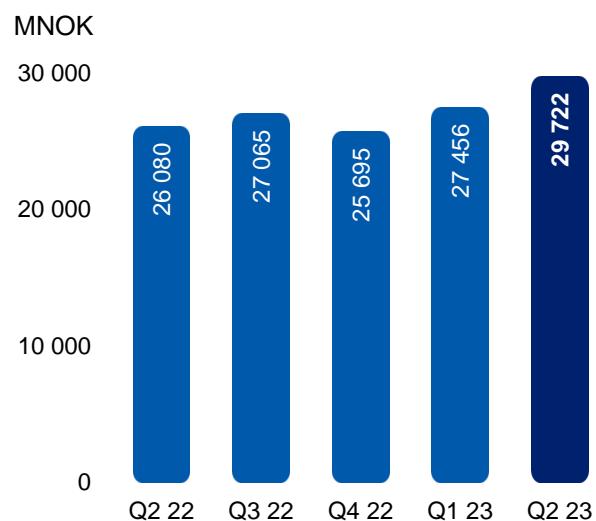
Key figures

		Q2 2023	Q2 2022	2023	2022	1.1 - 30.06	1.1 - 30.06
Profitability							
1) Profit after tax							
1)	Profit after tax	26	22	50	49	91	
2)	Net interest in % of average total assets	0.56 %	0.47 %	0.54 %	0.53 %	0.50 %	
3)	Profit before tax in % of total assets	0.11 %	0.11 %	0.22 %	0.24 %	0.46 %	
4)	Cost-to-income ratio	8.1 %	7.9 %	7.8 %	6.6 %	7.0 %	
5)	Return on equity	5.3 %	4.5 %	5.2 %	5.1 %	4.8 %	
Balance sheet							
6)	Lending to customers	28 935	25 762	28 935	25 762	25 383	
7)	Loss in % of gross loans	0.00 %	0.00 %	0.00 %	0.00 %	-0.01 %	
8)	Defaults in % of gross loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9)	Total assets	29 722	26 080	29 722	26 080	25 695	
10)	Average total assets	28 589	25 663	27 708	25 918	25 726	
11)	Covered bonds issued	25 770	23 270	25 770	23 270	21 870	
12)	Overcollateralisation	12.6 %	11.0 %	12.6 %	11.0 %	16.3 %	
Capital and liquidity							
13)	CET 1 Capital ratio	21.0 %	23.5 %	21.0 %	23.5 %	23.9 %	
14)	T1 Capital ratio	21.0 %	23.5 %	21.0 %	23.5 %	23.9 %	
15)	Total capital ratio	21.0 %	23.5 %	21.0 %	23.5 %	23.9 %	
16)	Leverage ratio	6.3 %	7.2 %	6.3 %	7.2 %	7.3 %	
17)	LCR	N/A	N/A	N/A	N/A	N/A	
Definitions							
2)	Net interest income, % of average total assets						
4)	Sum operating expenses before losses, in % of net income						
5)	Return on equity after tax, % of average equity						
7)	Loan losses of the period divided by the average loan volume of the period						
8)	Exposure overdue more than 90 consecutive days in % of gross loans						
10)	Average total assets per month						
11)	Covered bonds face value						
12)	Cover pool in % of issued of cover bonds						
13)	Common Equity Tier 1 Capital ratio						
14)	Tier 1 Capital ratio						
15)	Total capital ratio						
16)	Leverage ratio						
17)	Liquidity coverage ratio (N/A indicates there are no LCR eligible outflows as per the reporting date)						

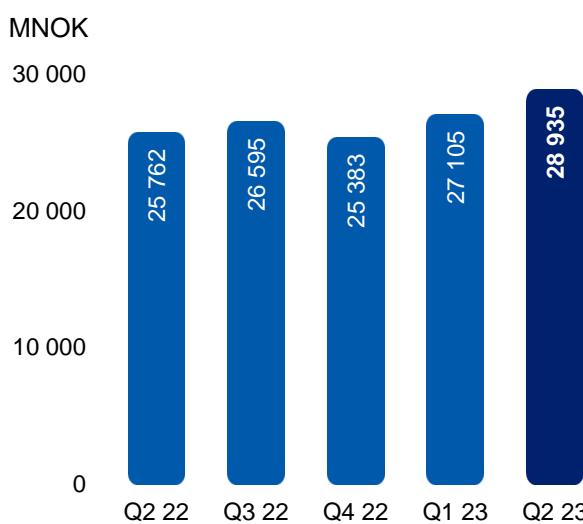
CET1 capital ratio



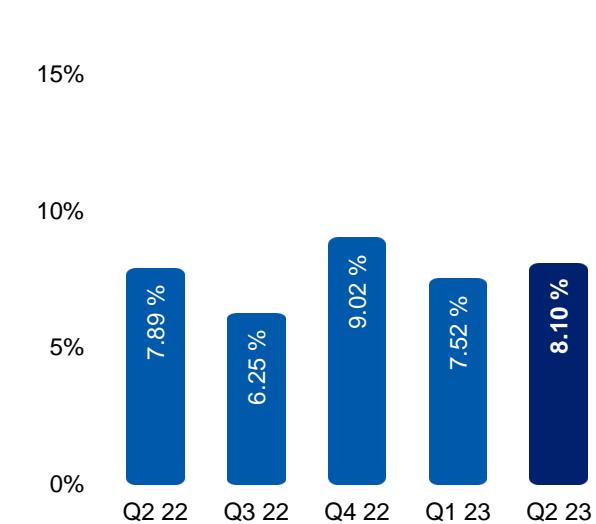
Total assets



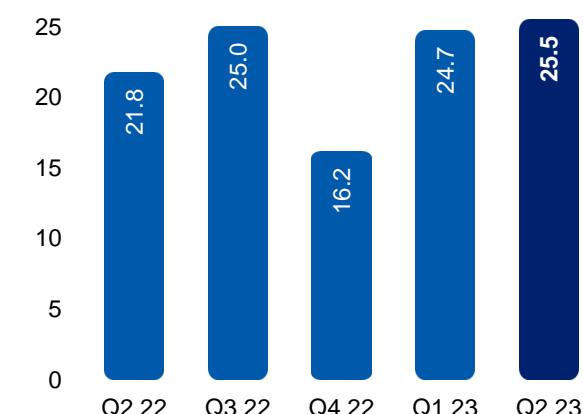
Lending



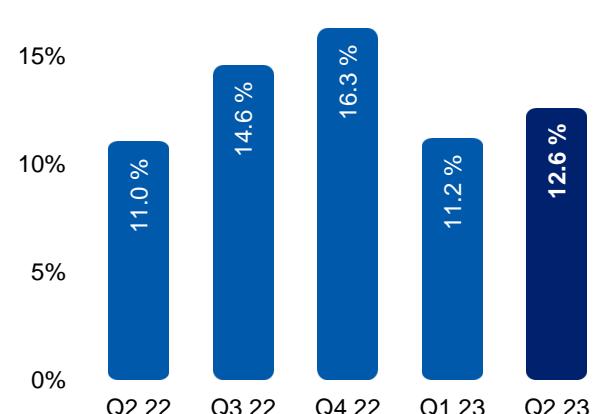
Cost-to-income ratio



Profit after tax



Overcollateralisation



Directors' report

OBOS Boligkredit AS ("The company") is registered in Oslo, and is a wholly owned subsidiary of OBOS-banken. OBOS Boligkredit started operations in 2016 and is licensed to operate as a mortgage company and to issue covered bonds. The company is OBOS-banken's most important source of long term market funding and an important part of the bank's funding strategy. Its assets consist of retail mortgage loans and housing co-operative loans originally underwritten by OBOS-banken.

All covered bonds issued by OBOS Boligkredit AS have been assigned Aaa-rating by Moody's.

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

Second quarter results

The company's net interest income amounted to NOK 38.0 (29.9) million at quarter-end, compared to NOK 36.3 million in the previous quarter.

Operating expenses amounted to NOK 2.9 (2.4) million in the quarter. These expenses are mainly related to payments for services provided by the parent bank. The cost-to-income ratio was 8.1 per cent in the quarter, compared to 7.9 per cent in the second quarter of 2022.

Profit before loan losses and taxes was NOK 32.4 (28.0) million in the quarter. Net loan losses were NOK 0.4 (-0.1) million. Profit after tax was NOK 25.5 million (21.8).

OBOS Boligkredit AS issued a new NOK 2 500 million covered bond during the second quarter. One covered bond with remaining outstanding NOK 1 080 million matured during the quarter.

OBOS Boligkredit AS had eight bond loans outstanding at quarter-end with total debt securities issued of NOK 25 784 million face value, compared to seven bond loans and NOK 23 234 million face value outstanding at second quarter-end 2022.

Total assets at quarter-end amounted to NOK 29 722 (26 080) million. Lending to customers amounted to NOK 28 935 (25 762) million. All loans are at the time of acquisition from OBOS-banken within 80 per cent of the property's estimated value. There are no substitute assets forming part of the cover pool. Overcollateralisation, calculated as the value of the cover pool relative to the value of outstanding covered bond loan debt, was 112.6 per cent at quarter end, compared to 111.0 per cent at the corresponding quarter last year. At the end of the quarter, the mortgages in the cover pool had an unindexed weighted average loan-to-value ratio of 35.1 per cent.

Total equity amounted to NOK 1 960 (1 964) at the quarter-end. Total own funds for the purposes of capital adequacy amounted to NOK 1 878 (1 878) million. Risk weighted assets amounted to NOK 8 958 (7 998) million, the CET 1 capital ratio was 21.0 (23.5) per cent. OBOS Boligkredit AS uses the standardised approach to calculate capital requirements for credit risk.

OBOS Boligkredit AS' liquidity portfolio, consisting of loans and receivables to credit institutions, certificates and bonds, amounted to NOK 763.1 (297.9) million at quarter-end. There were no LCR eligible outflows as per the reporting date, and OBOS Boligkredit is thus reporting an LCR of 0 (0) per cent.

Macroeconomic developments and outlook

In the second quarter of 2023 the global economy has experienced a further rise in interest rates as central banks in various countries aim to curb inflation. Consumer price inflation among Norway's main trading partners has slowed, but underlying inflation remains high. Global freight rates have returned to pre-pandemic levels, and prices for commodities have fallen, which could limit the rise in imported goods inflation in Norway. Gas and electricity prices have decreased, while oil prices have slightly increased. Despite tightening credit standards in the US and Europe, economic activity among Norway's trading partners has been higher than expected. However, Norges Bank projects that economic growth in Norway will be subdued in 2023, reflecting tighter financial conditions and weakening of household purchasing power.

The Norwegian krone has depreciated over the past year, mainly due to higher foreign interest rates compared to Norwegian rates and a low interest rate differential. Market-implied rates suggest expectations of further policy rate increases. According to Norges Bank, inflation in Norway has been significantly higher than expected, with prices rising for various goods and services. Energy and food prices, in particular, have exceeded projections. Wage growth is expected to be higher than previously anticipated. Although weaker international inflationary pressures may help limit the rise in prices for imported goods, inflation is still expected to be higher due to a weaker krone and higher wage growth.

Norges Bank raised its policy rate by 0.50 percentage points to 3.75 % in the meeting on June 23 to address the higher inflation. Furthermore, the interest rate path, which is the central bank's forecast for the policy rate, was raised. According to the new interest rate path, there are indications of further rate hike in August, and a possibility that the interest rate may be increased once more in the fall before the end of the year. The interest rate path will depend on economic

developments, with the possibility of a higher or lower rate depending on the strength of the Norwegian krone, economic pressures and the pace of inflation decline.

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

The increased market interest rates as observed in the first half of the year are likely to continue into the third quarter and may affect the net interest margin. A high level of interest rates, combined with high price growth,

creates uncertainty around default development, but OBOS Boligkreditt does not yet see any negative trend.

OBOS Boligkreditt's portfolio has an average loan to value (LTV) ratio at a low 35 percent. With a maximum allowed LTV of 80 percent, there is significant headroom for a severe drop in house prices. The parent bank holds significant volumes of loans which qualify for transfer to OBOS Boligkreditt. Combined with good cost control, outlook is stable for OBOS Boligkreditt AS.

Oslo 11.08.2023

The Board of Directors of OBOS Boligkreditt AS

Income statement

(In NOK thousand)

	NOTE	Q2 2023	Q2 2022	2023	1.1 - 30.06 2023	1.1 - 30.06 2022	2022
Interest income calculated using the effective interest method		300 608	136 863	571 423	254 115	661 820	
Interest income from instruments using fair value		3 902	566	6 473	671	4 633	
Interest expenses calculated using the effective interest method		-263 365	-104 351	-497 345	-180 878	-524 296	
Interest expenses from instruments using fair value		-3 133	-3 137	-6 236	-6 240	-12 584	
Net interest income	8	38 012	29 941	74 316	67 667	129 573	
Commission and banking service expenses		-129	-114	-282	-221	-451	
Net commission expenses		-129	-114	-282	-221	-451	
Net gain/(loss) and change in value of fin. Instruments	9	-2 649	539	-4 382	1 128	-419	
Net operating income		35 234	30 366	69 652	68 575	128 703	
Salaries and other personnel cost		-61	-64	-103	-105	-188	
Administration cost		-151	-105	-156	-178	-483	
Other operating expenses		-2 641	-2 228	-5 183	-4 236	-8 320	
Total operating expenses		-2 854	-2 397	-5 442	-4 519	-8 990	
Profit before loan losses and taxes		32 380	27 969	64 210	64 056	119 713	
Net loan losses	3	359	-52	229	-785	-1 285	
Profit before tax		32 739	27 917	64 439	63 271	118 428	
Income tax expense		-7 203	-6 142	-14 177	-13 920	-27 879	
Profit after tax		25 536	21 775	50 262	49 351	90 549	
Attributable to							
Retained earnings		25 536	21 775	50 262	49 351	90 549	
Total		25 536	21 775	50 262	49 351	90 549	

Statement of comprehensive income

(In NOK thousand)

	NOTE	Q2 2023	Q2 2022	2023	1.1 - 30.06 2023	1.1 - 30.06 2022	2022
Profit after tax		25 536	21 775	50 262	49 351	90 549	
Losses on loans and guarantees, fair value	3	154	165	863	-166	-68	
Income tax expense on items that can be reclassified		-34	-36	-190	36	15	
Items that can be reclassified to profit or loss		120	128	673	-129	-53	
Net change in values from own credit risk		716	5 232	2 174	9 922	8 365	
Income tax expense on items that will not be reclassified		-158	-1 151	-478	-2 183	-1 840	
Items that will not be reclassified to profit or loss		558	4 081	1 696	7 739	6 524	
Comprehensive income for the period		678	4 209	2 369	7 609	6 471	
Total comprehensive income after tax		26 215	25 985	52 632	56 961	97 020	
Attributable to							
Retained earnings		26 215	25 985	52 632	56 961	97 020	
Total		26 215	25 985	52 632	56 961	97 020	

Balance sheet

(In NOK thousand)

	NOTE	30.06.2023	30.06.2022	31.12.2022
ASSETS				
Loans and receivables to credit institutions		95 255	29 347	30 845
Loans and receivables to customers	5,6,7	28 935 482	25 762 375	25 383 230
Certificates and bonds	7	667 893	268 587	268 932
Receivables		1 135	1 027	-
Deferred tax asset		409	3 732	409
Other assets		21 649	14 821	11 457
TOTAL ASSETS		29 721 823	26 079 890	25 694 873
LIABILITIES AND EQUITY				
Loans from credit institutions	6	1 907 888	824 124	1 742 266
Financial derivatives	7	55 085	41 145	30 555
Debt securities issued	4,6,7	25 783 876	23 233 754	21 891 180
Other liabilities		241	586	97 216
Deferred tax		14 845	16 066	-
Tax payable		-18	-21	26 382
TOTAL LIABILITIES		27 761 916	24 115 654	23 787 599
Share capital		131 000	131 000	131 000
Share premium		1 369 039	1 369 039	1 369 039
Retained earnings		459 868	464 197	407 236
TOTAL EQUITY		1 959 906	1 964 236	1 907 275
TOTAL LIABILITIES AND EQUITY		29 721 823	26 079 890	25 694 873

Statement of changes in equity

(In NOK thousand)

	Share Capital	Share Premium	Retained earnings	Total equity
Equity as at 01.01.2022	131 000	1 369 039	407 236	1 907 275
Result for the period 01.01.2021 - 30.06.2022			49 351	49 351
Losses on loans and guarantees, fair value			-166	-166
Income tax expense on items that can be reclassified			36	36
Net change in values from own credit risk			9 922	9 922
Income tax expense on items that will not be reclassified			-2 183	-2 183
Total comprehensive income 01.01.2022 - 30.06.2022			56 961	56 961
Equity as at 30.06.2022	131 000	1 369 039	464 197	1 964 236
Proposed dividend			-97 020	-97 020
Result for the period 01.04.2022 - 31.12.2022			33 588	33 588
Effect of IFRS 9 implementation			6 471	6 471
Equity as at 31.12.2022	131 000	1 369 039	407 236	1 907 275
Result for the period 01.01.2023 - 30.06.2023			50 262	50 262
Losses on loans and guarantees, fair value			863	863
Income tax expense on items that can be reclassified			-190	-190
Net change in values from own credit risk			2 174	2 174
Income tax expense on items that will not be reclassified			-478	-478
Total comprehensive income 01.01.2023 - 30.06.2023			52 632	52 632
Equity as at 30.06.2023	131 000	1 369 039	459 868	1 959 906

Cash flow statement

(In NOK thousand)

	NOTE	30.06.2023	30.06.2022	31.12.2022
Profit before tax		64 439	63 271	118 428
Interest income calculated using the effective interest method	8	-571 423	-254 115	-661 820
Interest payments from customers and credit institutions		567 200	253 168	650 743
Net payments on loans to customers		-547 550	2 756 399	5 162 981
Payment on certificates and bonds		-398 961	-228 176	-228 521
Interest from certificates and bonds/bond funds		13 500	46 285	39 085
Other net gain/(loss) on derivatives	9	-17 882	-45 156	-39 503
Payment for other assets		-10 191	14 881	18 245
Payment for other debt		-79 084	41 641	35 943
Net gain/(loss) on financial instruments	9	4 382	-1 128	419
Net loan losses		-1 090	951	1 356
Taxes paid		-26 400	-38 434	-38 413
Change in accrued interests		23 114	15 027	58 695
Change in other accruals		-1 143	-728	-45
(A) Net cash flow from operating activities		-981 089	2 623 885	5 117 592
Purchase of loan portfolio		-3 052 791	-3 034 947	-5 078 618
Sale of loan portfolio		51 570	176 759	202 871
(B) Net cash flow from investment activities		-3 001 221	-2 858 188	-4 875 747
Net new lines of credit		165 622	-692 261	225 881
Debt securities issued	4	6 500 000	4 000 000	4 000 000
Repayment of covered bonds	4	-2 600 000	-3 000 000	-4 400 000
Issue of share capital		-	-	-
Change in other time limits related to financing activities		-20 732	-59 178	-51 817
(C) Net cash flow from financing activities		4 044 889	248 561	-225 935
(A) + (B) + (C) Net cash flow for the period		62 579	14 258	15 910
Cash and cash equivalents at beginning of period		30 845	14 935	14 935
Cash and cash equivalents at end of period		93 424	29 194	30 845
Net change in cash and cash equivalents		62 579	14 258	15 910
Liquidity reserves specified				
Loans and receivables to credit institutions ¹⁾		93 424	29 194	30 845
Cash and cash equivalents		93 424	29 194	30 845

1) Hereof 65.6 TNOK in restricted deposits

Quarterly changes in income statement

(In NOK thousand)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income calculated using the effective interest method	300 608	270 816	233 107	174 597	117 251
Interest income from instruments using fair value	3 902	2 571	2 368	1 594	105
Interest expenses calculated using the effective interest method	-263 365	-233 980	-205 286	-138 132	-76 527
Interest expenses from instruments using fair value	-3 133	-3 103	-3 172	-3 172	-3 103
Net interest income	38 012	36 304	27 018	34 887	37 726
Commission and banking service expenses	-129	-153	-96	-134	-107
Net Commission expenses	-129	-153	-96	-134	-107
Net gain/(loss) and change in value of fin. instruments	-2 649	-1 733	-1 222	-325	590
Net operating income	35 234	34 418	25 699	34 429	38 209
Salaries and other personnel cost	-61	-41	-41	-41	-41
Administration cost	-151	-5	-184	-121	-73
Other operating expenses	-2 641	-2 541	-2 092	-1 991	-2 008
Total operating expenses	-2 854	-2 588	-2 318	-2 153	-2 122
Profit before loan losses and taxes	32 380	31 830	23 382	32 276	36 087
Net loan losses	359	-130	-285	-216	-733
Profit before tax	32 739	31 700	23 097	32 060	35 354
Income tax expense	-7 203	-6 974	-6 907	-7 053	-7 778
Profit after tax	25 536	24 726	16 191	25 007	27 576
Attributable to					
Retained earnings	25 536	24 726	16 191	25 007	27 576
Total	25 536	24 726	16 191	25 007	27 576

Quarterly changes in statement of comprehensive income

	Q2 2023	Q1 2023	Q1 2023	Q4 2022	Q3 2022
Profit after tax	25 536	24 726	16 191	25 007	27 576
Losses on loans and guarantees, fair value	154	709	14	83	-330
Income tax expense on items that can be reclassified	-34	-156	-3	-18	73
Items that can be reclassified to profit or loss	120	553	11	65	-258
Net change in values from own credit risk	716	1 458	-3 234	1 677	4 690
Income tax expense on items that will not be reclassified	-158	-321	711	-369	-1 032
Items that will not be reclassified to profit or loss	558	1 138	-2 522	1 308	3 658
Comprehensive income for the period	678	1 691	-2 511	1 373	3 400
Total comprehensive income after tax	26 215	26 417	13 680	26 379	30 976
Attributable to					
Retained earnings	26 215	26 417	13 680	26 379	30 976
Total	26 215	26 417	13 680	26 379	30 976

Quarterly changes in balance sheet

(In NOK thousand)

	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Assets					
Loans and receivables to credit institutions	95 255	51 063	30 845	183 420	15 778
Loans and receivables to customers	28 935 482	27 104 857	25 383 230	26 594 831	25 154 626
Certificates and bonds	667 893	268 570	268 932	268 265	30 875
Receivables	1 135	463	-	1 578	505
Deferred tax asset	409	409	409	3 732	3 732
Other assets	21 649	30 845	11 457	13 497	39 804
Total Assets	29 721 823	27 456 208	25 694 873	27 065 323	25 245 320
Liabilities and equity					
Loans from credit institutions	1 907 888	937 753	1 742 266	1 752 504	990 060
Financial derivatives	55 085	25 644	30 555	43 431	18 879
Debt securities issued	25 783 876	24 447 143	21 891 180	23 254 625	22 265 841
Other liabilities	241	104 542	97 216	642	23 572
Deferred tax	14 845	7 451	-	23 506	8 737
Tax payable	-18	-18	26 382	-	-21
Total Liabilities	27 761 916	25 522 516	23 787 599	25 074 708	23 307 069
Share capital	131 000	131 000	131 000	131 000	131 000
Share premium	1 369 039	1 369 039	1 369 039	1 369 039	1 369 039
Retained earnings	459 868	433 653	407 236	490 576	438 212
Total Equity	1 959 906	1 933 692	1 907 275	1 990 615	1 938 251
Total Liabilities and Equity	29 721 823	27 456 208	25 694 873	27 065 323	25 245 320

Note 1 – Basis for preparation

Accounting principles

The interim report for OBOS Boligkredit has been prepared in accordance with IAS 34 and comprises of the period 01.01.2023-30.06.2023. The accounts have been prepared in accordance with simplified IFRS. The annual report for 2022 provides a comprehensive description of the accounting principles applied in the preparation of the financial statements. All amounts in the accounts and notes are stated in Norwegian kroner (NOK), which is the company's functional currency. The accounts have not been audited.

Accounting estimates and discretionary assessments

OBOS Boligkredit prepares accounting estimates and makes discretionary assessments based on historical experience, assumptions about the future and other factors. The accounting estimates are evaluated continuously and may deviate from the results achieved. However, they are based on the best estimate available at the time of the financial reporting. A detailed description of the most important areas where accounting estimates and discretionary assessments are applied can be found in the annual report for 2022 in note 2.

Note 2 – Capital adequacy

(In NOK thousand)

	30.06.2023	30.06.2022	31.12.2022
Net own funds			
Share capital	131 000	131 000	131 000
Share premium	1 369 039	1 369 039	1 369 039
Retained earnings	407 236	407 236	407 236
Qualifying equity from this years result	52 632	56 961	
Total equity	1 907 275	1 907 275	1 907 275
Adjustments in common tier 1 capital	-29 729	-29 196	-27 639
Common equity tier 1 capital	1 877 546	1 878 079	1 879 636
Additional Tier 1 capital			
Tier 1 capital	1 877 546	1 878 079	1 879 636
Tier 2 instruments			
Own funds	1 877 546	1 878 079	1 879 636
Minimum requirement own funds	30.06.2023	30.06.2022	31.12.2022
Institutions	1 825	734	706
Corporates	215	-	-
Retail	529	15 882	18 005
Secured by mortgages on immovable property	684 176	597 231	585 691
Exposures in default	2 563	1 597	1 295
Covered bonds	3 695	1 281	1 286
Other items	331 170	15 659	-
Credit risk	693 334	616 741	606 984
Operational risk	23 172	22 578	23 172
CVA-risk	140	558	162
Minimum requirement own funds	716 646	639 877	630 318
Risk weighted assets	8 958 073	7 998 461	7 878 975
Capital adequacy ratio			
Common tier 1 capital ratio	20.96 %	23.48 %	23.86 %
Tier 1 capital ratio	20.96 %	23.48 %	23.86 %
Capital adequacy ratio	20.96 %	23.48 %	23.86 %

Note 3 – Impairment and losses

(In NOK thousand)

Provisions for losses are calculated based on the expected credit loss (ECL) using the 3-step method in IFRS 9, as described in Note 2 in the 2022 annual report.

Changes in gross carrying amount

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2022	25 258 514	112 699	15 100	25 386 312
Migration to Stage 1	61 448	-55 339	-6 109	-
Migration to Stage 2	-26 104	28 691	-2 587	-
Migration to Stage 3	-10 404	-8 178	18 583	-
Changes in carrying amount which have not migrated	-555 992	-776	-352	-557 120
New loans	5 989 147	4 635	4 692	5 998 474
Disposal of loans	-1 882 418	-7 772	-	-1 890 190
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 30.06.2023	28 834 190	73 959	29 327	28 937 475

Movements in provision and write-downs

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	
	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	1 816	2 741	332	4 890
Migration to Stage 1	1 975	-1 817	-159	-
Migration to Stage 2	-26	90	-64	-
Migration to Stage 3	-4	-144	149	-
Changes in ECL for loans which have not migrated	-2 131	372	131	-1 628
New loans	507	4	151	662
Disposal of loans	-160	-200	-	-360
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	703	262	135	1 099
Other changes	-	-	-	-
ECL 30.06.2023	2 679	1 309	675	4 663
Provisions (%) of gross capitalised values	0.01 %	1.77 %	2.30 %	0.02 %
Net change (01.01.2023-30.06.2023)	863	-1 432	343	-226

Estimated Stage 1 losses on assets measured at fair value

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

	Stage 1	Stage 2	Stage 3	Total
Opening balance	1 816	-	-	1 816
Net change in expected losses	863	-	-	863
Closing balance	2 679	-	-	2 679

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

Breakdown of loan provisions per segment and stage

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

Changes in gross carrying amount-Housing co-operatives segment

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount 31.12.2022	17 426 291	-	-	17 426 291
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in carrying amount which have not migrated	-1 187 855	-	-	-1 187 855
New loans	4 263 733	-	-	4 263 733
Disposal of loans	-	-	-	-
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 30.06.2023	20 502 170	-	-	20 502 170

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

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	
ECL 31.12.2022	965	-	-	965
Migration to Stage 1	-	-	-	-
Migration to Stage 2	-	-	-	-
Migration to Stage 3	-	-	-	-
Changes in ECL for loans which have not migrated	-116	-	-	-116
New loans	243	-	-	243
Disposal of loans	-	-	-	-
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	475	-	-	475
Other changes	-	-	-	-
ECL 30.06.2023	1 566	-	-	1 567
Provisions (%) of gross capitalised values	0.01 %	0.00 %	0.00 %	0.01 %
Net change (01.01.2023-30.06.2023)	602	-	-	602

Changes in gross carrying amount - Retail segment

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount 31.12.2022	7 832 222	112 699	15 100	7 960 021
Migration to Stage 1	61 448	-55 339	-6 109	-
Migration to Stage 2	-26 104	28 691	-2 587	-
Migration to Stage 3	-10 404	-8 178	18 583	-
Changes in carrying amount which have not migrated	631 863	-776	-352	630 734
New loans	1 725 414	4 635	4 692	1 734 740
Disposal of loans	-1 882 418	-7 772	-	-1 890 190
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Other changes	-	-	-	-
Gross carrying amount 30.06.2023	8 332 020	73 959	29 327	8 435 306

Movements in provisions and write-downs - Retail segment

	Expected loss over 12 months	Expected loss over the lifetime of the instrument	Expected loss over the lifetime of the instrument	Total
	Stage 1	Stage 2	Stage 3	
ECL 31.12.2022	851	2 741	332	3 925
Migration to Stage 1	1 975	-1 817	-159	-
Migration to Stage 2	-26	90	-64	-
Migration to Stage 3	-4	-144	149	-
Changes in ECL for loans which have not migrated	-2 015	372	131	-1 512
New loans	264	4	151	419
Disposal of loans	-160	-200	-	-360
Confirmed losses	-	-	-	-
Included in previously confirmed losses	-	-	-	-
Change in risk model / parameters	228	262	135	624
Other changes	-	-	-	-
ECL 30.06.2023	1 113	1 309	675	3 096
Provisions (%) of gross capitalised values	0.01 %	1.77 %	2.30 %	0.04 %
Net change (01.01.2023-30.06.2023)	261	-1 432	343	-828

Note 4 – Debt securities issued

(In NOK thousand)

	Balance 30.06.2023	New issues 2023	Maturity/ buy backs 2023	Other changes 2023	Balance 31.12.2022
Changes in debt securities					
Debt securities issued nominal value	25 770 000	6 500 000	-2 600 000	-	21 870 000
Net premium / discount on bonds payable	-	-6 500	-3 379	9 879	-
Bond interest receivable / payable	-	-	-17 932	17 932	-
Accrued interest	100 022	-	-	16 466	83 556
Amortisation	-29 597	-	-	-3 480	-26 117
Fair value adjustment	-56 549	-	-	-20 290	-36 259
Total debt securities	25 783 876	6 493 500	-2 621 311	20 508	21 891 180

Method:

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

Loans issued in NOK as at 30.06.2023

ISIN	Type	Due date	Face value	Book value	Book value incl.		Maturity	Interest rate
					Accrued interest	accrued interest		
Bonds at amortised cost								
NO0010841232	FRN	19.06.2024	4 000 000	4 002 509	6 173	4 008 682	1.0	4.63 %
NO0010872757	FRN	13.06.2025	4 000 000	3 987 906	8 880	3 996 786	2.0	4.44 %
NO0010922842	FRN	04.02.2026	4 000 000	3 997 902	25 456	4 023 357	2.6	3.95 %
NO0011160962	FRN	02.09.2026	2 750 000	2 748 239	9 171	2 757 410	3.2	4.14 %
NO0012493941	FRN	07.05.2027	4 000 000	3 990 042	25 200	4 015 242	3.9	4.20 %
NO0012811266	FRN	17.02.2028	4 000 000	3 996 291	20 544	4 016 835	4.6	4.30 %
NO0012918186	FRN	22.09.2028	2 500 000	2 497 515	2 981	2 500 497	5.2	4.77 %
Bonds at fair value								
NO0010851645	¹⁾ Fixed	15.05.2029	520 000	463 451	1 616	465 067	5.9	2.42 %
Total debt securities			25 770 000	25 683 854	100 022	25 783 876	3.1	4.29 %

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

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

Note 5 – Cover pool

(In NOK thousand)

Cover pool	30.06.2023	30.06.2022	31.12.2022
Mortgages ¹⁾	28 913 573	25 753 791	25 364 768
Ineligible loans	-1 560	-2 266	-1 368
Total Cover pool²⁾	28 912 013	25 751 524	25 363 400
Debt through the issuance of securities (excl. accrued interest)	25 683 854	23 193 234	21 807 624
The cover pool's overcollateralization	12.6 %	11.0 %	16.3 %
Regional distribution of mortgages		Housing co-ops and Retail	
Oslo	19 130 225	16 686 855	16 473 722
Viken	5 215 092	4 781 021	4 579 075
Innlandet	1 444 822	1 246 655	1 312 877
Vestland	967 114	898 978	855 182
Vestfold og Telemark	677 759	718 490	738 359
Rogaland	594 046	573 126	555 598
Trøndelag	508 877	469 808	472 718
Møre og Romsdal	192 376	178 192	176 543
Troms og Finnmark	145 717	161 105	153 882
Agder	24 946	24 860	38 014
Nordland	12 597	14 701	8 797
Total Mortgages	28 913 573	25 753 791	25 364 768

1) The cover pool's composition is defined in Finansforetaksloven §11-8. OBOS-banken use *Eiendomsverdi* or a real estate agent to define the value of the object being used to calculate the loan-to-value ratio. Mortgages transferred to OBOS Boligkreditt have a loan-to-value ratio under 80 %. All mortgages over 30 days in default are transferred from OBOS Boligkreditt to OBOS-banken. Therefore, there are no mortgages in default in OBOS Boligkreditt. For information on market-, credit- and liquidity risk see the latest annual report. There have been no significant changes in these aspects since last year.

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

Covered bonds ISIN	Type	Due date	Face value
NO0010841232	FRN	19.06.2024	4 000 000
NO0010872757	FRN	13.06.2025	4 000 000
NO0010922842	FRN	04.02.2026	4 000 000
NO0011160962	FRN	02.09.2026	2 750 000
NO0012493941	FRN	07.05.2027	4 000 000
NO0012811266	FRN	17.02.2028	4 000 000
NO0012918186	FRN	22.09.2028	2 500 000
NO0010851645	Fixed	15.05.2029	520 000
Total debt securities			25 770 000

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

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

- a) There is reason to assume the credit institution is expected to be affected by a crisis in the near future, cf. Finansforetaksloven §20-15 second paragraph and there is no reasonable prospect that other measures can prevent the institution from being affected by a crisis, or
- b) The ministry of Finance has made a decision pursuant to Finansforetaksloven §20-15 first paragraph or §20-29 first paragraph. An extended maturity can only be used if there is reasonable reason to assume that the obligations can be covered within 12 months.

Note 6 – Assets and liabilities measured at amortised cost

(In NOK thousand)

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

Note 7 – Assets and liabilities measured at fair value

(In NOK thousand)

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

Level 1: Market price (non-adjusted) quoted in an active market for identical assets or liabilities.

Level 2: Market price that is not listed, but is observable for assets or liabilities either directly (for example in the form of prices) or indirectly (for example derived from prices)

Level 3: Information that is not based on observable market data.

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

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

Certificates, bonds and debt securities

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

Financial derivatives

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

Loans and receivables to customers

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

See also note 2: accounting policies.

As at 30.06.2023	Level 1	Level 2	Level 3	Total
Assets				
Certificates and bonds	-	667 893	-	667 893
Financial derivatives	-	-	-	-
Assets valued at fair value through OCI				
Loans and receivables to customers		28 937 475	28 937 475	
Total assets	-	667 893	28 937 475	29 605 368

Liabilities	Level 1	Level 2	Level 3	Total
Debt securities issued	-	465 067	-	465 067
Financial derivatives	-	-55 085	-	-55 085
Total liabilities	-	409 982	-	409 982

As at 30.06.2022	Level 1	Level 2	Level 3	Total
Assets				
Certificates and bonds	-	268 587	-	268 587
Financial derivatives	-	-	-	-
Assets valued at fair value through OCI				
Loans and receivables to customers		25 765 052	25 765 052	
Total assets	-	268 587	25 765 052	26 033 639

Liabilities	Level 1	Level 2	Level 3	Total
Debt securities issued	-	478 090	-	478 090
Financial derivatives	-	-41 145	-	-41 145
Total liabilities	-	436 945	-	436 945

Note 8 – Net interest and credit commission income

(In NOK thousand)

	Q2 2023	Q2 2022	2023	2022	2022
	1.1 - 30.06		1.1 - 30.06		
Interest and similar income from loans to credit institutions, amortised cost	1 135	133	1 830	154	1 120
Interest and similar income from loans to customers, amortised cost	299 342	136 690	569 287	253 897	660 528
Other interest and similar income, amortised cost	131	40	306	64	171
Total Interest income calculated using the effective interest method	300 608	136 863	571 423	254 115	661 820
Interest and similar income from certificates and bonds, fair value	3 902	566	6 473	671	4 633
Total Interest income, fair value	3 902	566	6 473	671	4 633
Interest and similar expenses from loans to credit institutions, amortised cost	-17 722	-7 790	-31 961	-13 372	-46 014
Interest and similar expenses of issued securities, amortised cost	-244 480	-95 364	-463 057	-165 546	-474 362
Other interest and similar expenses, amortised cost	-1 163	-1 197	-2 326	-1 960	-3 921
Total Interest expenses calculated using the effective interest method	-263 365	-104 351	-497 345	-180 878	-524 296
Interest and similar expenses of issued securities, fair value	-3 133	-3 137	-6 236	-6 240	-12 584
Total Interest expenses, fair value	-3 133	-3 137	-6 236	-6 240	-12 584
Net interest and credit commission income	38 012	29 941	74 316	67 667	129 573

Note 9 – Net gain/(loss) and change in value of financial instruments

(In NOK thousand)

	Q2 2023	Q2 2022	2023	2022	2022
	1.1 - 30.06		1.1 - 30.06		
Net gain/(loss) and change in value on certificates and bonds	-395	-363	-732	-419	-887
Net interest income on derivatives ¹	-2 114	960	-3 884	2 247	1 230
Other net gain/(loss) and change in value on derivatives	-19 486	-12 683	-17 882	-45 156	-39 503
Net gain/(loss) and change in value on fixed rate covered bonds ²	19 346	12 624	18 116	44 456	38 742
Net gain/(loss) and change in value of financial instruments	-2 649	539	-4 382	1 128	-419

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

2) OBOS Boligkredit has used the Fair Value Option (FVO) when valuing fixed rate covered bonds in accordance with IFRS 9. The principle implies that changes in value as a result of changes in own credit risk are recognized in the OBOS-banken group's comprehensive income. The amount that has been deducted from OBOS Boligkredit's result and transferred to/from the Group is -2.2 million Norwegian kroner on 30 June 2023.

Note 10 – Subsequent events

No significant events have occurred subsequent to June 30, 2023 that would have an impact on the financial statements for the second quarter of 2023.



Contact information

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