

Fourth quarter report
2024

Preliminary and unaudited

4

Financial highlights

Income statement

Amounts in NOK million	4th quarter 2024	4th quarter 2023	Full year 2024	Full year 2023
Net interest income	1 356	730	4 963	2 741
Net other operating income	(954)	(434)	(1 667)	(595)
Of which net gains on financial instruments at fair value	(961)	(438)	(1 700)	(629)
Total operating expenses	(46)	462	138	1 795
Impairment of financial instruments	3	(3)	(13)	(31)
Pre-tax operating profit	360	755	3 421	3 910
Tax expense	(90)	(200)	(855)	(987)
Profit for the period	270	555	2 566	2 923

Balance sheet

Amounts in NOK million	31 Dec. 2024	31 Dec. 2023
Total assets	808 979	737 661
Loans to customers	727 758	690 654
Debt securities issued	472 378	383 695
Total equity	41 223	41 565

Key figures and alternative performance measures

	4th quarter 2024	4th quarter 2023	Full year 2024	Full year 2023
Return on equity, annualised (%) ¹	2.6	5.3	6.3	7.4
Total average spreads for lending (%) ¹	0.57	0.30	0.54	0.30
Impairment relative to average net loans to customers, annualised (per cent) ¹	0.00	(0.00)	(0.00)	(0.00)
Net loans and financial commitments in stage 3, per cent of net loans ¹	0.36	0.31	0.36	0.31
Net loans and financial commitments in stage 3, (NOK million) ¹	2 614	2 175	2 614	2 175
Common equity Tier 1 capital ratio end of period (%)	20.3	19.6	20.3	19.6
Capital ratio end of period (%)	22.6	22.0	22.6	22.0
Common equity Tier 1 capital (NOK million)	39 854	37 326	39 854	37 326
Total risk exposure amount (NOK million)	196 295	190 316	196 295	190 316
Number of full-time positions at end of period	4	5	4	5

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

Contents

Directors' report	4
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Accounts

Comprehensive income statement.....	7
Balance sheet	7
Statement of changes in equity.....	8
Cash flow statement.....	9
Note 1 Basis for preparation.....	9
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.....	14

Information about DNB Boligkreditt	15
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There has been no full or partial external audit of the quarterly directors' report and accounts.

Directors' report

DNB Boligkredit 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 Boligkredit 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 Boligkredit 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 Boligkredit's covered bond programmes are rated AAA by Moody's and Standard & Poor's.

Financial accounts

DNB Boligkredit recorded a profit of NOK 270 million in the fourth quarter of 2024, compared with a profit of NOK 555 million in the fourth quarter of 2023.

Total income

Income totalled NOK 403 million in the fourth quarter of 2024, up from NOK 296 million in the year-earlier period.

Amounts in NOK million	4th quarter		4th quarter 2023
	2024	Change	
Total income	403	107	296
Net interest income		626	
Net commission and fee income		(1)	
Net gains/(losses) on financial instruments at fair value		(522)	
Other income		4	

Compared to the same period in the previous year, the net interest income has increased, due to wider lending spreads. The company recorded a loss on financial instruments in the fourth quarter of 2024 and in the fourth quarter of 2023. The loss was related to 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 Boligkredit 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 Boligkredit 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 Boligkredit). The fee amounted to NOK 18 million in the fourth quarter of 2024, compared to a negative NOK 490 million in the fourth quarter of 2023.

The company has generally recorded low impairment losses on loans. In the fourth quarter of 2024, the company reported a net reversal on impairment losses of NOK 3 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-December 2024, DNB Boligkredit had total assets of NOK 809.0 billion, an increase of NOK 71.3 billion from end-December 2023.

Amounts in NOK million	31 Dec.		31 Dec. 2023
	2024	Change	
Total assets	808 979	71 318	737 661
Loans to customers		37 104	
Financial derivatives		6 282	
Other assets		27 932	
Total liabilities	767 756	71 660	696 096
Due to credit institutions		(32 170)	
Financial derivatives		(4 028)	
Debt securities issued		88 683	
Deferred taxes		2 903	
Other liabilities		16 272	

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 up by net NOK 88.7 billion from end-December 2023, due to a higher issuing activity. The company issued covered bonds under existing programmes totalling NOK 53.0 billion in the fourth quarter of 2024. Total debt securities issued amounted to NOK 472.4 billion at end-December 2024.

Other events

Sustainability

The fourth quarter of 2024 marked a strong year for the sustainable bond market, and DNB Markets saw a record number of transactions and overall volume was on par with last year.

As of 31 December, DNB had mobilised a cumulative total of NOK 752 billion to the sustainable transition, through lending and facilitation, thereby passing the halfway mark to reaching the target of NOK 1 500 billion by 2030.

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 financial instruments and derivatives are monitored regularly.

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-December 2024, the company's equity totalled NOK 41.2 billion. NOK 39.8 billion represented Tier 1 capital. Own funds for capital adequacy purposes in the company was NOK 44.4 billion. The Tier 1 capital ratio was 20.3 per cent, while the capital adequacy ratio was 22.6 per cent.

New regulatory framework

CRR III – Norwegian implementation

On 6 December, the Norwegian Ministry of Finance made certain changes to the Regulations on capital requirements and implementation of CRR/CRD (CRR/CRD Regulations) based on a proposal from Finanstilsynet (the Financial Supervisory Authority of Norway) on the implementation of the Capital Requirements Regulation III (CRR III) in Norway.

The Norwegian risk weight floors for exposures secured by real estate under the internal ratings-based (IRB) approach have been maintained, with some adjustments. For exposures secured by residential property, the requirement for the average risk weight has been increased, from 20 to 25 per cent. For exposures secured by commercial property, the requirement for an average risk weight of 35 per cent has been maintained.

In line with Finanstilsynet's proposal, the specific Norwegian loss given default (LGD) floor of 20 per cent has now been removed. The Norwegian requirement will therefore be in line with the CRR III, which entails a requirement for an average LGD value of at least 5 per cent for residential property and 10 per cent for commercial property. The latter is relevant for DNB Boligkreditt due to the financing of joint debt for housing cooperatives. In addition, under the CRR III, the calculation will now be made at exposure level, rather than at portfolio level, as was the case previously.

The changes in the minimum requirement for average risk weight for IRB banks take effect on 1 July 2025.

Lending regulations

On 4 December, the Ministry of Finance adopted changes to the Norwegian Lending Regulations, in accordance with Section 1-7 of the Norwegian Financial Institutions Act. The Ministry decided to maintain most of the current requirements, but did make certain changes.

The equity requirement for mortgages has been reduced from 15 to 10 per cent, which means that the maximum loan-to-value ratio has increased from 85 to 90 per cent. This change is in line with the consultation response from the Norwegian central bank, Norges Bank.

The Ministry emphasised that the Lending Regulations do not prevent banks from making individual assessments of the borrower's expenses and repayment capacity, especially for families with children, where economies of scale may be considered for large families.

According to Section 5 of the Lending Regulations, the borrower must be able to withstand an interest rate increase of

3 percentage points or an interest rate of at least 7 per cent. For fixed-rate loans, the interest rate increase was previously calculated based on the amount outstanding at the end of the fixed-rate period according to the repayment schedule. Changes have been made so that the customer's expected income and expenses at the end of the fixed-rate period can be considered.

The expiry date for Section 19 of the Lending Regulations has been repealed. This means that the Lending Regulations have become 'permanent' and no longer need to be renewed periodically. However, the Ministry of Finance has stated that the regulations will still be assessed regularly. The changes took effect on 31 December 2024.

Countercyclical buffer kept unchanged

According to Section 34 of the CRR/CRD Regulations, Norges Bank is required to make a decision on the level of the countercyclical capital buffer rate for exposures in Norway each year. On 21 November, Norges Bank's Monetary Policy and Financial Stability Committee decided to maintain the countercyclical capital buffer requirement at 2.5 per cent.

The Committee pointed to the risk that vulnerabilities in the financial system could amplify an economic downturn in Norway, leading to bank losses. However, the Committee emphasised that the solvency stress test in the Financial Stability Report 2024 H1 showed that Norwegian banks are able to withstand substantial losses while continuing to lend, thereby not contributing to an economic downturn.

Systemically important financial institutions

On 3 December, the Ministry of Finance decided that DNB ASA, Kommunalbanken AS, Nordea Eiendomskreditt AS, and Sparebank 1 Sør-Norge ASA will continue to be considered systemically important financial institutions in Norway. The decision also applies to DNB Boligkreditt AS. This decision is in line with the recommendation from Finanstilsynet.

According to capital requirements regulations, national authorities must annually assess which institutions should be classified as systemically important. Systemically important institutions are identified based on the criteria in Section 30 of the CRR/CRD regulations.

The Ministry of Finance's decision means that DNB ASA must continue to meet a O-SII buffer requirement of 2 percent, while Kommunalbanken AS, Nordea Eiendomskreditt AS, and Sparebank 1 Sør-Norge ASA (formerly Sparebank 1 SR-Bank ASA) must continue to meet a requirement of 1 percent.

Macroeconomic developments

There was a clear upturn in the Norwegian economy in the third quarter of 2024. Mainland GDP increased by 0.4 and 0.3 per cent, respectively, during the first two quarters of 2024. Growth in the third quarter rose to 0.5 per cent. Adjusted for the volatile sectors power generation and fishing, the GDP for mainland companies remained virtually unchanged in the first and second quarters of 2024 but rose by about 1 per cent quarter-on-quarter in the third quarter. Despite weak growth in the first half of 2024, unemployment remained relatively stable. At the end of 2024, registered unemployment was 2.0 per cent, compared with 1.9 per cent in December 2023.

As in other countries, there was a pronounced decline in inflation in Norway in 2024. In December last year, annual growth in the consumer price index was 2.7 per cent, down from 4.8 per cent in 2023. The high inflation in 2022 and 2023 contributed to a clear decline in real wages. Norges Bank raised the key policy rate to 4.5 per cent in December 2023 in order to counteract inflation. The central bank kept the rate unchanged in 2024 but signalled in December that it would probably be lowered in March 2025. The 3-month NIBOR was 4.68 per cent at the end of last year, 5 basis points lower than one year earlier. The stability in the money market

rate is primarily due to the key policy rate remaining at a stable 4.5 per cent throughout the year. In addition, the structural liquidity in the money market was relatively high, which contributed to keeping the money market premium low and stable.

The increase in interest rates in 2022 and 2023 contributed to the weakening of Norwegian households' purchasing power. However, the large financial buffers of households after the pandemic, together with employment growth, helped support household demand. A high level of oil and gas investment has contributed to keeping activity up and has offset the decline in housing investment. The housing market has been supported by high immigration and public funding. These forces also dominated in 2024, while the decline in inflation and relatively high wage growth led to an increase in real wages of about 2 per cent.

The Norwegian krone, measured by the I-44 import-weighted index, moved laterally in 2024, but with large fluctuations. At the end of 2024, the import-weighted exchange rate was 5.2 per cent higher than one year earlier (weaker NOK). The value of the NOK has gone hand in hand with a relatively well-balanced economy, with low unemployment and normal capacity utilisation.

Future prospects

The ambition for annual increase in lending volumes is between 3 and 4 per cent over time but could be lower or higher in certain years.

The common equity Tier 1 (CET1) capital ratio requirement for DNB Boligkreditt is 16.30 per cent, while the Tier 1 (T1) 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 31 December 2024 the CET1 and T1 capital ratio were 20.3 per cent.

The implementation of changes to the Capital Requirements Regulation (CRR) will have a negative effect on the company's capital adequacy. In particular, the Norwegian Ministry of Finance's decision to increase the risk weight floors for mortgages from 20 to 25 per cent as from 1 July 2025, will result in a need for capital injections in the first half of the year.

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 expected to be somewhat higher than in the previous years, due to the DNB Group's need for this funding instrument.

Oslo, 4 February 2025
The Board of Directors of DNB Boligkreditt AS



Henrik Lidman
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



Hans Olav Rønning
(Chief Executive Officer, CEO)

Accounts for DNB Boligkreditt

COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	4th quarter 2024	4th quarter 2023	Full year 2024	Full year 2023
Interest income, effective interest method		10 134	9 213	38 691	31 410
Other interest income		371	256	1 157	1 012
Interest expenses, effective interest method		(8 359)	(8 645)	(33 366)	(29 143)
Other interest expenses		(790)	(94)	(1 519)	(539)
Net interest income		1 356	730	4 963	2 741
Commission and fee income		9	9	38	42
Commission and fee expenses		(2)	(1)	(4)	(4)
Net gains on financial instruments at fair value		(961)	(438)	(1 700)	(629)
Other income			(4)		(4)
Net other operating income		(954)	(434)	(1 667)	(595)
Total income		403	296	3 296	2 146
Salaries and other personnel expenses		(3)	(2)	(11)	(10)
Other income (expenses) related to management fee	7	(18)	490	267	1 915
Other expenses exclusive management fee		(26)	(26)	(118)	(110)
Total operating expenses		(46)	462	138	1 795
Impairment of financial instruments	3	3	(3)	(13)	(31)
Pre-tax operating profit		360	755	3 421	3 910
Tax expense		(90)	(200)	(855)	(987)
Profit for the period		270	555	2 566	2 923
Other comprehensive income that will not be reclassified to profit or loss		8	(8)	(10)	(8)
Tax on other comprehensive income		(2)	2	3	2
Total comprehensive income for the period		276	549	2 558	2 916
Portion attributable to shareholders of DNB Boligkreditt		276	546	2 558	2 912
Portion attributable to additional Tier 1 capital holders			3		5
Profit for the period		276	549	2 558	2 916

BALANCE SHEET

Amounts in NOK million	Note	31 Dec. 2024	31 Dec. 2023
Assets			
Due from credit institutions	7	40 993	13 168
Loans to customers	3, 6	727 758	690 654
Financial derivatives	6	39 996	33 714
Other assets		232	126
Total assets		808 979	737 661
Liabilities and equity			
Due to credit institutions	7	248 751	280 921
Financial derivatives	6	19 343	23 370
Cash collateral		16 054	
Debt securities issued	4, 6	472 378	383 695
Deferred taxes		6 417	3 514
Other liabilities		264	46
Provisions		31	33
Subordinated loan capital	5	4 518	4 518
Total liabilities		767 756	696 096
Share capital		4 527	4 527
Share premium		25 149	25 149
Other equity		11 547	11 889
Total equity		41 223	41 565
Total liabilities and equity		808 979	737 661

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Share capital	Share premium	Additional Tier 1 Capital	Liability credit reserve	Other equity	Total equity
Balance sheet as at 31 December 2022	4 527	25 149	25	10 673	40 375	
Profit for the period			5		2 918	2 923
Actuarial gains and losses					(1)	(1)
Financial liabilities designated at FVTPL, changes in credit risk				(7)		(7)
Tax on other comprehensive income			2	0		2
Comprehensive income for the period			5	(6)	2 917	2 916
Group contribution paid					(4 110)	(4 110)
Merger Sbanken Boligkreditt			226		2 389	2 615
Interest payments AT1 capital			(4)			(4)
AT1 capital redeemed			(226)			(226)
Balance sheet as at 31 December 2023	4 527	25 149	19	11 870	41 565	
Profit for the period					2 566	2 566
Financial liabilities designated at FVTPL, changes in credit risk				(10)		(10)
Tax on other comprehensive income			2			2
Comprehensive income for the period			(7)	2 566		2 558
Group contribution paid				(2 900)		(2 900)
Balance sheet as at 31 December 2024	4 527	25 149	12	11 536	41 223	

Share capital

All shares and voting rights of the company are held by DNB Bank ASA. Share capital at the end of 2024 was NOK 4 527 million (45 270 000 shares at NOK 100).

CASH FLOW STATEMENT

<i>Amounts in NOK million</i>	Full year 2024	Full year 2023
Operating activities		
Net receipts on loans to customers	4 011	23 988
Receipts on issued bonds and commercial paper	123 062	90 668
Payments on redeemed bonds and commercial paper	(46 490)	(119 107)
Net receipts/(payments) on loans from credit institutions	(65 292)	4 974
Interest received	39 810	31 811
Interest paid	(34 494)	(29 106)
Net receipts on commissions and fees	33	38
Net receipts for operating activities	16 102	1 501
Taxes paid	(19)	
Net cash flow relating to operating activities	36 742	4 747
Investing activities		
Purchase of loan portfolio	(42 087)	(1 685)
Sale of loan portfolio	894	535
Net cash flow relating to investing activities	(41 193)	(1 150)
Financing activities		
Receipts on issued subordinated loan capital	4 500	
Redemptions of subordinated loan capital	(5 200)	
Redemptions of AT1 capital	(226)	
Interest payments on AT1 capital	(4)	
Group contribution payments	(850)	240
Net cash flow from financing activities	(850)	(691)
Net cash flow	(5 301)	2 906
Cash as at 1 January	5 327	0
Net receipts/(payments) of cash	(5 301)	2 906
Merger Sbanken Boligkreditt	2 420	
Cash at end of period	26	5 327

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 2023. 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).

Own funds

	31 Dec. 2024	31 Dec. 2023
<u>Amounts in NOK million</u>		
Share capital	4 527	4 527
Other equity	36 696	37 038
Total equity	41 223	41 565
Regulatory adjustments		
IRB provisions shortfall (-)	(1 136)	(1 005)
Additional value adjustments (AVA)	(212)	(305)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(12)	(19)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(10)	(11)
Group contributions		(2 900)
Common equity Tier 1 capital	39 854	37 326
Additional Tier 1 capital instruments		
Tier 1 ratio (%)	39 854	37 326
Term subordinated loan capital	4 500	4 500
Tier 2 capital	4 500	4 500
Own funds	44 354	41 826
Total risk exposure amount	196 295	190 316
Minimum capital requirement	15 704	15 225
Common equity Tier 1 capital ratio (%)		20.3
Tier 1 ratio (%)		20.3
Capital ratio (%)		22.6

Specification of exposures

	Nominal exposure 31 Dec. 2024	Exposure at default EAD 31 Dec. 2024	Risk amount REA 31 Dec. 2024	Capital requirement 31 Dec. 2024	Capital requirement 31 Dec. 2023
<u>Amounts in NOK million</u>					
IRB approach					
Corporate	96	96	28	2	15
Retail - secured by immovable property	804 951	804 951	173 119	13 849	13 001
Total credit risk, IRB approach	805 048	805 048	173 146	13 852	13 016
Standardised approach					
Institutions	22 244	22 244	4 449	356	336
Corporate	19 101	19 064	5 213	417	377
Retail	533	378	284	23	21
Retail - secured by immovable property	18 003	17 873	6 365	509	687
Other assets	493	464	694	55	42
Total credit risk, standardised approach	60 374	60 023	17 005	1 360	1 462
Total credit risk	865 422	865 071	190 151	15 212	14 479
Currency risk			1 249	100	258
Operational risk			4 895	392	489
Total risk exposure amount			196 295	15 704	15 225

NOTE 3 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

Loans to customers at amortised cost

Amounts in NOK million	Full year 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(23)	(31)	(56)	(109)	(19)	(22)	(25)	(67)
Transfer to stage 1	(44)	42	2		(26)	25	1	
Transfer to stage 2	3	(4)	1		3	(3)		
Transfer to stage 3		1	(1)			1	(1)	
Originated and purchased during the period	(13)	(13)		(26)	(16)	(1)		(17)
Increased expected credit loss	(18)	(54)	(155)	(226)	(18)	(48)	(93)	(159)
Decreased (reversed) expected credit loss	70	13	123	206	53	7	58	118
Write-offs			3	3			3	3
Merger Sbanken Boligkredit						(1)	(2)	(3)
Derecognition	1	20	4	25		12	3	16
Accumulated impairment as at the end of the period	(23)	(25)	(80)	(128)	(23)	(31)	(56)	(109)

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

NOTE 4 DEBT SECURITIES ISSUED

Debt securities issued

Amounts in NOK million							31 Dec.	31 Dec.
							2024	2023
Listed covered bonds, nominal amount							431 871	342 425
Private placements under the bond programme, nominal amount							46 096	52 646
Total covered bonds, nominal amount							477 968	395 072
Accrued interest							3 108	2 174
Unrealised losses ¹							(8 699)	(13 551)
Value adjustments ²							(5 590)	(11 377)
Total debt securities issued							472 378	383 695

Changes in debt securities issued

Amounts in NOK million	Balance	Issued	Matured/	Exchange	Other	Balance
	sheet		redeemed			sheet
	31 Dec.		2024	2024	2024	31 Dec.
Covered bond debt, nominal amount	477 968	123 128	(51 538)	11 307		395 072
Value adjustments ²	(5 590)				5 787	(11 377)
Total debt securities issued	472 378	123 128	(51 538)	11 307	5 787	383 695

Maturity of debt securities issued

Amounts in NOK million			Foreign	Total
			currency	
2025			106 500	36 467 142 967
2026			72 500	41 655 114 155
2027			19 500	29 480 48 980
2028			13 000	32 196 45 196
2029			10 000	34 194 44 194
2030			3 093	3 093
2031 and later			1 100	78 284 79 384
Total covered bond debts, nominal amount			222 600	255 368 477 968

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).

2 Including accrued interest, fair value adjustments and premiums/discounts.

NOTE 4 DEBT SECURITIES ISSUED (continued)

Cover pool

		31 Dec. 2024	31 Dec. 2023
<i>Amounts in NOK million</i>			
Pool of eligible loans		723 955	662 690
Market value of eligible derivatives ¹		39 996	33 714
Total collateralised assets		763 951	696 403
Debt securities issued, carrying value		472 378	383 695
Valuation changes attributable to changes in credit risk on debt carried at fair value		16	26
Market value of eligible derivatives ¹		19 343	23 370
Debt securities issued, valued according to regulation²		491 736	407 091
Collateralisation (per cent)		155.4	171.1

1 From and including the first quarter of 2024, eligible derivatives are presented with their gross value. Comparable figures have been changed accordingly.

2 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

<i>Amounts in NOK million</i>	<i>Currency</i>	<i>Nominal amount</i>	<i>Interest rate</i>	<i>Issue date</i>	<i>Call date</i>	<i>Maturity date</i>	<i>31 Dec. 2024</i>	<i>31 Dec. 2023</i>
Term subordinated loan capital	NOK	4 500	3 month Nibor + 205 bp	2023	2028	2033	4 500	4 500
Accrued interest							18	18
Total subordinated loan capital							4 518	4 518

NOTE 6 FINANCIAL INSTRUMENTS AT FAIR VALUE

Amounts in NOK million	Level 1	Level 2	Level 3	Total
Assets as at 31 December 2024				
Loans to customers			41 211	41 211
Financial derivatives		39 996		39 996
Liabilities as at 31 December 2024				
Debt securities issued		4 966		4 966
Financial derivatives		35 397		35 397
Assets as at 31 December 2023				
Loans to customers			32 035	32 035
Financial derivatives		33 714		33 714
Liabilities as at 31 December 2023				
Debt securities issued		5 993		5 993
Financial derivatives		23 370		23 370
Financial instruments at fair value, level 3				
Amounts in NOK million				
Carrying amount as at 31 December 2022				
Net gains recognised in the income statement			34 499	269
Additions/purchases				3 509
Sales				(48)
Settled				(6 193)
Carrying amount as at 31 December 2023				
Net gains recognised in the income statement				(78)
Additions/purchases				15 111
Sales				(22)
Settled				(5 835)
Carrying amount as at 31 December 2024				
Loans to customers				41 211

For a further description of the instruments and valuation techniques, see DNB Boligkredit's annual report for 2023.

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 104 million.

NOTE 7 INFORMATION ON RELATED PARTIES

DNB Bank ASA

In 2024, loan portfolios representing NOK 41.2 billion (NOK 1.2 billion in 2023) were transferred from the bank to DNB Boligkredit in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkredit AS".

The servicing agreement between DNB Boligkredit and DNB Bank ensures DNB Boligkredit 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 Boligkredit). 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 267 million in 2024 (a negative NOK 1 915 million in 2023).

At end-December 2024, DNB Bank had invested NOK 157.8 billion in covered bonds issued by DNB Boligkredit.

In 2024, DNB Boligkredit entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 24.6 billion at end-December 2024.

As of end-December 2024, DNB Invest Denmark A/S' ownership of subordinated loans issued by DNB Boligkredit amounted to NOK 4.5 billion.

At end-December, DNB Bank had placed cash collateral of NOK 16.1 billion related to the CSA-agreement on derivatives against DNB Boligkredit. DNB Boligkredit only has derivative transactions with its parent company, DNB Bank ASA. The obligation to return the received cash collateral is presented as cash collateral liabilities in the balance sheet of DNB Boligkredit, while the received cash collateral is placed in a separate deposit account at DNB Bank and presented as due from credit institutions.

DNB Boligkredit has a long-term overdraft facility in DNB Bank with a limit of NOK 260 billion.

DNB Livsforsikring AS

At end-December 2024, DNB Livsforsikring's holding of DNB Boligkredit bonds had a fair value of NOK 251 million.

Information about DNB Boligkreditt

Organisation number

Register of Business Enterprises NO 985 621 551 MVA

Board of Directors

Henrik Lidman	Chair of the Board
Bjørn Hauge Spjeld	
Karianne Kvernmo Wasenden	

Contact information

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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.

To simplify life for people and businesses and make them prosper - that's why we're building the world's best bank for Norway

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