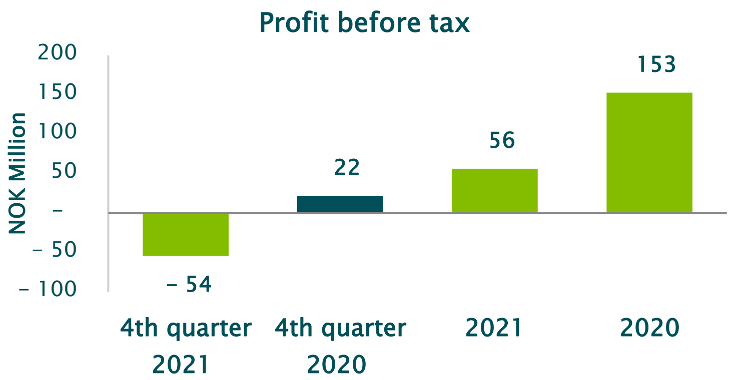
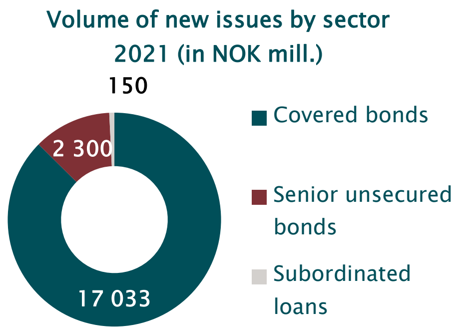
Eika Boligkreditt AS

Interim report for the fourth quarter 2021

Unaudited

Highlights





Fourth quarter 2021

- Pre-tax loss of NOK 54.3 million (2020: profit of NOK 21.8 million)
- Comprehensive income of NOK 54.4 million (2020: NOK 31.7 million)
- Fair value changes to basis swaps of NOK 135.3 million (2020: NOK 17.3 million)
- Financing of owner banks up by 1.7 per cent, corresponding to an annualised growth of 6.6 per cent
- Commissions to owner banks of NOK 207.9 million (2020: NOK 211.3 million)
- NOK 6 billion in certificates/bonds issued (2020: NOK 0.5 billion)

Full year 2021

- Pre-tax profit of NOK 56.3 million (2020: NOK 152.6 million)
- Comprehensive income of NOK 91.2 million (2020: NOK 204 million)
- Fair value changes to basis swaps of NOK 62.7 million (2020: NOK 98.7 million)
- Financing of owner banks up by 2.5 per cent (2020: 5.2 per cent)
- Commissions to owner banks of NOK 800.9 million (2020: NOK 674.8 million)
- NOK 19.5 billion in certificates/bonds issued (2020: NOK 17.9 billion)

No full or limited external auditing of the figures for the quarter has been undertaken

INTERIM REPORT FOR THE FOURTH QUARTER

Introduction

Eika Boligkreditt's main purpose is to ensure access for the local banks in the Eika Alliance (the owner banks) to long-term and competitive funding by issuing covered bonds. An important part of the company's business concept is to increase the competitiveness of the owner banks by improving their access to external funding in the Norwegian and international financial markets with regard to the tenor of loans, their terms and the depth of access. The object of the company's business is to reduce risk for the owner banks. At 31 December 2021, the owner banks had NOK 91.3 billion in total financing with Eika Boligkreditt and had thereby reduced the need for their own market and deposit financing by a corresponding amount.

Eika Boligkreditt is licensed as a credit institution and entitled to raise loans in the market through the issuance of covered bonds. Norwegian regulations for covered bonds were adopted in 2007, and this type of bond has become an important source of financing for the lending activities of banks and credit institutions. By concentrating financing activities relating to covered bonds in Eika Boligkreditt, the owner banks have secured a player in the bond market with the necessary requirements for securing competitive terms and depth of access to financing, both in Norway and internationally.

Profit and loss account for the fourth quarter

Amount in NOK thousand	4th quarter 2021	4th quarter 2020	2021	2 020
Total interest income	477 281	454 316	1 830 832	2 229 871
Net interest income	189 931	217 945	834 877	811 949
Commission costs	201 583	204 603	774 306	646 521
Total gain and losses on financial instruments at fair value	(26 237)	23 687	30 721	43 046
Profit before tax	**(54 266)**	**21 787**	**56 327**	**152 644**
Comprehensive income (taking account of fair value changes in basis swaps)	**54 433**	**31 739**	**91 226**	**203 959**

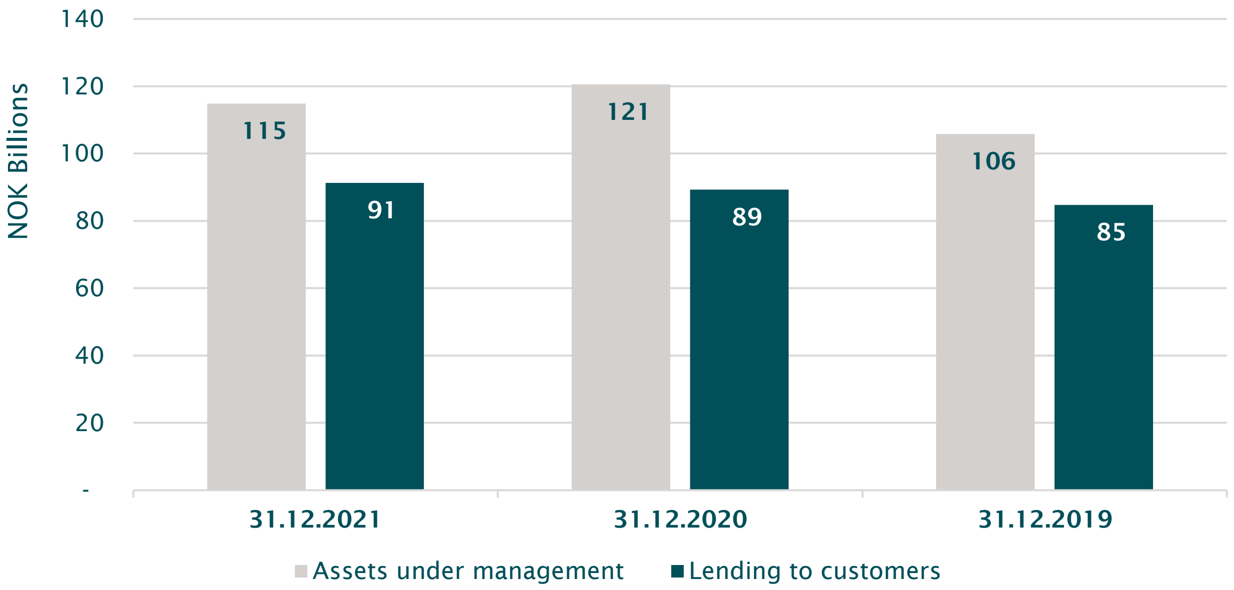
A 5.1 per cent rise in the company's interest income during the fourth quarter compared with the same period of 2020 reflected higher interest rates on residential mortgages and growth in the lending volume from the fourth quarter of 2020. Total commission (portfolio and arrangement) payments to the owner banks declined by 1.6 per cent from the fourth quarter of 2020 to NOK 207.9 million because bank margins on residential mortgages declined. Changes to the fair value of financial instruments recognised in profit and loss were negative at NOK 26.2 million, a reduction of NOK 49.9 million from the same period of 2020. This decrease reflected fair value changes resulting from fluctuations in the level of interest rates. The pre-tax loss for the fourth quarter was NOK 54.3 million, a reduction of NOK 76.1 million from the same period of 2020.

Interest income for the full year fell by 17.9 per cent compared with 2020, primarily owing to a decline in interest rates on residential mortgages over the year. Net interest income for 2021 was up by 2.8 per cent from the year before because the banks achieved higher margins on residential mortgages during the year. Recognising NOK 21.3 million in contribution to the Norwegian Banks Guarantee Fund's resolution fund as an interest charge was significant for net interest income. Total commission payments for the full year came to NOK 800.9 million, up by 18.7 per cent from 2020. This increase reflected a combination of higher margins on residential mortgages and growth in lending volume. Changes to the fair value of financial instruments came to NOK 30.7 million, down by NOK 12.3 million from the same period of 2020. Pre-tax profit for the full year amounted to NOK 56.3 million, down by NOK 96.3 million from 2020.

Interest on tier 1 perpetual bonds of NOK 6 million in the fourth quarter and NOK 22.9 million for the full year are not presented as an interest expense in the income statement, but as a reduction in equity.

Comprehensive income for the fourth quarter includes changes of NOK 135.3 million in the value of basis swaps (2020: NOK 17.3 million), while changes for the full year amount to NOK 62.7 million (2020: NOK 98.7 million). Over the term of the derivatives, the effect of such value changes will be zero. The accounting effects will thereby reverse until the derivatives mature. This means that changes in the value of basis swaps only have accrual effects with regard to unrealised gains and losses in the financial statements, but no realised gains or losses over the term of the derivative unless Eika Boligkreditt realises the derivative early.

Balance sheet and liquidity



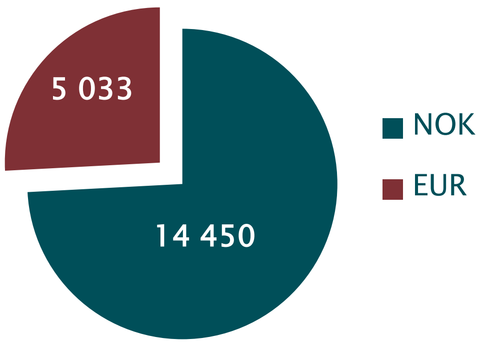
Assets under management by Eika Boligkreditt amounted to NOK 114.9 billion at 31 December 2021, down by NOK 5.7 billion from 31 December 2020. Financing of the owner banks (residential mortgage lending to customers) totalled NOK 91.3 billion at 31 December, representing a net increase of NOK 1.5 billion in the fourth quarter and a net increase of NOK 2.3 billion for the past 12 months excluding changes to the fair value of residential mortgages. That amounts to a net growth of 2.5 per cent in lending year-on-year.

Borrowing

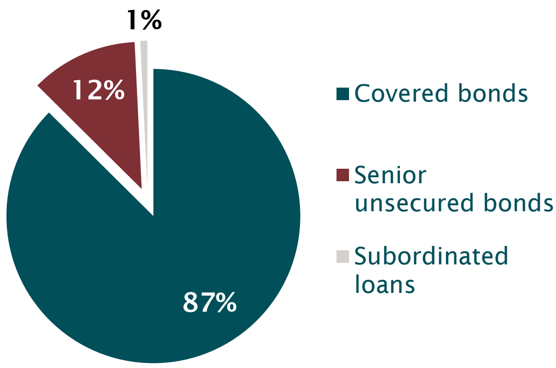
Eika Boligkreditt issued certificates/bonds (excluding tier 1 perpetual bonds) with a nominal value of NOK 6 billion in the fourth quarter, compared with NOK 0.5 billion in the same period of 2020. Covered bonds accounted for NOK 6 billion of the issue volume in the fourth quarter of 2021.

During 2021, Eika Boligkreditt issued certificates/bonds with a nominal value of NOK 19.5 billion, compared with NOK 17.9 billion for 2020. The 2021 volume broke down into NOK 17 billion in covered bonds, NOK 1.3 billion in senior unsecured bonds, NOK 1 billion in senior unsecured certificates and NOK 150 million in subordinated loans.

Issues by currency (in NOK mill) in 2021



Issues by sector (in %) in 2021



Of issues in 2021, 25.8 per cent were denominated in euros and 74.2 per cent in Norwegian kroner. Covered bonds accounted for 87.4 per cent of the issue volume.

The table below shows issues (excluding tier 1 perpetual bonds) in 2021, 2020 and 2019.

New issues (amounts in NOK million)	2021	2020	2019
Covered bonds (issued in EUR)	5 033	10 550	5 586
Covered bonds (issued in NOK)	12 000	6 000	7 250
Senior unsecured bonds and certificates (issued in NOK)	2 300	1 300	1 200
Subordinated loans (issued in NOK)	150	-	250
Total issued	**19 483**	**17 850**	**14 286**

The average tenor for covered bonds issued in 2021 was 6.5 years. At 31 December, the average tenor for the company's borrowing portfolio was 3.74 years, compared with 3.78 years at 1 January.

The table below shows the breakdown of the company's borrowing in various instruments.

Carrying value in NOK million	31.12.2021	31.12.2020	31.12.2019
Covered bonds	99 400	102 378	90 751
Senior unsecured bonds	3 749	3 749	3 549
Senior unsecured certificates	500	-	-
Subordinated loans	724	724	889
Total borrowing	**104 373**	**106 851**	**95 189**

Total borrowing by the company at 31 December was NOK 104.4 billion, down by NOK 2.5 billion from 1 January.

Liquidity

At 31 December, the company had a liquidity portfolio of NOK 17.9 billion, including repo agreements recognised as other financial assets. The total includes cash collateral of NOK 3.3 billion received from counterparties to derivative contracts. Cash collateral received is held as bank deposits, repo agreements and various high-quality securities. In addition to cash collateral, the company has received collateral in the form of high-quality bonds corresponding in value to NOK 0.2 billion. The value of bonds provided as collateral is not recognised in the company's liquidity portfolio or balance sheet.

New developments in the alliance

Run-down agreements reached by Eika Boligkreditt in the third quarter of 2021 with the banks in the Local Bank Alliance (LBA) provide more detailed regulation of rights and duties during the run-down phase after 2021. Pursuant to these agreements, the LBA banks will continue to enjoy management of the residential mortgages during the run-down phase, with the associated right to receive the interest margin on these. At 31 December, the LBA banks had a overall financing of NOK 13.3 billion with Eika Boligkreditt. This represents 14.5 per cent of the total bank financing. In October 2021, the LBA banks converted from the Eika Alliance's core banking system to one of their own delivered by SDC.

Lillestrømbanken resolved in the autumn of 2021 that it would change its name to Romerike Sparebank. During the fourth quarter of 2021, the boards of Romerike Sparebank and Blaker Sparebank announced that a letter of intent on merging the two banks had been signed. The merger agreement was approved by the boards of the banks on 13 December and by their general meetings and boards of trustees on 25 January. Subject to the necessary consents from the Financial Supervisory Authority of Norway, the legal merger of the banks will take place with effect from 31 December 2022 and their technical merger at 1 January 2023. The merged bank will be called Romerike Sparebank.

During the fourth quarter of 2021, the boards of Arendal og Omegns Sparekasse and Østre Agder Sparebank announced that they were initiating discussions with a view to merging the banks. This merger will be considered by the governing bodies of the banks in the spring of 2022. Subject to approval of the merger and the consent of the Financial Supervisory Authority, the legal merger of the banks will take place with effect from the summer of 2022 and their technical merger in the spring of 2023. The merged bank will be called Agder Sparebank.

Fornebu Sparebank announced in December 2021 that it is changing its name to Oslofjord Sparebank. This change will be implemented during January 2022.

Risk management and capital adequacy

Eika Boligkreditt had a total primary capital of NOK 6.4 billion at 31 December, virtually unchanged from 1 January.

Capital adequacy is calculated in accordance with the standardised method specified in the capital requirements regulation (CRR).

The basis for calculating the capital adequacy ratio at 31 December amounted to NOK 37.3 billion, virtually unchanged from 1 January. Eika Boligkreditt's primary capital ratio is calculated as a proportion of this basis.

The table below presents developments in the capital adequacy ratio.

Amounts in NOK million	**31 Dec 2021**	**31 Dec 2020**	**31 Dec 2019**
Risk-weighted assets	37 296	37 222	34 074
Total primary capital (tier 2 capital)	6 408	6 397	6 372
Capital adequacy ratio in per cent	**17.2 %**	**17.2 %**	**18.7 %**

The decision was taken in June to increase the countercyclical capital buffer to 1.5 per cent with effect from 30 June 2022. On 3 September, the government resolved to give the central bank the authority to determine the countercyclical capital buffer with effect from 10 September. Norges Bank's committee on monetary policy and financial stability decided at its meeting of 15 December to increase the countercyclical capital buffer to two per cent with effect from 31 December 2022. This buffer is intended to improve the capital adequacy of the banks and prevent their credit practice from strengthening an economic setback. Given the committee's current assessment of developments for the Norwegian economy and the prospects for bank losses and lending capacity, the buffer will be increased to 2.5 per cent during the first half of 2022, with effect from a year ahead.

The company’s capital targets are specified as follows:

- core tier 1 capital ratio: 12.0% (13.7% at 31 December 2021)
- tier 1 capital ratio: 13.5% (15.2% at 31 December 2021)
- tier 2 capital ratio: 15.5% (17.2% at 31 December 2021)

These targets are adequate in relation to legal requirements, the company’s Pillar II requirement of 0.5 per cent and capital requirements based on Eika Boligkreditt’s internal risk assessment (0.5 per cent). As shown above, the applicable buffer requirements were fulfilled at 31 December with a core tier 1 capital adequacy of 13.7 per cent.

Allocation of profit

Overall profit for 2021, after taking account of NOK 62.7 million in positive changes to the fair value of basis swaps, came to NOK 91.2 million. The reserve for unrealised gains has been increased by NOK 6.3 million in connection with fair value changes to financial instruments. This year’s increase thereby reduces the dividend basis by a corresponding amount. In assessing its proposed dividend for 2021, the board has emphasised conducting a consistent dividend policy over time. NOK 13.2 million has also been allocated to the revaluation reserve fund for valuation differences related to positive differences arising between the carrying amount of investments in shares in associates and their acquisition cost. The company has also received NOK 13.1 million in dividend from associates. Capital adequacy for the company is considered to be good, with a good buffer against its capital requirements. The company has assessed the risk of breaching its capital targets and of suffering actual losses on lending to be low. In addition, dividend paid will remain within the Eika Alliance, helping to strengthen the system as a whole. The board therefore proposes to pay a dividend of NOK 61.9 million to the owner banks for 2021. NOK 22.9 million of the overall profit is attributed to the investors in the tier 1 perpetual bonds. Furthermore, the dividend payment is considered to leave Eika Boligkreditt with a prudent level of equity and liquidity.

Outlook

The company’s financing of the owner banks increased by a net NOK 1.5 billion in the fourth quarter, and by a net NOK 2.3 billion for 2021 as a whole. The growth in owner-bank financing for 2021 was reduced by allowing SpareBank 1 Nordmøre to buy out Surnadal Sparebank’s financing portfolio of NOK 1.5 billion. Over the past year, the net increase represents a 12-monthly growth of 2.5 per cent. The credit indicator for November 2021 from Statistics Norway showed a 12-monthly increase of five per cent in Norwegian household debt, a marginal rise from 4.9 per cent 12 months earlier. Eika Boligkreditt expects roughly the same net growth in bank financing for 2022. Developments are affected by the reduction of the company’s financing for the 10 LBA banks, in line with the schedule specified in the run-down agreements. Where the Eika banks are concerned, financing in 2022 is expected to grow at a slightly faster rate than the Norges Bank estimate of 4.9 per cent for the increase in lending to households.

Norges Bank’s latest lending survey shows that demand for residential mortgages declined slightly in the fourth quarter. Overall, the banks expect demand for residential mortgages to be more or less unchanged in the first quarter of 2022. They also anticipate that interest-only mortgages will show a slight increase again. Granting interest-only terms for residential mortgages increased during the outbreak of the coronavirus pandemic in 2020, but has subsequently declined. Credit practice was unaltered in the fourth quarter, nor are changes expected in the first quarter. Margins on residential mortgages fell somewhat during the period, reflecting increased financing costs and a small rise in interest rates. Looking ahead, the banks expect interest rates on residential mortgages to continue rising because the increase in the central bank’s base rate will affect their existing mortgage loans in the future. Mortgagees must be given at least six weeks notice of any interest rate rise. The banks expect both financing costs and mortgage rates to continue increasing in the first quarter, while the margin on residential mortgages is likely to show little change.

According to the house price report from Real Estate Norway, average Norwegian house prices fell by 1.3 per cent in December 2021 and displayed the weak trend normal for this month. Corrected for seasonal variations, prices fell by 0.2 per cent in December and are now 5.2 per cent higher than a year earlier. Price trends nationwide are in decline, reflecting a normal cyclical course with falling prices towards the end of the year. Among the biggest towns, the strongest rise over the past 12 months was seen in Kristiansand, where the increase was nine per cent. Oslo experienced the lowest rise in 2021, at 2.2 per cent. For the first time since Norwegian house price statistics began to be published, more than 100 000 second-hand homes were sold during the year. Almost half the growth in the number of transactions occurred in Agder and Rogaland counties. This region witnessed a rise in house prices and turnover in 2021 after almost a decade of weak progress. House prices have developed more moderately since the first quarter of 2021. This moderate progress is expected to continue because the players are taking note that interest rates will probably continue to rise, in line with the projection published by Norges Bank in its monetary policy report for December.

The credit margin for the company's covered bonds with a five-year tenor in Norwegian kroner expanded by six basis points during the fourth quarter to a level of 0.23 percentage points above the three-month Nibor. Over the past 12 months, the margin contracted marginally by 0.01 percentage points. Credit margins indicated by potential arrangers for a similar new-issue transaction in the euro market contracted during the quarter by one basis point to 0.01 per cent. During 2021, these credit margins in euros contracted by four basis points. Credit margins were very stable through 2021 compared with the year before, and are expected to remain low in 2022 with good help from the ECB's bond purchase programme and other long-term ECB loan arrangements for banks in the eurozone. Expectations are imbalanced, to be sure, with more people anticipating that credit margins will be above today's level than forecasting that they will be lower. The backdrop is the phasing-out of/reduction in buying programmes/loan schemes by several central banks, and expectations of higher interest rates and increased inflation. These give an unbalanced risk picture for interest rates and credit margins in the time to come.

Activity in the Norwegian economy increased substantially during the summer and autumn. Lower infection rates, increased vaccination and the easing of national restrictions helped to restore GDP for mainland Norway as early as June to the level before the pandemic struck in March 2020. In the short term, the spread of the new Omicron variant and new infection control measures will probably dampen economic activity somewhat. Statistics Norway has assumed that the new measures will only be temporary and expects economic activity to continue rising in 2022 – particularly in many of the sectors hardest-hit by the control measures. The need for extraordinary financial policy action is no longer present when economic developments normalise. Information provided in connection with the national budget for 2022 shows that NOK 233 billion has been devoted to measures in response to the pandemic. Statistics Norway has calculated that the expansive financial policy helped to raise mainland GDP by roughly one per cent during 2021. The central government budget assumes that the structural oil-corrected deficit will be NOK 322 billion in 2022. That represents about 2.6 per cent of the oil fund's market value, and the use of oil revenues will then be below the three per cent ceiling specified by the fiscal rule.

Statistics Norway expects a GDP growth of 4.1 per cent in the mainland economy for both 2021 and 2022, driven by a reversing of the negative growth drivers from private consumption and exports in 2020. Unemployment in December was 2.3 per cent, back to the same level as before the pandemic.

Investor interest in new covered bond issues in euros and Norwegian kroner is expected to be good in the time to come. Several Norwegian issuers implemented issues in both Norwegian krone and euros during January 2022 with good results. Eika Boligkreditt expects to remain an active issuer in both Norwegian and international financial markets in 2022. Its financing requirement for 2022 indicates a need to issue bonds totalling about NOK 19 billion, including NOK 18.4 billion in covered bonds and NOK 675 million divided between subordinate loans and tier 1 perpetual bonds. The company does not expect to issue senior unsecured bonds in 2022. That relates to the implementation of new covered-bond rules and changes to the liquidity coverage ratio (LCR) regulations in the summer of 2022, which will eliminate the unintended regulatory requirement to hold liquidity outside the cover pool in order to meet the LCR requirement when covered bonds mature.

Oslo, 3 February 2022

The board of directors of Eika Boligkreditt AS

Dag Olav Løseth
Chair

Rune Iversen

Terje Svendsen

Olav Sem Austmo

Gro Furunes Skårsmoen

Torleif Lilløy

Kjartan M Bremnes
CEO

Statement of comprehensive income

Amounts in NOK 1 000	Notes	4Q 2021	4Q 2020	2021	2020
INTEREST INCOME					
Interest from loans to customers at amortised cost		**407 541**	402 440	**1 588 640**	1 917 207
Interest from loans to customers at fair value		**38 449**	32 154	**140 450**	161 079
Interest from loans and receivables on credit institutions		**2 791**	6 713	**13 278**	27 951
Interest from bonds, certificates and financial derivatives		**20 451**	4 892	**53 575**	88 140
Other interest income at amortised cost		**7 340**	7 443	**32 091**	33 033
Other interest income at fair value		**708**	675	**2 799**	2 461
Total interest income		**477 281**	454 316	**1 830 832**	2 229 871
INTEREST EXPENSES					
Interest on debt securities issued		**277 487**	223 739	**957 235**	1 373 221
Interest on subordinated loan capital		**3 711**	4 118	**14 501**	21 009
Contribution to the Norwegian Banks' Guarantee Fund's Resolution Fund		**5 322**	7 573	**21 289**	20 842
Other interest expenses		**830**	941	**2 929**	2 849
Total interest expenses		**287 350**	236 372	**995 955**	1 417 921
Net interest income		**189 931**	217 945	**834 877**	811 949
Commission costs		**201 583**	204 603	**774 306**	646 521
Net interest income after commissions costs		**(11 652)**	13 342	**60 571**	165 428
Income from portfolio sale	Note 3	-	-	**22 628**	-
Income from shares in associated company		**3 000**	2 729	**13 218**	12 631
Total income from shares	Note 4	**3 000**	2 729	**13 218**	12 631
NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE					
Net gains and losses on bonds and certificates	Note 5	**3 266**	3 793	**10 213**	(1 303)
Net gains and losses of fair value hedging on debt securities issued	Note 5, 6	**(386)**	6 986	**4 364**	7 774
Net gains and losses on financial derivatives	Note 5	**29 129**	87 078	**214 408**	(150 131)
Net gains and losses on loans at fair value	Note 5	**(58 247)**	(74 170)	**(198 263)**	186 706
Total gains and losses on financial instruments at fair value		**(26 237)**	23 687	**30 721**	43 046
Other income		-	-	-	16
SALARIES AND GENERAL ADMINISTRATIVE EXPENSES					
Salaries, fees and other personnel expenses		**8 184**	7 770	**32 982**	31 304
Administrative expenses		**5 238**	5 814	**19 161**	19 310
Total salaries and administrative expenses		**13 422**	13 583	**52 143**	50 613
Depreciation		**1 075**	1 020	**3 968**	4 135
Other operating expenses		**4 880**	3 368	**14 700**	13 728
PROFIT BEFORE TAXES		(54 266)	21 787	**56 327**	152 644
Taxes		**(15 709)**	3 687	**5 181**	28 790
PROFIT FOR THE PERIOD		(38 556)	18 100	**51 146**	123 854
Net gains and losses on bonds and certificates	Note 5	**(11 335)**	901	**(9 273)**	8 097
Net gains and losses on basis swaps	Note 5	**135 321**	17 285	**62 713**	98 710
Taxes on other comprehensive income		**(30 997)**	(4 547)	**(13 360)**	(26 702)
COMPREHENSIVE INCOME FOR THE PERIOD		**54 433**	31 739	**91 226**	203 959
Price per share				4.24231	4.30592

Of the total comprehensive income for the period above, NOK 61.9 million is attributable to the shareholders of the company after taking account NOK 13.1 million received in dividend from associates. Furthermore, of the total comprehensive income NOK 22.9 million is attributed to the hybrid capital investors, NOK 6.3 million to the fund for unrealised gains and NOK 13.2 million to the fund for valuation differences.

Balance sheet

Amounts in NOK 1 000	Notes	31.12.2021	31.12.2020
ASSETS			
Lending to and receivables from credit institutions		970 742	971 759
Lending to customers	Note 6, 7	91 326 994	89 268 662
Other financial assets	Note 8	105 843	105 662
Securities			
Bonds and certificates at fair value	Note 6,9	16 968 273	19 810 358
Financial derivatives	Note 6,10	5 393 896	10 302 016
Shares	Note 4,11	1 650	1 650
Total securities		22 363 820	30 114 024
Shares in associated company	Note 4	57 563	57 441
Intangible assets			
Deferred tax assets		19 008	25 864
Intangible assets		1 852	3 270
Total other intangible assets		20 860	29 133
Tangible fixed assets			
Right-of-use assets	Note 12	15 019	15 932
Tangible fixed assets		15 019	15 932
TOTAL ASSETS		114 860 840	120 562 614
LIABILITIES AND EQUITY			
Loans from credit institutions	Note 13	3 269 520	6 881 420
Financial derivatives	Note 6,10	711 486	164 377
Debt securities issued	Note 14	103 648 169	106 127 106
Other liabilities		711 648	792 002
Pension liabilities		6 926	5 974
Lease obligations	Note 12	15 265	16 267
Subordinated loan capital	Note 15	724 342	724 343
TOTAL LIABILITIES		109 087 356	114 711 488
Called-up and fully paid capital			
Share capital		1 225 497	1 225 497
Share premium		3 384 886	3 384 886
Other paid-in equity		477 728	477 728
Total called-up and fully paid capital	Note 16	5 088 111	5 088 111
Retained earnings			
Fund for unrealised gains		33 863	27 588
Fund for valuation differences		14 033	13 911
Other equity		62 478	147 283
Total retained equity	Note 16	110 374	188 782
Hybrid capital			
Tier 1 capital		575 000	574 232
Total hybrid capital		575 000	574 232
TOTAL EQUITY		5 773 484	5 851 125
TOTAL LIABILITIES AND EQUITY		114 860 840	120 562 614

Statement of changes in equity

Amounts in NOK 1 000	Share capital [1]	Share premium [1]	Other paid in equity [2]	Fund for unrealised gains [3]	Fund for valuation differences [4]	Retained earnings: other equity [5]	Tier 1 perpetual bonds [6]	Total equity
Balance sheet as at 31 December 2019	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**20 155**	**84 736**	**573 912**	**5 776 510**
Result for the period	-	-	-	-	-	7 006	7 740	14 746
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(7 660)	(7 660)
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 March 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**20 155**	**91 742**	**573 992**	**5 783 596**
Result for the period	-	-	-	-	-	125 435	6 680	122 240
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(6 600)	(6 600)
Disbursed dividends for 2019	-	-	-	-	-	(103 873)	-	(103 873)
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 June 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**10 280**	**113 304**	**574 071**	**5 795 362**
Result for the period	-	-	-	-	-	29 534	5 699	35 233
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 618)	(5 618)
Disbursed dividends for 2019	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 September 2020	**1 225 496**	**3 384 886**	**477 728**	**9 596**	**10 280**	**142 839**	**574 152**	**5 824 976**
Result for the period	-	-	-	17 992	3 631	4 445	5 671	31 739
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 590)	(5 590)
Disbursed dividends for 2019	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 December 2020	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**13 911**	**147 284**	**574 232**	**5 851 125**
Result for the period	-	-	-	-	-	(77 057)	5 674	(71 383)
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 595)	(5 595)
Disbursed dividends for 2020	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 March 2021	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**13 911**	**70 227**	**574 311**	**5 774 147**
Result for the period	-	-	-	-	(13 096)	20 339	5 632	12 874
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 552)	(5 552)
Disbursed dividends for 2020	-	-	-	-	-	(146 263)	-	(146 263)
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 June 2021	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**815**	**(55 697)**	**574 391**	**5 635 207**
Result for the period	-	-	-	-	-	89 707	5 596	95 303
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 516)	(5 516)
Disbursed dividends for 2020	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 September 2021	**1 225 496**	**3 384 886**	**477 728**	**27 588**	**815**	**34 007**	**574 471**	**5 724 995**
Result for the period	-	-	-	6 274	13 218	28 470	6 023	53 985
Equity issue	-	-	-	-	-	-	-	-
Interest tier 1 capital	-	-	-	-	-	-	(5 495)	(5 495)
Disbursed dividends for 2020	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 31 December 2021	**1 225 496**	**3 384 886**	**477 728**	**33 862**	**14 033**	**62 478**	**575 000**	**5 773 484**

The specification of equity comprises accounting items pursuant to the provisions in the Norwegian Private Limited Liability Companies Act:

[1]Share capital and the share premium comprises paid-in capital.

[2]Other paid-in capital comprises paid-in capital which has earlier been taken from the share premium reserve.

[3]The fund for unrealised gains comprises from value changes on financial instruments at fair value.

[4] The fund for valuation differences comprises the positive difference between the carried amount in the balance sheet and the acquisition price for investments in shares in associated companies.

[5]Other equity comprises earned and retained profits.

[6]Tier 1 perpetual bonds form part of tier 1 capital pursuant to section 3a of the Norwegian regulations concerning the calculation of regulatory capital. A regulatory right of redemption also exists. Should government regulations introduce changes which affect the extent to which the capital can be regarded as tier 1 capital, the bonds can be redeemed at a price equal to 100 per cent plus accrued interest. The company has recognised the following tier 1 perpetual bonds as equity:

- Tier 1 perpetual bond, issued NOK 100 million in 2017, with interest terms of three months Nibor plus 3.25 per cent. The loan provides for a call at 16 June 2022, and quarterly thereafter on each date interest payment falls due.
- Tier 1 perpetual bond, issued NOK 200 million in 2018, with interest terms of three months Nibor plus 3.15 per cent. The loan provides for a call at 2 February 2023, and quarterly thereafter on each date interest payment falls due.
- Tier 1 perpetual bond, issued NOK 275 million in 2018, with interest terms of three months Nibor plus 3.75 per cent. The loan provides for a call at 30 October 2023, and quarterly thereafter on each date interest payment falls due.

Eika Boligkreditt has the right to pay no interest to the investors. Interest is not recognised as interest expense in the profit and loss account, but as a reduction to equity.

Statement of cash flows

Amounts in NOK 1 000	**4Q 2021**	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	91 226	203 959
Taxes	18 541	55 492
Income taxes paid	(3 488)	(62 232)
Ordinary depreciation	1 799	1 751
Non-cash pension costs	952	953
Change in loans to customers	(2 058 332)	(4 550 118)
Change in bonds and certificates	2 842 085	(6 447 412)
Change in financial derivatives and debt securities issued	(711 304)	(370 503)
Interest expenses	995 955	1 417 921
Paid interest	(1 082 079)	(1 474 426)
interest income	(1 795 943)	(2 194 376)
received interests	1 795 860	2 231 328
Changes in other assets	(98)	(519)
Changes in short-term liabilities and accruals	544 591	162 407
Net cash flow relating to operating activities	**639 766**	(11 025 774)
INVESTING ACTIVITIES		
Payments related to acquisition of fixed assets	(381)	(468)
Share of profit/loss in associated companies	(13 218)	(12 631)
Payments from shares in associated companies	13 097	18 875
Net cash flow relating to investing activities	**(502)**	5 776
FINANCING ACTIVITIES		
Gross receipts from issuance of bonds and commercial paper	19 764 156	18 138 395
Gross payments of bonds and commercial paper	(16 623 668)	(9 764 618)
Gross receipts on issue of subordinated loan capital	-	-
Gross payments of subordinated loan capital	(1)	(164 707)
Gross receipts from issue of loan from credit institution	-	2 943 722
Gross payments from loan from credit institution	(3 611 900)	-
Gross receipts from issuing tier 1 perpetual bonds	-	-
Gross payments from issuing tier 1 perpetual bonds	-	-
Interest to the hybrid capital investors	(22 606)	(25 469)
Payments of dividend	(146 263)	(103 873)
Paid-up new share capital	-	-
Net cash flow from financing activities	**(640 282)**	11 023 450
Net changes in lending to and receivables from credit institutions	(1 018)	3 452
Lending to and receivables from credit institutions at 1 January	971 759	968 307
Lending to and receivables from credit institutions at end of period	**970 742**	971 759

Notes

Note 1 – Accounting policies

General

Eika Boligkreditt will prepare financial statements for 2021 in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). Financial assets and liabilities are measured at amortised cost, at fair value through profit or loss or at fair value through other comprehensive income. Note 1 to the annual financial statements for 2020 provides more details about accounting principles pursuant to the IFRS.

The financial statements for the fourth quarter of 2021 have been prepared in accordance with IAS 34 Interim financial reporting.

Note 2 – Use of estimates and discretion

In the application of the accounting policies described in note 1 to the annual financial statements for 2020, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities which are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Lending, non-performing/doubtful loans and writedowns

Pursuant to IFRS 9, provisions for losses will be recognised on the basis of expected credit losses in the light of relevant information available at the reporting date. The combination of the low loan-to-value ratio for the residential mortgage portfolio and the credit guarantees provided by the owner banks means that the company does not expect significant effects on EBK's profit or equity. See note 4 and 4.2.2 to the annual financial statements for 2020 for further information.

No loans were written down at 31 December 2021.

Fair value of financial instruments

The company applies various measurement methods to determine the fair value of financial instruments which are not traded in an active market. The chosen measurement methods are based on market conditions at the end of the reporting period. This means that, if observable market data are unavailable, the company will make assumptions and apply discretion as to what the market will base its evaluation of corresponding financial instruments on. More information about the financial instruments can be found in notes 4, 5, 6, 7,9 and 11.

Note 3 – Income from portfolio sale

Income from portfolio sale

Amounts in NOK 1 000	2021	2020
Total income from portfolio sale	**22 628**	-

Surnadal Sparebank merged with SpareBank1 Nordvest on 3 May 2021 under the name SpareBank 1 Nordmøre and became part of the SpareBank1 Alliance. A natural consequence of this merger is that the distribution agreement between the merged bank and Eika Boligkreditt is terminated. An agreement has furthermore been entered into whereby SpareBank 1 Nordmøre bought out its NOK 1.2 billion residential mortgage portfolio in Eika Boligkreditt. In addition to the principal of the residential mortgages, the bank paid NOK 22.6 million in compensation for early redemption of its financing with Eika Boligkreditt.

Note 4 – Shares at fair value recognised in profit in loss and shares in associated company

Shares classified at fair value recognised in profit and loss

Amounts in NOK 1 000	Number of shares	Cost price	Book value 31 des 2021	Owner share
Nordic Credit Rating AS	10 000	2 500	1 650	1.67 %
Total	**10 000**	**2 500**	**1 650**	

Shares in associated company

Assets in associated companies are recognised using the equity method.

Amounts in NOK 1 000	Number of shares	Owner share
Eiendomsverdi AS	470 125	25.0 %
Total	**470 125**	

Amounts in NOK 1 000	2021	2020
Carrying amount at 1 January	57 441	63 685
Addition/disposal	-	-
Revalulation at acquisition cost	-	-
Share of profit/loss	13 218	12 631
Dividend	(13 096)	(18 875)
Carrying amount	**57 563**	**57 441**

EBK's investment in Eiendomsverdi is treated as an associated company calculated in accordance with the equity method. The shareholding in Eiendomsverdi is valued at the overall acquisition price on the basis of a staged acquisition adjusted for EBK's share of the profit and dividend received. The positive difference between the carried amount in the balance sheet and the acquisition price is recognised in fund for valuation differences.

Note 5 – Net gain and loss on financial instruments at fair value

Net gains and losses on financial instruments at fair value recognised through profit and loss

Amounts in NOK 1 000	4th quarter 2021	4th quarter 2020	2021	2020
Net gains and losses on bonds and certificates including currency effects [1]	3 266	3 793	10 213	(1 303)
Net gains and losses on loans at fair value	(58 247)	(74 170)	(198 263)	186 706
Net gains and losses on financial debts, hedged [2]	1 372 564	3 757 466	5 556 711	(3 551 932)
Net gains and losses on interest swaps related to lending	29 129	87 078	214 408	(150 131)
Net gains and losses on interest and currency swaps related to liabilities [2]	(1 372 950)	(3 750 480)	(5 552 347)	3 559 706
Net gains and losses on financial instruments at fair value	**(26 237)**	**23 687**	**30 721**	**43 046**

[1] The accounting line comprises net realised gain and loss on bonds and certificates, and currency effects related to cash collateral received and reinvested cash collateral in foreign currencies.

[2] The company utilises hedge accounting for long-term borrowing in foreign currency, where the cash flows are matched 1:1 through derivative contracts versus the corresponding hedging object.

Net gains and losses on financial instruments at fair value recognised through comprehensive income

Amounts in NOK 1 000	4th quarter 2021	4th quarter 2020	2021	2020
Net gains and losses on bonds and certificates	(13 242)	(2 841)	(16 638)	19 105
Net gains and losses on interest-rate swaps related to bonds and certificates	1 907	3 742	7 365	(11 008)
Net gains and losses on basis swaps [3]	135 321	17 285	62 713	98 710
Net gains and losses on financial instruments at fair value	**123 986**	**18 186**	**53 440**	**106 806**

[3] Comprehensive profit for 2021 includes changes of NOK 62.7 million in the value of basis swaps.

Basis swaps are derivative contracts entered into in connection with long-term borrowing in foreign currency, whereby the foreign currency is converted to Norwegian kroner. These are hedging instruments, and the effect is zero over the term of the instrument. This means that changes in margins only have an accrual effect with regard to unrealised gains and losses in the financial statements, but no realised gains or losses over the term of the derivative unless Eika Boligkreditt realises the derivative early.

Eika Boligkreditt utilises interest-rate and currency swaps in order to convert borrowing in foreign currencies to Norwegian kroner. A typical example is when a loan raised in euros is converted to Norwegian kroner through an interest-rate and currency swap which includes a basis swap. In this case, Eika Boligkreditt would pay a Norwegian interest rate with a margin of three months Nibor in the swap and receive a euro interest rate in the swap which corresponds to the coupon it pays on the loan in euros. Derivatives are valued at fair value, while the hedged bond is valued in accordance with the principles which apply for hedge accounting.

Note 6 – Derivatives and hedging

The purpose of all derivative transactions in Eika Boligkreditt is to reduce the interest rate and currency risk. Interest rate swaps, where Eika Boligkreditt receives a fixed interest rate and pays a floating interest rate are, entered into to convert issues of bonds and certificates from a fixed interest rate to a floating interest rate exposure. Financing at a floating interest rate would reduce the risk for the company, since most lending is done at a floating interest rate. Interest rate swaps where Eika Boligkreditt receives a floating interest rate and pays a fixed interest rate are entered into to hedge the interest rate margin from lending at a fixed interest rate.

	31 Dec 2021		31 Dec 2020	
Assets Amounts in NOK 1 000	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Interest rate swap lending[1]	4 882 600	109 693	2 218 560	20 245
Interest rate and currency swap[2]	37 291 300	5 283 767	58 809 050	10 281 259
Interest swap placement	100 190	436	104 703	513
Total financial derivative assets including accrued interest	**42 274 090**	**5 393 896**	**61 132 313**	**10 302 016**

Liabilities Amounts in NOK 1 000	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Interest rate swap lending[1]	3 177 293	19 443	5 601 862	145 967
Interest rate and currency swap[2]	16 483 400	686 482	-	-
Interest swap placement	1 723 268	5 562	2 586 164	18 410
Total financial derivative liabilities including accrued interest	**21 383 961**	**711 486**	**8 188 026**	**164 377**

[1] The hedging instruments related to the lending portfolio with fixed interest rate are rebalanced when necessary.

[2] The nominal amount is converted to the historical currency exchange rate.

Fair value and cash flow hedging on debt securities issued

Eika Boligkreditt applies fair value hedging on fixed-rate financial liabilities. The hedge object is the swap interest element of the financial liabilities. Interest and currency swaps are used as hedging instruments.

The company separates out the basis margin related to foreign currency from financial instruments by excluding this from earmarking of the fair-value hedge, and has identified the currency element in the hedging as a cash flow hedge. This means that the fair value changes which arise in basis swaps when utilising currency swap agreements with the company's borrowing in foreign currencies in order to convert the cash flow from euros to Norwegian kroner are recognised as a cash flow hedge. Changes in fair value related to the basis margin will therefore be recognised in other comprehensive income.

	31 Dec 2021		31 Dec 2020	
Amounts in NOK 1 000	**Nominal amount**	**Value recognised in balance sheet**	**Nominal amount**	**Value recognised in balance sheet**
Hedging instruments: interest rate and currency swaps[1, 2]	53 774 700	4 261 748	58 809 050	9 834 231
Hedged items: financial commitments incl foreign exchange[2]	53 774 700	(4 267 719)	58 809 050	(9 887 143)
Net capitalised value without accrued interest	**-**	**(5 971)**	**-**	**(52 912)**

[1] The nominal amount is converted to historical currency exchange rate.

[2] The book value of the hedging instruments is their net market value less accrued interest. The book value of the hedged objects is less accrued interest and the cumulative change in value associated with the hedged risk is an adjustment of financial liabilities at amortised cost.

Gains and losses on fair value hedging recorded in profit and loss

Amounts in NOK 1 000	4th quarter 2021	4th quarter 2020	2021	2020
Hedging instruments	(1 372 950)	(3 750 480)	(5 552 347)	3 559 706
Hedged items	1 372 564	3 757 466	5 556 711	(3 551 932)
Net gains/losses (inefffectiveness) recorded in profit and loss[3]	**(386)**	**6 986**	**4 364**	**7 774**

[3] Changes in the value of financial instruments related to changes in basis swaps are recognized in other comprehensive income. See note 5 for more information.

Note 7 – Lending to customers

Amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Installment loans - retail market	86 547 778	83 910 819
Installment loans - housing cooperatives	4 826 197	5 198 781
Adjustment fair value lending to customers[1]	(46 980)	159 063
Total lending before specific and general provisions for losses	**91 326 994**	**89 268 662**
Impairments on lending to customers	-	-
Total lending to and receivables from customers	**91 326 994**	**89 268 662**

[1]The table below shows fair value lending to customers.

With effect from 10 December 2019, the company increased its maximum loan-to-value (LTV) ratio for residential mortgages from 60 per cent of the property's value to the legal limit of 75 per cent. Before 10 December 2019, all lending related to residential mortgages fell within the 60 per cent LTV limit at origination.

Provision for losses

Pursuant to IFRS 9, provision for losses must be recognised on the basis of the expected credit loss indicated by relevant information available at the reporting date.

The retail market is less exposed to losses on lending than other sectors. Eika Boligkreditt's lending is confined to residential mortgages with a generally low loan-to-value ratio, and it is therefore less exposed to loss. Social security provision in Norway, including specific measures introduced in connection with the coronavirus position, also helps to reduce the risk of loss in the conditions now affecting society. Nevertheless, a risk of increased losses exists in the retail market because of the longterm consequences of the epidemic. Given the credit guarantees provided by the owner banks in combination with the LTV ratio for the mortgage portfolio, Eika Boligkreditt's profits or equity are not expected to be significantly affected despite the increased risk

The company had no non-performing engagements at 30 December 2021 where instalments due remained unpaid beyond 90 days. The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the new EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy.

Loss in the accounts is calculated on the basis of the loss model pursuant to IFRS 9. Non-performing engagements are presented in step 3, where an individual impairment is to be carried out per customer without the use of models. Credit guarantees provided by the owner banks in combination with the low LTV ratio for the mortgage portfolio, reduce provision for loss. The company has calculated that expected loss on residential mortgages will amount to NOK 43 000 at 31 December 2021, compared with NOK 11 000 at 31 December 2020.This assessment rests on new assumptions about the development of house prices in the time to come. As a result of credit guarantees of NOK 932 million from the owner banks at 30 December 2021, this will involve no accounting loss for the company in the fourth quarter of 2021.

See note 4.2.2 to the annual financial statements for 2020 for further information.

31 Dec 2021

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	82 849 553	82 849 553
Fixed rate loans	8 524 421	8 477 441
Toal lending	**91 373 974**	**91 326 994**

31 Dec 2020

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	80 812 260	80 812 260
Fixed rate loans	8 297 340	8 456 402
Toal lending	**89 109 600**	**89 268 662**

Calculation of fair value of loans: The margin on the loans is considered to be on market terms. The market value of variable rate loans is therefore measured as equal to amortised cost. The market value of fixed-rate loans is correspondingly measured as equal to amortised cost adjusted for the present value of the difference between the loans' fixed rate of interest and the applicable offered fixed rate at the balance sheet date.

Note 8 – Other financial assets

Amounts in NOK 1 000	31.12.2021	31.12.2020
Prepaid expenses	2 734	2 636
Repo agreements	-	-
Accrued interests	103 109	103 025
Short-term receivables	(0)	1
Total other financial assets	**105 843**	**105 662**

Note 9 – Bonds and certificates at fair value

31 December 2021

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	7 161 472	7 171 622	7 174 479
Credit institutions	7 230 000	7 259 352	7 259 745
Government bonds	2 673 158	2 699 156	2 534 049
Total bonds and certificates at fair value	**17 064 629**	**17 130 129**	**16 968 273**
Change in value charged recognised through profit and loss to other comprehensive income [1]			**(161 856)**

Average effective interest rate is 0.46 per cent annualised. The calculation is based on a weighted fair value of NOK 16.7 billion. The calculation takes account of a return of NOK 76.6 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

31 December 2020

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair value
Municipalities	6 945 270	6 957 799	7 107 131
Credit institutions	7 394 000	7 432 334	7 438 909
Government bonds	5 491 984	5 507 858	5 264 319
Total bonds and certificates at fair value	**19 831 253**	**19 897 991**	**19 810 358**
Change in value charged recognised through profit and loss to other comprehensive income [1]			**(87 633)**

Average effective interest rate is 0.93 per cent annualised. The calculation is based on a weighted fair value of NOK 13.9 billion. The calculation takes account of a return of NOK 129.5 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

[1] The value change is primarily related to agio effects on bonds denominated in euros (reinvested cash collateral received) recognised through profit and loss. Corresponding agio effects on loans to credit institutions is also recognised through profit and loss as net gains and losses on bonds and certificates.

	31 Dec 2021	31 Dec 2020
Average term to maturity	**1.4**	**1.2**
Average duration	**0.1**	**0.2**

All the bonds are rated AA-/Aa3 or better if the maturity exceeds 100 days, and A-/A3 if the maturity is 100 days or fewer. The rating is performed by an internationally recognised rating agency.

Note 10 – Coverpool

For covered bonds ascribed to the company's cover pool, an overcollateralisation requirement of five per cent applies in accordance with the company's borrowing programme (Euro Medium Term Covered Note Programme). An overcollateralization of five per cent is also necessary to maintain the Aaa rating from Moody's Investor Service. Nominal values are used when calculating the five-per-cent overcollateralisation. Pursuant to section 11-7 of the financial institutions regulations, an overcollateralisation of at least two per cent of the value of the covered bonds in the cover pool is required. Calculating the two-per-cent requirement is based on fair value with the exception of the credit spread on covered bonds, and account is also taken of the company's own holding of covered bonds.

Calculation of overcollateralisation at fair value (calculated in accordance to section 11-7 of the financial institutions regulations)

	Fair value	
Amounts in NOK 1 000	**31 Dec 2021**	**31 Dec 2020**
Lending to customers [2]	90 813 366	88 998 168
Substitute assets and derivatives:		
Financial derivatives without accrued interest (net)	4 345 010	9 663 684
Substitute assets [3]	13 362 459	12 994 572
Total cover pool	**108 520 835**	**111 656 424**
The cover pool's overcollateralisation [4]	108.81%	107.75%

Covered bonds issued

	31 Dec 2021	31 Dec 2020
Covered bonds	99 399 605	102 378 493
Premium/discount	(211 236)	(14 613)
Own holding (Covered bonds) [1]	549 000	1 258 000
Total covered bonds	**99 737 369**	**103 621 880**

[1]When calculating the two-per-cent requirement, account has been taken of the company's own holding of covered bonds.

Calculation of overcollateralisation using nominal values (calculated in accordance to the requirements in the company's borrowing programme and according to Moody's Investors Service methodology)

	Nominal values	
Amounts in NOK 1 000	**31 Dec 2021**	**31 Dec 2020**
Lending to customers [2]	90 860 346	88 839 105
Substitute assets:		
Substitute assets [3]	13 292 049	12 906 286
Total cover pool	**104 152 395**	**101 745 391**
The cover pool's overcollateralisation [4]	109.72%	109.98%

Covered bonds issued

	31 Dec 2021	31 Dec 2020
Covered bonds	94 925 700	92 509 050
Total covered bonds	**94 925 700**	**92 509 050**

[2] Residential mortgages without legal protection and non-performing engagements have been deducted when calculating the carrying amount in the balance sheet.

[3]Substitute assets include lending to and receivables from credit institutions, bond and certificates at fair value and repo agreements.

[4] Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation. At 31 December 2021, liquid assets totalling NOK 1.3 billion in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation. Had this liquidity also been taken into account when valuing the cover pool, overcollateralisation would have been 10.11 per cent at fair value and 11.09 per cent at nominal value.

Note 11 – Fair value hierarchy

Eika Boligkreditt AS measures financial instruments at fair value, and classifies the related fair value at three different levels, which are based on the market conditions at the balance sheet date.

Level 1: Financial instruments where the measurement is based on quoted prices in an active market
Included in Level 1 are financial instruments where the measurement is based on quoted prices in active markets for identical assets. Quoted prices are obtained from Bloomberg. The company's investments in Government bonds are included in this category.

Level 2: Financial instruments where the measurement is based on observable market data
Level 2 comprises financial instruments that are measured using market information not consisting of quoted prices but which may be either directly or indirectly observable. Indirectly observable market data entail that the price is derived from corresponding financial instruments and commitments on which the market has based its valuation. This category consists of the fair value of interest and currency swaps based on swap curves and investments in bonds and certificates not issued by a national state. Market data are obtained from an acknowledged provider of market data.

Level 3: Financial instruments where the measurement is based on information other than observable market data
Level 3 includes fixed-interest mortgages and shares at fair value over profit and loss. The fair value of the fixed-interest mortgages is their amortised cost adjusted for the present value of the difference between the mortgage's fixed interest rate and the applicable fixed interest rate offered on the balance sheet date. Shares are valued on the basis of discounted cash flows.

31 December 2021

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed income)	-	-	8 477 441
Bonds and certificates	3 233 037	13 735 236	-
Financial derivatives	-	5 393 896	-
Shares classified at fair value recognised in profit or loss	-	-	1 650
Total financial assets	**3 233 037**	**19 129 133**	**8 479 091**
Financial liabilities			
Financial derivatives	-	711 486	-
Total financial liabilities	**-**	**711 486**	**-**

No significant transactions between the different levels have taken place in 2021.

31 December 2020

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed income)	-	-	8 456 402
Bonds and certificates at fair value through profit or loss	3 120 948	16 689 410	-
Financial derivatives	-	10 302 016	-
Shares classified as available for sale	-	-	1 650
Total financial assets	**3 120 948**	**26 991 426**	**8 458 052**
Financial liabilities			
Financial derivatives	-	164 377	-
Total financial liabilities	**-**	**164 377**	**-**

No significant transactions between the different levels have taken place in 2020.

Detailed statement of assets classified as level 3 assets

2021 Amounts in NOK 1 000	01 Jan 2021	Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2021	Other comprehensive income	31 Dec 2021
Lending to customers (fixed-rate loans)	8 456 402	1 801 537	(1 582 235)	-	(198 263)	-	8 477 441
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	**8 458 052**	**1 801 537**	**(1 582 235)**	**-**	**(198 263)**	**-**	**8 479 091**

2020 Amounts in NOK 1 000	01 Jan 2020	Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2020	Other comprehensive income	31 Dec 2020
Lending to customers (fixed-rate loans)	6 317 876	3 107 019	(1 155 199)	-	186 706	-	8 456 402
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	**6 319 526**	**3 107 019**	**(1 155 199)**	**-**	**186 706**	**-**	**8 458 052**

Interest rate sensitivity of assets classified as Level 3 at 31 December 2021
A one-percentage point increase in all interest rates would reduce the value of the company's fixed-rate loans at fair value at by NOK 266 million. The effect of a decrease in interest rates would be an increase of NOK 266 million in the value of fixed-rate loans at fair value. The amounts are calculated by duration, which is the remaining portion of the fixed interest period.

Changes in fair value of fixed-rate loans attributable to a change in credit risk
Since the company's fixed-rate lending at fair value has an unchanged credit spread, no change in fair value is attributable to a change in the credit risk. That applies both for 31 December 2021 and cumulatively.

Detailed statement of changes in debt related to currency changes

2021 Amounts in NOK 1 000	01 Jan 2021	Issued/matured	Currency changes	31 Dec 2021
Change in debt securities issued [1]	58 371 923	(3 726 250)	(3 799 248)	50 846 425
Total	**58 371 923**	**(3 726 250)**	**(3 799 248)**	**50 846 425**

2020 Amounts in NOK 1 000	01 Jan 2020	Issued/matured	Currency changes	31 Dec 2020
Change in debt securities issued 1	45 045 450	10 550 000	2 776 473	58 371 923
Total	**45 045 450**	**10 550 000**	**2 776 473**	**58 371 923**

[1]The table shows currency changes related to bonds issued in foreign currencies. Currency changes related to liabilities with credit institutions are not shown.

Note 12 – Leases

IFRS 16 on lease accounting requires that all leases are recognised in the balance sheet by recognising the beneficial use of an asset as an asset, while making provision for the lease obligation as a liability. EBK has only one lease, covering office premises, which is subject to this standard. The beneficial use and lease obligation are recognized as NOK 15 million and NOK 15.3 million respectively, in the company's balance sheet at 31 December 2021, representing the present value of future rent payments over the duration of the lease. The lease duration which forms the basis for calculating future rent payments corresponds to the remaining period until the termination of the lease (about 6.5 years at 31 December 2021). Possible options are not added to the lease duration. In addition, the beneficial use is depreciated over the duration of the lease while interest on the lease obligation is expensed. Depreciation is presented together with other depreciation in the statement of comprehensive income, while interest is included in financial expenses in the statement of comprehensive income. Interest costs are calculated by applying the discount rate (the company's incremental borrowing rate) to the lease obligation.

Note 13 – Loans from credit institutions

Agreements with counterparties regulating trades in OTC derivatives require collateral to be provided in certain cases. Eika Boligkreditt has been provided with such collateral in the form of cash. These cash sums are managed by Eika Boligkreditt for the duration of the collateral provision and are recognised in the balance sheet as an asset with an associated liability. At 31 December 2021, Eika Boligkreditt had received cash collateral of NOK 3.3 billion posted by counterparties to derivative contracts. Cash collateral received is held in bank deposits, repo agreements and in various high-quality bonds. In addition to cash collateral, the company had also received NOK 0.2 billion in bonds as collateral from counterparties to derivative agreements. The value of the bonds provided as collateral is not recognised in the company's balance sheet.

Note 14 – Debt securities issued

Covered bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Dec 2021	31 Dec 2020
NO0010605587	1 000 000	NOK	Fixed	5.20 %	2011	2021	-	566 000
NO0010625346	1 500 000	NOK	Fixed	4.60 %	2011	2026	1 500 437	1 500 528
NO0010669922	1 000 000	NOK	Fixed	4.00 %	2013	2028	998 149	997 843
NO0010687023	150 000	NOK	Fixed	4.10 %	2013	2028	150 000	150 000
NO0010732258	8 000 000	NOK	Floating	3M Nibor + 0.28%	2015	2022	3 450 484	7 988 242
NO0010733694	2 000 000	NOK	Fixed	1.75 %	2015	2021	-	741 076
NO0010763022	850 000	NOK	Fixed	2.25 %	2016	2031	844 971	844 430
NO0010780687	700 000	NOK	Fixed	2.60 %	2016	2027	699 640	699 572
NO0010794308	5 000 000	NOK	Floating	3M Nibor + 0.43 %	2017	2022	5 001 746	5 004 434
NO0010815376	1 600 000	NOK	Fixed	2.67 %	2018	2033	1 590 775	1 589 944
NO0010821192	8 050 000	NOK	Floating	3M Nibor + 0.34 %	2018	2023	8 047 863	8 046 550
NO0010863178	7 250 000	NOK	Floating	3M Nibor + 0.25 %	2019	2024	7 246 138	7 244 704
NO0010881162	6 000 000	NOK	Floating	3M Nibor + 0.41%	2020	2025	5 998 370	5 997 886
NO0010921067	6 000 000	NOK	Floating	3M Nibor + 0.75 %	2021	2026	6 140 344	-
NO0011135105	6 000 000	NOK	Floating	3M Nibor + 0.50 %	2021	2026	6 084 302	-
XS0881369770	1 000 000	EUR	Fixed	2.125 %	2013	2023	10 010 969	10 454 132
XS1044766191	500 000	EUR	Fixed	1.50 %	2014	2021	-	5 233 823
XS1312011684	500 000	EUR	Fixed	0.625 %	2015	2021	-	5 230 507
XS1397054245	500 000	EUR	Fixed	0.375 %	2016	2023	5 001 009	5 219 444
XS1566992415	500 000	EUR	Fixed	0.375 %	2017	2024	4 998 732	5 218 604
XS1725524471	500 000	EUR	Fixed	0.375 %	2017	2025	4 993 737	5 213 458
XS1869468808	500 000	EUR	Fixed	0.50 %	2018	2025	4 991 375	5 211 030
XS1945130620	500 000	EUR	Fixed	0.875 %	2019	2029	4 975 358	5 194 438
XS1969637740	10 000	EUR	Fixed	1.245 %	2019	2039	100 190	104 703
XS1997131591	60 000	EUR	Fixed	1.112 %	2019	2039	601 046	628 114
XS2085864911	5 000	EUR	Fixed	0.56 %	2019	2039	50 036	52 286
XS2133386685	500 000	EUR	Fixed	0.01 %	2020	2027	5 064 162	5 303 271
XS2234711294	500 000	EUR	Fixed	0.01 %	2020	2028	5 085 397	5 327 202
XS2353312254	500 000	EUR	Fixed	0.125 %	2021	2031	4 978 381	-
Value adjustments							795 994	2 616 270
Total covered bonds[1]							**99 399 605**	**102 378 493**

[1] For covered bonds ascribed to the company's cover pool, an overcollateralisation requirement of five per cent applies in accordance with the company's borrowing programme (Euro Medium Term Covered Note Programme). An overcollateralization of five per cent is also necessary to maintain the Aaa rating from Moody's Investor Service.

Senior unsecured bonds - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Dec 2021	31 Dec 2020
NO0010782048	500 000	NOK	Floating	3M Nibor +0.95%	2017	2022	500 015	500 522
NO0010830367	450 000	NOK	Floating	3M Nibor + 0.56 %	2018	2022	449 959	449 894
NO0010834716	500 000	NOK	Fixed	3.01 %	2018	2025	299 739	299 670
NO0010841620	300 000	NOK	Fixed	2.87 %	2019	2026	299 774	299 718
NO0010845936	500 000	NOK	Floating	3M Nibor + 0.78 %	2019	2024	299 904	299 860
NO0010849433	500 000	NOK	Floating	3M Nibor + 0.74 %	2019	2024	299 821	299 750
NO0010851975	1 000 000	NOK	Floating	3M Nibor + 0.27 %	2019	2021	-	299 978
NO0010874944	300 000	NOK	Floating	3M Nibor + 0.58 %	2020	2025	299 822	299 766
NO0010891351	500 000	NOK	Floating	3M Nibor + 0.50 %	2020	2023	499 875	499 800
NO0010904642	500 000	NOK	Floating	3M Nibor + 0.65 %	2020	2024	499 744	499 654
NO0010918113	300 000	NOK	Floating	3M Nibor + 0.45 %	2021	2024	299 938	-
Total senior unsecured bonds							**3 748 593**	**3 748 612**

Senior unsecured certificates - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Dec 2021	31 Dec 2020
NO0011099798	500 000	NOK	Floating	3M Nibor + 0.07 %	2021	2022	499 971	-
Total senior unsecured certificates							**499 971**	-

Total debt securities issued	**103 648 169**	**106 127 106**

Note 15 – Subordinated loan capital

Subordinated loan capital - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	31 Dec 2021	31 Dec 2020
NO0010759475	150 000	NOK	Floating	3M Nibor + 3.40% [1]	2016	2026	-	149 988
NO0010814916	325 000	NOK	Floating	3M Nibor + 1.40% [2]	2018	2028	324 859	324 729
NO0010864333	250 000	NOK	Floating	3M Nibor + 1.55% [3]	2019	2029	249 726	249 626
NO0010917735	150 000	NOK	Floating	3M Nibor + 1.04% [4]	2021	2026	149 757	-
Total subordinated loan capital							**724 342**	**724 343**

[1] Subordinated loan of NOK 150 million maturing on 17 March 2026, with a redemption right (call) on 17 March 2021 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest. The company has decided to exercise the redemption right on 17 March 2021.

[2] Subordinated loan of NOK 325 million maturing on 2 February 2028, with a redemption right (call) on 2 February 2023 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

[3] Subordinated loan of NOK 250 million maturing on 27 September 2029, with a redemption right (call) on 27 September 2024 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

[4] Subordinated loan of NOK 150 million maturing on 20 January 2031, with a redemption right (call) on 20 January 2026 and thereafter quarterly at each interest date. A regulatory and a tax related call is also provided. Should official regulation lead to changes which affect how far the capital can be regarded as tier 2 capital, the bond can be redeemed at a price equal to 100 per cent plus accrued interest.

Note 16 – Capital adequacy ratio

Amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Share capital	1 225 497	1 225 497
Share premium	3 384 886	3 384 886
Other paid-in equity	477 728	477 728
Other equity	573	1 018
Total equity recognised in the balance sheet (without tier 1 perpetual bonds)	**5 088 684**	**5 089 130**
Fund for unrealised gains	33 863	27 588
Fund for valuation differences	14 033	13 911
Intangible assets	(1 852)	(3 270)
Deferred tax assets [1]	-	-
Prudent valuation adjustments of fair valued positions without accrued interest	(25 584)	(28 500)
Total core tier 1 capital	**5 109 143**	**5 098 859**

Core capital adequacy ratio (core tier 1 capital)	31 Dec 2021	31 Dec 2020
Weighted calculation basis	37 295 905	37 221 959
Core tier 1 capital	5 109 143	5 098 859
Core tier 1 capital ratio	**13.7%**	**13.7%**

Total core tier 1 capital	5 109 143	5 098 859
Tier 1 perpetual bonds	575 000	574 232
Total tier 1 capital	**5 684 143**	**5 673 091**

Capital adequacy ratio (tier 1 capital)	31 Dec 2021	31 Dec 2020
Weighted calculation basis	37 295 905	37 221 959
Tier 1 capital	5 684 143	5 673 091
Tier 1 capital ratio	**15.2%**	**15.2%**

Total tier 1 capital	5 684 143	5 673 091
Subordinated loans	724 342	724 343
Total primary capital (tier 2 capital)	**6 408 485**	**6 397 434**

Capital adequacy ratio (tier 2 capital)	31 Dec 2021	31 Dec 2020
Weighted calculation basis	37 295 905	37 221 959
Total primary capital (tier 2 capital)	6 408 485	6 397 434
Capital adequacy ratio	**17.2%**	**17.2%**

Required capital corresponding to eight per cent of calculation basis	2 983 672	2 977 757
Surplus equity and subordinated capital	3 424 813	3 419 677

The capital adequacy ratio is calculated using the standard method in Basel II.

31 December 2021

Calculation basis	Weighted calculation basis	Capital requirement
Credit risk [2]	35 069 086	2 805 527
Operational risk	235 614	18 849
CVA risk [3]	1 991 205	159 296
Total	**37 295 905**	**2 983 672**

Leverage Ratio	31 Dec 2021	31 Dec 2020
Total Leverage Ratio exposure	118 149 672	123 706 197
Tier 1 capital	5 684 143	5 673 091
Levereage Ratio	**4.8 %**	**4.6 %**

The company employs the standardised approach for calculating credit risk and the basic indicator approach for calculating operational risk.

[1]Deferred tax assets attributable to temporary differences and amounting to less than 10 per cent of core tier 1 capital are not deducted from core tier 1 capital, but risk-weighted by 250 per cent. See the changes to the calculation regulations which came into force on 30 September 2014.

[2] The European Banking Authority (EBA) published new recommendations in September 2016 for the definition of default, applicable from 1 January 2021. The general rule has previously been that engagements are regarded as in default if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the new EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the same debtor, the level of materiality limits and the duration of quarantine after being declared healthy.

On the basis of this new standard for assessing defaults, these are estimated to amount to NOK 44.5 million at 31 December 2021. This definition of default will affect the company's calculation of capital adequacy, where mortgages defined as in default have their risk weighting in the calculation base changed from 35 to 100 per cent, assuming that the loan-to-value (LTV) for the defaulting mortgages is below 100 per cent. The mortgages will also be deducted from tier 1 capital pursuant to article 47c of the CRR if the mortgage is entered into after 26 April 2019.

[3]At 31 December 2021, Eika Boligkreditt had taken account of the risk of credit valuation adjustment (CVA) when calculating capital requirements for credit risk. This represents a supplement to the capital requirement for credit risk related to counterparty risk for derivatives.

The basis for calculating the capital adequacy ratio at 31 December amounted to NOK 37.3 billion. This amount represented a quantification of the company's risk. After account has been taken of the growth in overall lending, and changes to the company's liquidity portfolio, operational risk and CVA risk, the calculation basis for capital adequacy at 30 December 2021 was virtually unchanged from 1 January.

At all times, the company must have a buffer in relation to the minimum capital adequacy requirement of eight per cent. This buffer must be sufficient to cover relevant risks which could affect the company. The company's internal capital adequacy assessment process (ICAAP) is pursued to ensure that it has an adequate buffer in relation to the minimum requirement. The company plans to capitalise continued growth in the residential mortgage portfolio. The company's capital targets are a core tier 1 capital ratio of 12.0 per cent, a tier 1 capital ratio of 13.5 per cent and a tier 2 capital ratio of 15.5 per cent. These targets are adequate in relation to the legal requirements, the company's Pillar 2-demands, and capital requirements based on the company's internal assessment of risk (0.5 per cent). As can be seen above, the applicable buffer requirement was met at 31 December 2021 with a core tier 1 capital ratio of 13.7 per cent.

The company has a shareholder agreement which commits the owner banks, under given circumstances, to provide it with necessary capital. More information on the shareholder agreement can be found in note 26 to the annual financial statements for 2020.

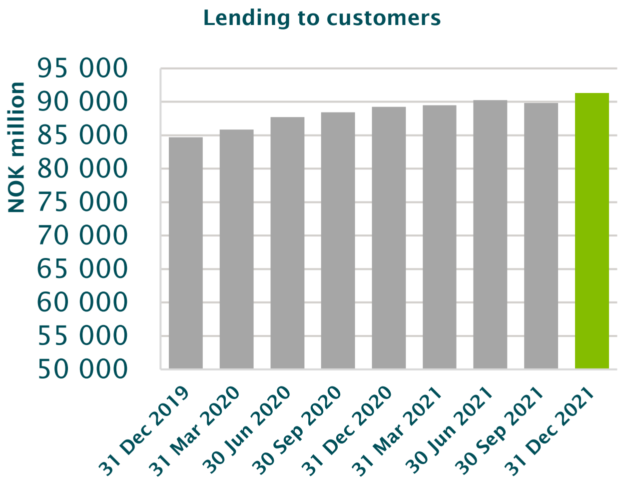
Note 17 – Contingency and overdraft facilities

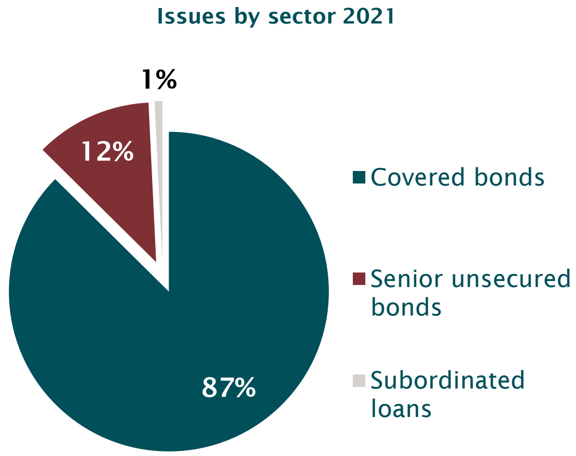
The company has an overdraft facility with DNB Bank ASA (DNB). Note 15 to the annual financial statements for 2020 provides a more detailed presentation of the overdraft with DNB. The company also has a note purchase agreement with the owner banks and OBOS concerning the purchase of covered bonds, whereby the owner banks and OBOS have accepted a liquidity obligation towards Eika Boligkreditt. More information on the note purchase agreement can be found in note 15 to the annual financial statements for 2020.

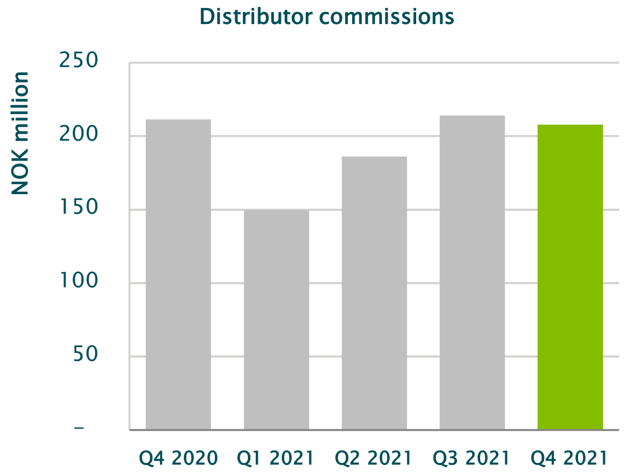
Note 18 – Risk management

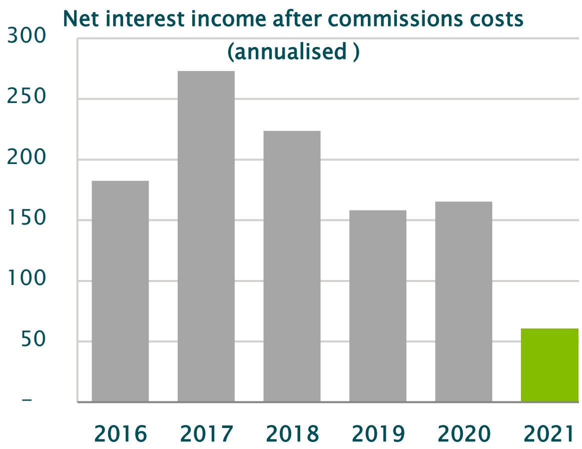
Eika Boligkreditt AS has established a framework for risk management and control in the company, which defines risk willingness and the principles for managing risk and capital. The value of financial assets and liabilities fluctuates as a result of risk in the financial markets. Note 3 to the annual accounts for 2020 describes the company's financial risk, which also applies to financial risk in 2021.

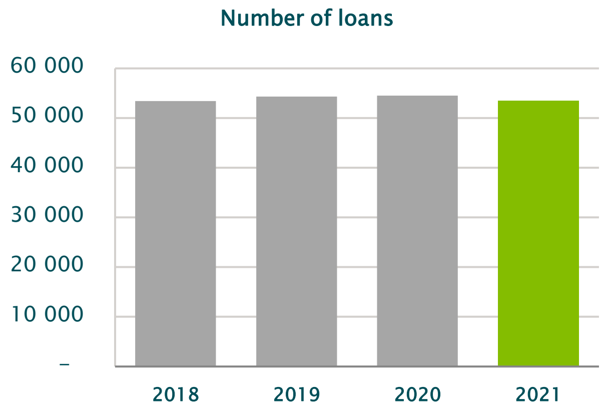
Key figures – Development

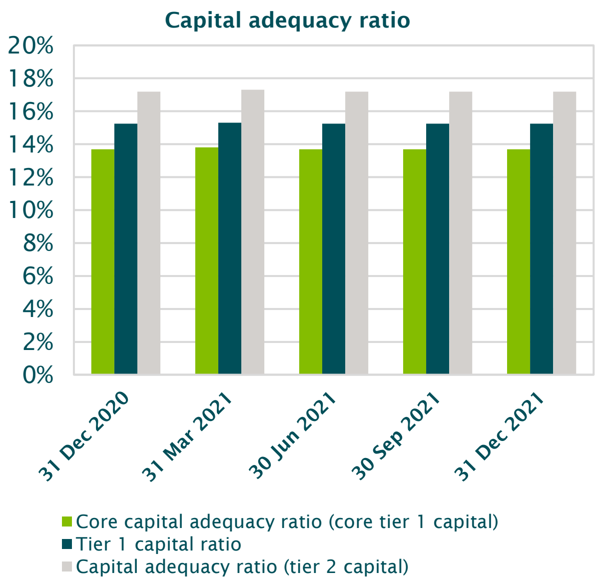












Key figures

Amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Balance sheet development		
Lending to customers	91 326 994	89 268 662
Debt securities issued	103 648 169	106 127 106
Subordinated loan capital	724 342	724 343
Equity	5 773 484	5 851 125
Equity in % of total assets	5.0	4.9
Average total assets[1]	117 691 962	120 881 106
Total assets	114 860 841	120 562 614
Rate of return/profitability		
Fee and commission income in relation to average total assets, annualised (%)	0.7	0.5
Staff and general administration expenses in relation to average total assets, annualised (%)	0.03	0.03
Return on equity before tax, annualised (%) [2]	1.1	3.0
Total assets per full-time position	6 045 307	6 345 401
Cost/income ratio (%) [3]	116.9	41.4
Financial strength		
Core tier 1 capital	5 109 143	5 098 859
Tier 1 capital	5 684 143	5 673 091
Total primary capital (tier 2 capital)	6 408 485	6 397 434
Calculation basis capital adequacy ratio	37 295 905	37 221 959
Core tier 1 capital ratio (%)	13.7	13.7
Tier 1 capital ratio (%)	15.2	15.2
Capital adequacy ratio % (tier 2 capital)	17.2	17.2
Leverage ratio (%) [4]	4.8	4.6
NSFR totalindicator i % [5]	99	100
Defaults in % of gross loans	0.05	-
Loss in % of gross loans	-	-
Staff		
Number of full-time positions at end of period	19.0	19.0

Liquidity Coverage Ratio (LCR) [6] :

31 Dec 2021	Totalt	NOK	EUR
Stock of HQLA	4 249 202	1 411 876	272 885
Net outgoing cash flows next 30 days	4 124 931	1 253 419	272 885
LCR indicator (%)	**103 %**	**113 %**	**100 %**

31 Dec 2020	Totalt	NOK	EUR
Stock of HQLA	8 517 840	1 108 257	604 650
Net outgoing cash flows next 30 days	8 349 856	915 486	604 650
LCR indicator (%)	**102 %**	**121 %**	**100 %**

[1] Total assets are calculated as a quarterly average for the last period.

[2] Annualised profit before tax as a percentage of average equity on a quarterly basis (return on equity).

[3] Total operating expenses in % of net interest income after commissions costs.

[4] Leverage ratio is calculated in accordance with the CRR/CRD IV regulatory. The calculation of the leverage ratio is described in articles 416 and 417 of the regulations.

[5] NSFR totalindicator: Is calculated in accordance with the CRR/CRD IV regulatory and is based on the Basel Committee recommendations.

[6] Liquidity Coverage Ratio (LCR): $\frac{High\text{-}quality\ liquid\ assets}{Net\ outgoing\ cash\ flows\ next\ 30\ days}$

LCR indicators: Pursuant to the Financial Supervisory Authority's guidance for reporting LCR, the liquidity cover ratio is excluded when calculating the cover pool's overcollateralisation. At 31 December 2021, liquid assets totalling NOK 1.3 billion in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation.

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