

A large, abstract graphic composed of several overlapping teal-colored shapes with sharp, angular edges, creating a modern, geometric design. The colors range from a light, bright teal to a darker, more saturated teal.

Second quarter and first half report 2022

Unaudited

Financial highlights

Income statement

	DNB Boligkreditt AS				
<i>Amounts in NOK million</i>	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Net interest income	998	1 568	2 138	3 000	5 989
Net other operating income	240	(293)	1 178	(996)	(257)
Of which net gains on financial instruments at fair value	228	(308)	1 171	(1 025)	(313)
Total operating expenses	62	(564)	(10)	(984)	(1 944)
Impairment of financial instruments	(4)	2	(1)	14	5
Pre-tax operating profit	1 296	713	3 305	1 033	3 792
Tax expense	(324)	(178)	(826)	(258)	(948)
Profit for the period	972	535	2 479	775	2 844

Balance sheet

<i>Amounts in NOK million</i>	30 June 2022	31 Dec. 2021	30 June 2021
Total assets	718 061	746 367	721 855
Loans to customers	684 777	689 142	691 908
Debt securities issued	369 462	440 950	474 791
Total equity	38 627	38 933	44 146

Key figures and alternative performance measures

	2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Return on equity, annualised (%) ¹⁾	10.1	4.8	12.8	3.4	6.5
Total average spreads for lending (%) ¹⁾	0.46	0.81	0.51	0.78	0.77
Impairment relative to average net loans to customers, annualised (per cent) ¹⁾	(0.00)	0.00	(0.00)	0.00	0.00
Net loans and financial commitments in stage 3, per cent of net loans ¹⁾	0.23	0.29	0.23	0.29	0.24
Net loans and financial commitments in stage 3, (NOK million) ¹⁾	1 574	2 011	1 574	2 011	1 660
Common equity Tier 1 capital ratio end of period (%)	18.7	23.3	18.7	23.3	18.7
Capital ratio end of period (%)	21.5	26.2	21.5	26.2	21.5
Common equity Tier 1 capital (NOK million)	34 696	42 009	34 696	42 009	34 708
Total risk exposure amount (NOK million)	185 514	180 424	185 514	180 424	185 640
Number of full-time positions at end of period	5	7	5	7	6

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

Second quarter and first half report 2022

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.....	10
Note 2 Capital adequacy	10
Note 3 Development in accumulated impairment of financial instruments.....	11
Note 4 Debt securities issued	11
Note 5 Subordinated loan capital	12
Note 6 Financial instruments at fair value.....	13
Note 7 Information on related parties.....	13

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

Contact information	15
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There has been no full or partial external audit of the quarterly directors' report and accounts.

Directors' report

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

Financial accounts

DNB Boligkreditt recorded a profit of NOK 972 million in the second quarter of 2022, compared with a profit of NOK 535 million in the second quarter of 2021.

Total income

Income totalled NOK 1 238 million in the second quarter of 2022, down from NOK 1 275 million in the year-earlier period.

Amounts in NOK million	2nd quarter		2nd quarter
	2022	Change	2021
Total income	1 238	(37)	1 275
Net interest income		(570)	
Net commission and fee income		(3)	
Net gains/(losses) on financial instruments at fair value		537	
Other income		(1)	

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

Operating expenses and impairment of loans

Operating expenses are volatile due to the management fee paid to DNB Bank. The cooperation with DNB Bank is formalised through an extensive servicing agreement that ensures DNB Boligkreditt sound competence in key areas and cost-effective operations. The management fee calculation is based primarily on lending volume and the spreads achieved, thus the fee will fluctuate with the net interest income. The servicing agreement also ensures DNB Boligkreditt a minimum fee based on the net interest rate margin achieved on loans to customers. A net interest rate margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The fee amounted to a negative NOK 86 million in the second quarter of 2022, down from NOK 530 million in the second quarter of 2021.

The company has generally recorded low impairment losses on loans. In the second quarter of 2022, the company reported a net impairment loss of NOK 4 million. The Board of Directors considers the level of impairment to be satisfactory relative to the high quality of the loan portfolio.

Funding, liquidity and balance sheet

Balance sheet

At end-June 2022, DNB Boligkreditt had total assets of NOK 718.1 billion, a decrease of NOK 3.8 billion from end-June 2021.

Amounts in NOK million	30 June		30 June
	2022	Change	2021
Total assets	718 061	(3 794)	721 855
Loans to customers		(7 131)	
Financial derivatives		(5 623)	
Deferred tax assets		2 949	
Other assets		6 011	
Total liabilities	679 434	1 726	677 708
Due to credit institutions		100 826	
Financial derivatives		9 945	
Debt securities issued		(105 329)	
Other liabilities		(3 716)	

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

Debt securities issued were down by net NOK 105.3 billion from end-June 2021. New issues of covered bonds have been lower than in previous years, and the appreciation of NOK has also lowered the market value of covered bonds issued in other currencies. The company issued covered bonds under existing programmes totalling NOK 10 billion in the second quarter of 2022. Total debt securities issued amounted to NOK 369.5 billion at end-June 2022.

Risk and capital adequacy

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

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

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

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

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

At end-June 2022, the company's equity totalled NOK 38.6 billion, of which NOK 34.7 billion represented Tier 1 capital. Own funds for capital adequacy purposes in the company was NOK 39.9 billion. The Tier 1 capital ratio was 18.7 per cent, while the capital adequacy ratio was 21.5 per cent.

New regulatory framework

The EU Banking Package entered into force on 1 June

The legislative amendments and associated technical regulations that implement the EU Banking Package in Norwegian law entered into force on 1 June 2022. The amendments implement the capital requirements and recovery and resolution rules for banks (CRR II, CRD V and BRRD II), and include rules on remuneration schemes and the calculation of minimum requirements for own funds and eligible liabilities (MREL), as well as a requirement stating that an Annual General Meeting resolution is required for issuing certain forms of eligible liabilities. The EU Banking Package also includes an expansion of the SME supporting factor, which reduces banks' capital requirements in connection with lending to small and medium-sized enterprises (SMEs).

The Ministry of Finance has tasked Finanstilsynet (the Financial Supervisory Authority of Norway) with giving an account of the legislative and regulatory rules that clarify the parameters for the Authority's determination of bank-specific additional capital requirements (Pillar 2 requirements), as well as of the current Pillar 2 practice, by 25 October 2022. The CRD V contains significant changes to the rules on the determination of Pillar 2 requirements and Pillar 2 guidance, and the European Banking Authority (EBA) has drawn up comprehensive guidelines in this area. In the Ministry of Finance's view, considerations relating to the rule of law may indicate that the parameters for the Pillar 2 process should to a greater extent than today be laid down in legislation and regulations. In addition, the Ministry is of the view that rules of this kind should be implemented in Norwegian rules and legislation due to EEA-related legal obligations.

New rules on covered bonds

On 17 December 2021, the Norwegian Ministry of Finance proposed new legislation to implement the Covered Bonds Directive in Norway. The EU Directive is based on the same principles as the current Norwegian covered bonds framework. Major changes are therefore not required. Common rules and definitions will make it easier for Norwegian and international investors to assess the quality and risk of covered bonds, and they may accentuate the high quality of Norwegian covered bonds. A large part of DNB's lending activities is funded by issuing covered bonds. The Covered Bonds Directive has been incorporated into the EEA Agreement and the Ministry of Finance has decided that the new rules should enter into force in Norway in parallel with the date of entry into force in the EU, which is 8 July 2022.

Macroeconomic developments

In the second quarter, the Norwegian economy showed high levels of capacity utilisation and inflation. According to the regional network of the Norwegian central bank, Norges Bank, six out of ten companies reported full capacity utilisation – the highest proportion since 2007. Registered unemployment in June was 1.6 per cent, which was the lowest level registered since 2008. Mainland GDP recovered from the pandemic-related shutdowns around the turn of the year. Although mainland GDP declined in April, there was a

continued underlying increase.

In May, consumer prices were up 5.7 per cent compared with the same month a year earlier. This was the highest price inflation since November 1988. The electricity support scheme for households contributed to keeping inflation down. Without a support scheme of this kind, inflation would have reached 7.7 per cent in May. Core inflation, as measured by the CPI-ATE (consumer price index adjusted for tax changes and excluding energy products), rose to 3.4 per cent in May this year and is showing a clear upward trend. Price inflation for imported goods was clearly higher than for goods and services produced in Norway. In this year's pay settlement in the leading sectors, the parties entered into a new agreement, with an estimated wage growth in the industrial sector of 3.7 per cent. In the public sector, agreement was generally reached on a wage growth of around 3.8 per cent. Unless wage growth picks up more than agreed, it is likely that real income will decrease this year.

Housing prices continued to rise in the second quarter. Household credit growth appears to have slowed marginally in the second quarter and was 4.7 per cent year-on-year in May.

High capacity utilisation and inflation indicate a tightening of monetary policy. Norges Bank raised the key policy rate in June to 1.25 per cent. Norges Bank wishes to raise the key policy rate gradually and signalled in June that the rate may be increased by 0.25 percentage points at each monetary policy meeting this year, in which case it will be 2.25 per cent at the end of the year. The central bank also announced that the key policy rate could be raised to 3.00 per cent in 2023. The interest rate path presented is a reflection of Norges Bank's efforts to strike a balance between curbing inflation on the one hand, and not inflicting an interest rate increase on households that could lead to an economic downturn, on the other.

Future prospects

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

In the period 2022 to 2023, the annual increase in lending volumes is expected to be around 3 to 4 per cent.

The common equity Tier 1 (CET1) capital ratio requirement for DNB Boligkreditt is 14.80 per cent, while the Tier 1 requirement is 16.30 per cent. The Norwegian Ministry of Finance has announced an increase in the counter-cyclical buffer requirement from 1 to 1.5 per cent with effect from June 2022, an additional increase to 2 per cent from December 2022 and to 2.5 per cent from March 2023. In its capital planning, DNB Boligkreditt has taken into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which will increase the regulatory requirement for the Tier 1 ratio level to 18.55 per cent, including a management buffer of 0.75 per cent. As per 30 June 2022 the CET1 capital ratio was 18.7 per cent.

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

Oslo, 11 July 2022
The Board of Directors of DNB Boligkreditt AS



Henrik Lidman
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



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

Comprehensive income statement

Amounts in NOK million	Note	DNB Boligkreditt AS				
		2nd quarter 2022	2nd quarter 2021	Jan.-June 2022	Jan.-June 2021	Full year 2021
Interest income, amortised cost		3 689	2 856	7 095	5 677	11 605
Other interest income		243	262	472	529	1 027
Interest expenses, amortised cost		(1 581)	(410)	(2 813)	(919)	(2 134)
Other interest expenses		(1 353)	(1 139)	(2 616)	(2 287)	(4 510)
Net interest income		998	1 568	2 138	3 000	5 989
Commission and fee income		13	16	25	30	59
Commission and fee expenses		(1)	(1)	(2)	(2)	(4)
Net gains on financial instruments at fair value		228	(308)	1 171	(1 025)	(313)
Other income		(1)		(16)		1
Net other operating income		240	(293)	1 178	(996)	(257)
Total income		1 238	1 275	3 316	2 003	5 731
Salaries and other personnel expenses		(1)	(3)	(3)	(7)	(13)
Other expenses	7	64	(561)	(7)	(977)	(1 931)
Total operating expenses		62	(564)	(10)	(984)	(1 944)
Impairment of financial instruments	3	(4)	2	(1)	14	5
Pre-tax operating profit		1 296	713	3 305	1 033	3 792
Tax expense		(324)	(178)	(826)	(258)	(948)
Profit for the period		972	535	2 479	775	2 844
Other comprehensive income that will not be reclassified to profit or loss		30	9	77	4	28
Tax		(8)	(2)	(19)	(1)	(7)
Total comprehensive income for the period		995	542	2 536	778	2 865

Balance sheet

Amounts in NOK million	Note	DNB Boligkreditt AS		
		30 June 2022	31 Dec. 2021	30 June 2021
Assets				
Due from credit institutions	7	15 799	33 092	9 926
Loans to customers	3, 6	684 777	689 142	691 908
Financial derivatives	6	14 373	21 129	19 996
Deferred tax assets		2 949	2 949	
Other assets		163	55	24
Total assets		718 061	746 367	721 855
Liabilities and equity				
Due to credit institutions	7	285 264	235 701	184 438
Financial derivatives	6	18 870	20 850	8 925
Debt securities issued	4, 6	369 462	440 950	474 791
Payable taxes		544	4 557	3 344
Deferred taxes				655
Other liabilities		56	136	316
Provisions		31	32	32
Subordinated loan capital	5	5 208	5 207	5 205
Total liabilities		679 434	707 434	677 708
Share capital		4 527	4 527	5 257
Share premium		25 149	25 149	31 719
Other equity		8 951	9 257	7 170
Total equity		38 627	38 933	44 146
Total liabilities and equity		718 061	746 367	721 855

Statement of changes in equity

DNB Boligkreditt AS					
<i>Amounts in NOK million</i>	Share capital	Share premium	Liability credit reserve	Other equity	Total equity
Balance sheet as at 31 December 2020	5 257	31 719	(44)	10 531	47 463
Profit for the period				775	775
Financial liabilities designated at FVTPL, changes in credit risk			4		4
Tax on other comprehensive income			(1)		(1)
Comprehensive income for the period			3	775	778
Group contribution paid				(4 095)	(4 095)
Balance sheet as at 30 June 2021	5 257	31 719	(41)	7 211	44 146
Balance sheet as at 31 December 2021	4 527	25 149	(23)	9 280	38 933
Profit for the period				2 479	2 479
Financial liabilities designated at FVTPL, changes in credit risk			77		77
Tax on other comprehensive income			(19)		(19)
Comprehensive income for the period			58	2 479	2 536
Group contribution paid				(2 842)	(2 842)
Balance sheet as at 30 June 2022	4 527	25 149	35	8 916	38 627

Share capital

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

Cash flow statement

	DNB Boligkreditt AS		
<i>Amounts in NOK million</i>	Jan.-June 2022	Jan.-June 2021	Full year 2021
Operating activities			
Net receipts on loans to customers	7 105	3 514	12 376
Interest received from customers	7 418	6 239	12 566
Net receipts on loans from credit institutions	66 852	50 263	78 367
Interest received from credit institutions	63	5	20
Interest paid to credit institutions	(2 477)	(866)	(2 087)
Net receipts on commissions and fees	23	28	55
Payments for operating expenses	(237)	(851)	(2 061)
Taxes paid	(3 911)	(1 013)	(4 100)
Net cash flow relating to operating activities	74 837	57 318	95 136
Investing activities			
Net purchase of loan portfolio	(4 321)	(19 471)	(26 034)
Net cash flow relating to investing activities	(4 321)	(19 471)	(26 034)
Financing activities			
Receipts on issued bonds and commercial paper	60 000	26 597	26 597
Payments on redeemed bonds and commercial paper	(124 007)	(56 595)	(78 571)
Interest payments on issued bonds and commercial paper	(2 649)	(2 338)	(4 265)
Interest payments on subordinated loan capital	(70)	(53)	(105)
Repaid capital			(7 300)
Group contribution payments	(3 790)	(5 460)	(5 460)
Net cash flow from financing activities	(70 516)	(37 849)	(69 103)
Net cash flow	0	(1)	(1)
Cash as at 1 January	0	2	2
Net payments of cash	0	(1)	(1)
Cash at end of period	0	0	0

Note 1 Basis for preparation

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

Note 2 Capital adequacy

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

Own funds	DNB Boligkreditt AS		
	30 June 2022	31 Dec. 2021	30 June 2021
<i>Amounts in NOK million</i>			
Share capital	4 527	4 527	5 257
Other equity	31 621	34 406	38 114
Total equity	36 148	38 933	43 371
Regulatory adjustments			
IRB provisions shortfall (-)	(966)	(1 046)	(1 026)
Additional value adjustments (AVA)	(420)	(341)	(360)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(35)	23	41
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(30)	(18)	(17)
Group contributions		(2 843)	
Common equity Tier 1 capital	34 696	34 708	42 009
Tier 2 capital	5 200	5 200	5 200
Own funds	39 896	39 908	47 209
Total risk exposure amount	185 514	185 640	180 424
Minimum capital requirement	14 841	14 851	14 434
Common equity Tier 1 capital ratio (%)	18.7	18.7	23.3
Capital ratio (%)	21.5	21.5	26.2

Specification of exposures	DNB Boligkreditt AS				
	Nominal exposure 30 June 2022	Exposure at default EAD 30 June 2022	Risk amount REA 30 June 2022	Capital requirement 30 June 2022	Capital requirement 31 Dec. 2021
<i>Amounts in NOK million</i>					
IRB approach					
Corporate	358	358	113	9	9
Retail - secured by immovable property	762 490	762 490	161 234	12 899	12 887
Total credit risk, IRB approach	762 848	762 848	161 348	12 908	12 895
Standardised approach					
Institutions	7 891	7 891	1 578	126	153
Corporate	20 087	20 071	5 530	442	450
Retail	619	444	333	27	25
Retail - secured by immovable property	787	713	254	20	39
Other assets	3 207	3 188	7 731	618	590
Total credit risk, standardised approach	32 590	32 307	15 426	1 234	1 257
Total credit risk	795 439	795 155	176 773	14 142	14 152
Credit value adjustment (CVA)					
Operational risk			8 741	699	699
Total risk exposure amount			185 514	14 841	14 851

Note 3 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost	DNB Boligkreditt AS							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Amounts in NOK million</i>								
Accumulated impairment as at 31 Dec.	(8)	(9)	(23)	(40)	(14)	(13)	(40)	(66)
Transfer to stage 1	(4)	4			(7)	7		
Transfer to stage 2	1	(1)						
Transfer to stage 3						1	(1)	
Originated and purchased during the period	(2)			(2)	(4)			(4)
Increased expected credit loss	(2)	(14)	(22)	(38)	(3)	(10)	(19)	(33)
Decreased (reversed) expected credit loss	9	1	18	28	17	2	30	48
Write-offs			1	1			2	2
Derecognition		4		4		7		7
Accumulated impairment as at 30 June	(7)	(15)	(25)	(48)	(11)	(8)	(28)	(47)

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

Note 4 Debt securities issued

Debt securities issued	DNB Boligkreditt AS		
	30 June 2022	31 Dec. 2021	30 June 2021
	<i>Amounts in NOK million</i>		
Listed covered bonds, nominal amount	325 008	371 612	398 478
Private placements under the bond programme, nominal amount	54 976	56 195	58 756
Total covered bonds, nominal amount	379 984	427 808	457 234
Accrued interest	1 515	2 160	1 697
Unrealised losses ¹⁾	(12 037)	10 982	15 861
Adjustments	(10 522)	13 142	17 558
Total debt securities issued	369 462	440 950	474 791

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

Changes in debt securities issued	DNB Boligkreditt AS						
	Balance sheet 30 June 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Balance sheet 31 Dec. 2021	
	<i>Amounts in NOK million</i>						
Covered bond debt, nominal	379 984	60 000	(117 000)	9 176		427 808	
Adjustments	(10 522)				(23 665)	13 142	
Total debt securities issued	369 462	60 000	(117 000)	9 176	(23 665)	440 950	

Maturity of debt securities issued	DNB Boligkreditt AS		
	NOK	Foreign currency	Total
	<i>Amounts in NOK million</i>		
2022	17 446	10 911	28 357
2023	257	70 726	70 983
2024	58 000	35 772	93 772
2025	21 500	32 375	53 875
2026 and later	3 600	129 397	132 997
Total covered bond debts, nominal amount	100 803	279 181	379 984

Note 4 Debt securities issued (continued)

Debt securities issued - matured/redeemed during the period						DNB Boligkreditt AS		
Amounts in NOK million		Matured redeemed amount	Interest	Issued	Matured	Remaining nominal amount		
ISIN Code	Currency					30 June 2022	31 Dec. 2021	31 Dec. 2021
Private	EUR	1 498	Fixed	2010	2022	Matured		1 498
XS0737340538	USD	44	Fixed	2012	2022	Matured		44
Private	EUR	529	Fixed	2012	2022	Redeemed		529
XS0759310930	EUR	19 977	Fixed	2012	2022	Matured		19 977
NO 0010730799	NOK	3 500	Fixed	2015	2022	Matured		3 500
NO 0010730799	NOK	500	Fixed	2016	2022	Matured		500
XS1548410080	EUR	19 977	Fixed	2017	2022	Matured		19 977
NO 0010730799	NOK	1 500	Fixed	2017	2022	Matured		1 500
XS1587060085	USD	13 235	Fixed	2017	2022	Matured		13 235
NO0010877350	NOK	50 000	Floating	2020	2022	Matured		50 000
Private	EUR	1 164	Fixed	2008	2022	Matured		1 164
Private	EUR	97	Floating	2013	2022	Matured		97
XS1584002783	EUR	2 425	Fixed	2017	2022	Matured		2 425
NO0010840697	NOK	2 554	Floating	2019	2022	Redeemed		2 554
Total debt securities issued, nominal value		117 000						117 000

Cover pool	DNB Boligkreditt AS		
	30 June 2022	31 Dec. 2021	30 June 2021
Amounts in NOK million			
Pool of eligible loans	682 915	687 034	689 620
Market value of eligible derivatives		279	11 071
Total collateralised assets	682 915	687 313	700 691
Debt securities issued, carrying value	369 462	440 950	474 791
Valuation changes attributable to changes in credit risk on debt carried at fair value	47	(30)	(55)
Market value of eligible derivatives	4 496		
Debt securities issued, valued according to regulation ¹⁾	374 004	440 920	474 736
Collateralisation (per cent)	182.6	155.9	147.6

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

Note 5 Subordinated loan capital

							DNB Boligkreditt AS		
Amounts in NOK million	Currency	Nominal amount	Interest rate	Issue date	Call date	Maturity date	30 June 2022	31 Dec. 2021	30 June 2021
Term subordinated loan capital	NOK	1 900	3 month Nibor + 160 bp	2018	2023	2028	1 900	1 900	1 900
Term subordinated loan capital	NOK	3 300	3 month Nibor + 160 bp	2018	2023	2028	3 300	3 300	3 300
Accrued interest							8	7	5
Total subordinated loan capital							5 208	5 207	5 205

Note 6 Financial instruments at fair value

<i>Amounts in NOK million</i>	DNB Boligkreditt AS			
	Level 1	Level 2	Level 3	Total
Assets as at 30 June 2022				
Loans to customers			34 384	34 384
Financial derivatives		14 373		14 373
Liabilities as at 30 June 2022				
Debt securities issued		6 171		6 171
Financial derivatives		18 870		18 870
Assets as at 30 June 2021				
Loans to customers			38 846	38 846
Financial derivatives		19 996		19 996
Liabilities as at 30 June 2021				
Debt securities issued		12 339		12 339
Financial derivatives		8 925		8 925

<i>Amounts in NOK million</i>	DNB Boligkreditt AS	
	Loans to customers	
Financial instruments at fair value, level 3		
Carrying amount as at 31 December 2020		
Net gains recognised in the income statement		40 934
Additions/purchases		(541)
Sales		3 539
Settled		(92)
Carrying amount as at 30 June 2021		(4 993)
Carrying amount as at 31 December 2021		
Net gains recognised in the income statement		38 846
Additions/purchases		(1 670)
Sales		4 949
Settled		(41)
Carrying amount as at 30 June 2022		(4 076)
Carrying amount as at 30 June 2022		34 384

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

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 109 million.

Note 7 Information on related parties

DNB Bank ASA

In the first half of 2022, loan portfolios representing NOK 4.3 billion (NOK 19.5 billion in the first half of 2021) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

The servicing agreement between DNB Boligkreditt and DNB Bank ensures DNB Boligkreditt a minimum margin achieved on loans to customers. A margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The management fee paid to the bank for purchased services is recognised as 'Other expenses' in the comprehensive income statement and amounted to a negative NOK 36 million in the first half of 2022 (NOK 917 million in the first half of 2021).

At end-June 2022, the bank had invested NOK 62.8 billion in covered bonds issued by DNB Boligkreditt.

In the first half of 2022, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 14.5 billion at end-June 2022.

DNB Boligkreditt AS has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 300 billion.

DNB Livsforsikring AS

At end-June 2022 DNB Livsforsikring's holding of DNB Boligkreditt bonds was valued at NOK 256 million.

Sbanken ASA

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

Statement

pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the company for the period 1 January through 30 June 2022 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole.

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

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

Oslo, 11 July 2022

The Board of Directors of DNB Boligkreditt AS



Henrik Lidman
(Chair of the Board)



Bjørn Hauge Spjeld



Karianne Kvernmo Wasenden



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

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Other sources of information

Annual and quarterly reports

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

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