

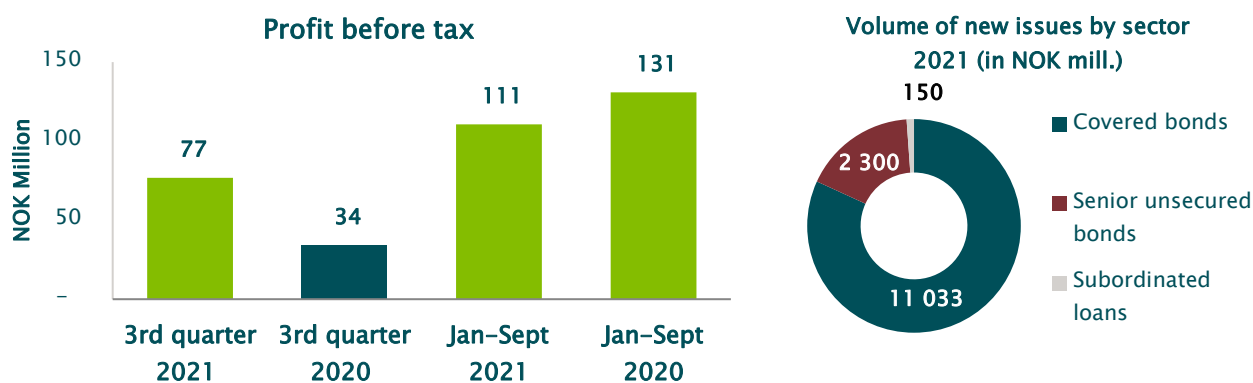
Eika Boligkreditt AS

Interim report for the third quarter

Unaudited



Highlights



Third quarter 2021

- Pre-tax profit of NOK 76.9 million (2020: NOK 34.1 million)
- Comprehensive income of NOK 95.3 million (2020: NOK 35.2 million)
- Fair value changes to basis swaps of NOK 48.7 million (2020: NOK 10.2 million)
- Financing of owner banks down by 0.5 per cent, corresponding to an annualised reduction of 1.9 per cent
- Commissions to owner banks of NOK 214.1 million (2020: NOK 194 million)
- NOK 1 billion in certificates/bonds issued (2020: NOK 5.9 billion)

First nine months 2021

- Pre-tax profit of NOK 110.6 million (2020: NOK 130.9 million)
- Comprehensive income of NOK 36.8 million (2020: NOK 172.2 million)
- Fair value changes to basis swaps negative at NOK 72.6 million (2020: positive at NOK 81.4 million)
- Financing of owner banks up by 0.7 per cent, corresponding to an annualised growth of 0.9 per cent
- Commissions to owner banks of NOK 593 million (2020: NOK 463.4 million)
- NOK 13.5 billion in certificates/bonds issued (2020: NOK 17.4 billion)

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

INTERIM REPORT FOR THE THIRD 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 30 September 2021, the owner banks had NOK 89.8 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 third quarter

Amount in NOK thousand	3rd quarter 2021	3rd quarter 2020	Jan-Sept 2021	Jan-Sept 2020
Total interest income	443 543	463 312	1 353 552	1 775 554
Net interest income	226 047	238 011	644 946	594 005
Commission costs	207 109	186 608	572 724	441 918
Total gain and losses on financial instruments at fair value	49 863	(4 438)	56 959	19 358
Profit before tax	76 845	34 078	110 592	130 858
Comprehensive income (taking account of fair value changes in basis swaps)	95 303	35 233	36 792	172 220

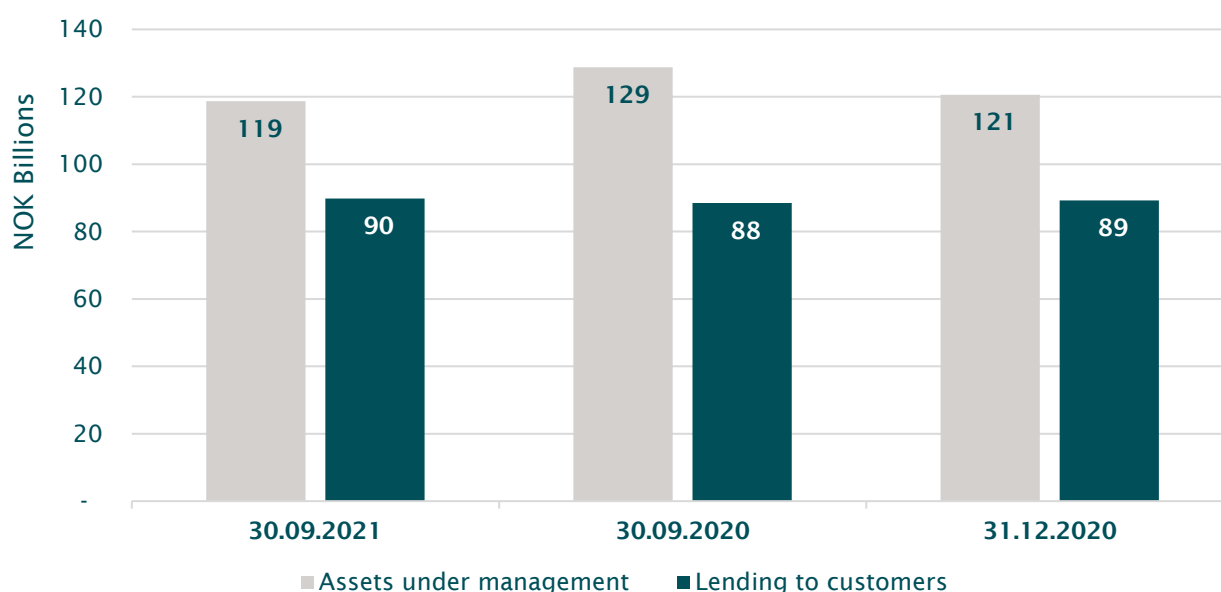
A 4.3 per cent reduction in the company's interest income during the third quarter compared with the same period of 2020 primarily reflected a slight decline in interest rates on residential mortgages from the third quarter of last year. Total commission (portfolio and arrangement) payments to the owner banks increased by 10.4 per cent from the same period of 2020 to NOK 214.1 million because the banks increased their margins on residential mortgages. Changes to the fair value of financial instruments recognised in profit and loss came to NOK 49.9 million, up by NOK 54.3 million from the same period of 2020. The increase primarily reflected fair value changes resulting from fluctuations in the level of interest rates. Pre-tax profit for the third quarter was NOK 76.8 million, an increase of NOK 42.7 million from the same period of 2020.

A 23.8 per cent reduction in interest income for the first nine months compared with January-September 2020 primarily reflected a decline in interest rates on residential mortgages over this period. Net interest income in the first nine months was up by 8.6 per cent from the same period of last year because the banks achieved higher margins on residential mortgages in 2021. Recognising NOK 16 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 first nine months came to NOK 593 million, up by 28 per cent from the same period of 2020. This increase reflected a combination of higher margins on residential mortgages and the growth in lending volume. Changes to the fair value of financial instruments came to NOK 57 million, up by NOK 37.6 million from the same period of 2020. Pre-tax profit for the first nine months amounted to NOK 110.6 million, down by NOK 20.3 million from the first nine months of 2020.

Interest on tier 1 perpetual bonds of NOK 5.6 million in the third quarter and NOK 16.9 million for the first nine months are not presented as an interest expense in the income statement, but as a reduction in equity.

Comprehensive income for the third quarter includes positive changes of NOK 48.7 million in the value of basis swaps (2020: NOK 10.2 million), while negative changes for the first nine months amount to NOK 72.6 million (2020: positive at NOK 81.4 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



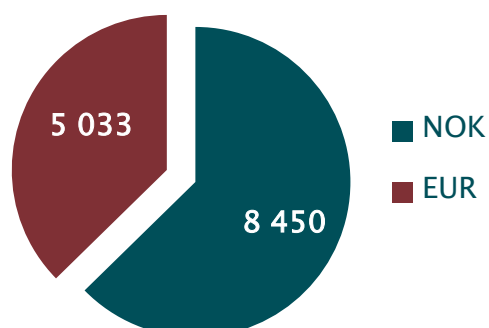
Assets under management by Eika Boligkreditt amounted to NOK 118.7 billion at 30 September 2021, down by NOK 1.8 billion from 31 December 2020. Financing of the owner banks (residential mortgage lending to customers) totalled NOK 89.8 billion at 30 September, representing a net reduction of NOK 0.4 billion in the third quarter and a net increase of NOK 1.4 billion for the past 12 months. That amounts to a net growth of 1.6 per cent in lending year-on-year.

Borrowing

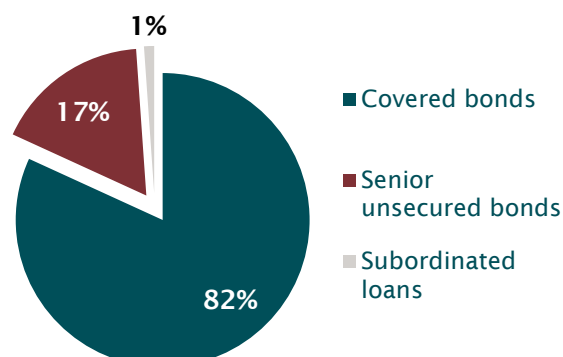
Eika Boligkreditt issued certificates/bonds (excluding tier 1 perpetual bonds) with a nominal value of NOK 1 billion in the third quarter, compared with NOK 5.9 billion in the same period of 2020. Senior unsecured certificates accounted for NOK 1 billion of the issue volume in the third quarter of 2021.

During the first nine months, Eika Boligkreditt issued certificates/bonds with a nominal value of NOK 13.5 billion, compared with NOK 17.4 billion for the same period of last year. This volume broke down into NOK 11 billion in covered bonds, NOK 2 billion in senior unsecured certificates, NOK 300 million in senior unsecured bonds 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, 37.3 per cent are denominated in euros and 62.7 per cent in Norwegian kroner. Covered bonds account for 81.8 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)	Jan.-sept. 2021	Jan.-sept. 2020	2020	2019
Covered bonds (issued in EUR)	5 033	10 550	10 550	5 586
Covered bonds (issued in NOK)	6 000	6 000	6 000	7 250
Senior unsecured bonds and certificates (issued in NOK)	2 300	800	1 300	1 200
Subordinated loans (issued in NOK)	150	-	-	250
Total issued	13 483	17 350	17 850	14 286

The average tenor for covered bonds issued in 2021 is 7.3 years. At 30 September, the average tenor for the company's borrowing portfolio was 3.64 years, compared with 3.96 years at 1 January.

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

Carrying value in NOK million	30.09.2021	30.09.2020	31.12.2020	31.12.2019
Covered bonds	101 270	108 517	102 378	90 751
Senior unsecured bonds	3 749	3 344	3 749	3 549
Senior unsecured certificates	2 000	-	-	-
Subordinated loans	724	724	724	889
Total borrowing	107 743	112 585	106 851	95 189

Total borrowing by the company at 30 September was NOK 107.7 billion, up by NOK 0.9 billion from 1 January.

Liquidity

At 30 September, the company had a liquidity portfolio of NOK 22.2 billion, including repo agreements recognised as other financial assets. The total includes cash collateral of NOK 4.1 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 0.4 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

A run-down agreement reached in the spring of 2021 with the banks in the Local Bank Alliance (LBA) provides more detailed regulation of rights and duties during the run-down phase after 2021. The run-down agreements were signed with all the LBA banks during the third quarter. 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 30 September, the LBA banks had a overall financing of NOK 14 billion with Eika Boligkreditt. This represents 15.5 per cent of the total bank financing.

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.

The general meeting of Lillestrøm Sparebank resolved on 6 September that the bank would change its name to Romerike Sparebank. This change took place during October. Sandnes Sparebank also decided to change its name during the third quarter to Den Gule Banken. Both changes of name were related to the market area of the banks.

Risk management and capital adequacy

Eika Boligkreditt had a total primary capital of NOK 6.4 billion at 30 September, 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 30 September amounted to NOK 37.4 billion, up by NOK 0.2 billion 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	30 Sep 2021	31 Dec 2020	31 Dec 2019
Risk-weighted assets	37 406	37 222	34 074
Total primary capital (tier 2 capital)	6 385	6 397	6 372
Capital adequacy ratio in per cent	17.1 %	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. Norges Bank's committee on monetary policy and financial stability decided at its meeting of 22 September to maintain this requirement. The government resolved on 3 September to give the central bank the authority to set the countercyclical capital buffer with effect from 10 September. This buffer is intended to improve the capital adequacy of the banks and prevent their credit practice from strengthening an economic setback. Given its assessment of developments in the Norwegian economy and prospects for bank losses and lending capacity, the committee is set to increase the buffer requirement in December to two per cent, with effect from 31 December 2022. The committee envisages that the requirement will return to 2.5 per cent in the longer term.

The company's capital targets are specified as follows:

- core tier 1 capital ratio: 12.0% (13.6% at 30 September 2021)
- tier 1 capital ratio: 13.5% (15.1% at 30 September 2021)
- tier 2 capital ratio: 15.5% (17.1% at 30 September 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 30 September with a core tier 1 capital adequacy of 13.6 per cent.

Outlook

The company's financing of the owner banks declined by a net NOK 0.4 billion in the third quarter, while increasing by a net NOK 1.4 billion for the past 12 months. This third-quarter reduction must be viewed in relation to the agreement with SpareBank 1 Nordmøre on a NOK 1.2 billion redemption of its residential mortgage portfolio. The net increase over the past year represents a 12-monthly growth of 1.6 per cent. Statistics Norway's credit indicator for September 2021 showed a 12-monthly increase of 5.1 per cent in Norwegian household debt, up from 4.7 per cent 12 months earlier.

Norges Bank's latest lending survey shows that demand for residential mortgages was more or less unchanged in the third quarter. The banks report a small increase in demand for fixed-interest mortgages. Overall, they expect demand for residential mortgages to be slightly lower in the fourth quarter. Credit practice and loan terms were also unchanged in the third quarter. Margins on residential mortgages fell during the period, reflecting increased financing costs and so far unchanged interest rates. Looking ahead, the banks expect interest rates on residential mortgages to rise because increasing the central bank's base rate will affect their existing mortgage loans in the fourth quarter of 2021. At least six weeks notice must be given of any interest rate rises. Both financing costs and mortgage rates are expected to increase, and the margin on residential mortgages is expected to decline further. Overall, the banks assume some loosening in credit practice towards households in the fourth quarter as a result of slightly improved macroeconomic prospects.

According to the house price report from Real Estate Norway, average Norwegian house prices fell by 0.9 per cent in September and displayed the weak trend normal for this month. Corrected for seasonal variations, prices rose by 0.2 per cent in September and are now eight per cent higher than a year earlier. Price trends nationwide are in decline, reflecting a normal cyclical course with falling prices in the autumn. The strongest rise over the past 12 months was seen in Bodø with Fauske, where the increase was 14.7 per cent. Ålesund and its surrounding district experienced the lowest rise over the 12-month period, at 3.8 per cent. 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 September.

The credit margin for the company's covered bonds with a five-year tenor in Norwegian kroner contracted by three basis points during the third quarter to a level of 0.17 percentage points above the three-month Nibor. Over the past 12 months, the margin has contracted by 0.11 percentage points after rising sharply at the start of the coronavirus pandemic. Credit margins indicated by potential arrangers for a similar new-issue transaction in the euro market contracted during the quarter by one basis point. Credit margins are expected to remain low through 2021 and into 2022, with good help from the ECB's bond purchase programme and other long-term ECB loan arrangements for banks in the eurozone.

The reopening of society is well under way, and activity in the Norwegian economy has increased in recent months. During the spring and summer, low infection rates, increased vaccination and the easing of national restrictions contributed to rising economic activity. GDP for mainland Norway in June was back at the level before the pandemic struck in March last year. In line with the continued reopening, economic activity is expected to rise markedly in 2022, and particularly in many of the industries which have been hardest-hit by the infection control measures. Statistics Norway expects a GDP growth of 3.6 per cent in the mainland economy for 2021, driven by a reversing of the negative drivers in 2020. Unemployment in September was 2.4 per cent, back to roughly the same level as before the pandemic.

Fiscal policy has helped to reduce the negative consequences of the pandemic for the Norwegian economy. NOK 135 billion was appropriated in 2020 for economic measures related to the response, which calculations indicate has boosted economic activity in mainland Norway by 0.5 per cent. Coronavirus measures totalling NOK 94 billion have been appropriated or proposed in 2021. The structural oil-corrected budget deficit for 2021 has been estimated at NOK 402.6 billion in the revised national budget, corresponding to about 3.7 per cent of the oil fund's market value at 1 January. The Solberg government, which resigned immediately after presenting its budget proposals, envisaged spending NOK 322.4 billion in oil revenues or 2.6 per cent of the

estimated value of the oil fund at 1 January 2022. The substantial reduction of NOK 74.8 billion in oil-revenue expenditure from 2021 to 2022 primarily reflects the ending of the extraordinary economic measures. But steps have also been taken to curb spending rather more. The incoming government will hopefully keep the changes it makes to priorities within this framework, rather than expanding it. After all, the expenditure proposed is still as much as NOK 86.6 billion higher than it was only three years ago, in 2019, as the result of a bulging oil fund.

Looking ahead, investor interest in new covered bond issues in euros and Norwegian kroner is expected to be good. Eika Boligkreditt expects to be an active issuer in both Norwegian and international financial markets in the time to come. Its remaining financing requirement for covered bonds in 2021 at 30 September is one new issue in benchmark format. At the time of writing, this transaction has already been completed through the issue of a covered bond with a nominal value of NOK 6 billion on 19 October.

Oslo, 11 November 2021

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	3Q 2021	3Q 2020	Jan-Sept 2021	Jan-sept 2020	2020
INTEREST INCOME						
Interest from loans to customers at amortised cost		389 961	408 701	1 181 100	1 514 767	1 917 207
Interest from loans to customers at fair value		32 413	30 999	102 001	128 925	161 079
Interest from loans and receivables on credit institutions		3 758	5 951	10 487	21 238	27 951
Interest from bonds, certificates and financial derivatives		8 738	8 795	33 123	83 248	88 140
Other interest income at amortised cost		7 974	8 227	24 750	25 591	33 033
Other interest income at fair value		700	638	2 090	1 786	2 461
Total interest income		443 543	463 312	1 353 552	1 775 554	2 229 871
INTEREST EXPENSES						
Interest on debt securities issued		207 594	217 307	679 749	1 149 482	1 373 221
Interest on subordinated loan capital		3 123	4 211	10 791	16 890	21 009
Contribution to the Norwegian Banks' Guarantee Fund's Resolution Fund		5 322	3 253	15 967	13 269	20 842
Other interest expenses		1 458	530	2 099	1 908	2 849
Total interest expenses		217 497	225 301	708 605	1 181 550	1 417 921
Net interest income		226 047	238 011	644 946	594 005	811 949
Commission costs		207 109	186 608	572 724	441 918	646 521
Net interest income after commissions costs		18 938	51 403	72 223	152 086	165 428
Income from portfolio sale	Note 3	22 628	-	22 628	-	-
Income from shares in associated company		2 657	3 211	10 218	9 902	12 631
Total income from shares	Note 4	2 657	3 211	10 218	9 902	12 631
NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE						
Net gains and losses on bonds and certificates	Note 5	389	74	6 947	(5 097)	(1 303)
Net gains and losses of fair value hedging on debt securities issued	Note 5, 6	14 306	5 325	4 749	787	7 774
Net gains and losses on financial derivatives	Note 5	67 822	6 168	185 279	(237 209)	(150 131)
Net gains and losses on loans at fair value	Note 5	(32 655)	(16 006)	(140 017)	260 876	186 706
Total gains and losses on financial instruments at fair value		49 863	(4 438)	56 959	19 358	43 046
Other income		-	-	-	16	16
SALARIES AND GENERAL ADMINISTRATIVE EXPENSES						
Salaries, fees and other personnel expenses		8 274	7 727	24 798	23 534	31 304
Administrative expenses		4 839	4 097	13 923	13 496	19 310
Total salaries and administrative expenses		13 114	11 824	38 721	37 030	50 613
Depreciation		1 075	1 009	2 893	3 115	4 135
Other operating expenses		3 052	3 265	9 820	10 360	13 728
PROFIT BEFORE TAXES		76 845	34 078	110 592	130 858	152 644
Taxes		17 148	6 292	20 891	25 103	28 790
PROFIT FOR THE PERIOD		59 697	27 786	89 702	105 755	123 854
Net gains and losses on bonds and certificates	Note 5	(1 213)	(278)	2 062	7 196	8 097
Net gains and losses on basis swaps	Note 5	48 687	10 208	(72 607)	81 425	98 710
Taxes on other comprehensive income		(11 868)	(2 483)	17 636	(22 155)	(26 702)
COMPREHENSIVE INCOME FOR THE PERIOD		95 303	35 233	36 792	172 220	203 959
Price per share				4.20280	4.28465	4.30592

Of the total comprehensive income for the period above, NOK 16.9 million is attributable to the the hybrid capital investors and NOK 19.9 million to the fund for unrealised gains.

Balance sheet

Amounts in NOK 1 000	Notes	30.09.2021	30.09.2020	31.12.2020
ASSETS				
Lending to and receivables from credit institutions		1 218 959	1 431 694	971 759
Lending to customers	Note 6, 7	89 844 434	88 460 970	89 268 662
Other financial assets	Note 8	1 100 176	1 623 844	105 662
Securities				
Bonds and certificates at fair value	Note 6,9	19 966 198	23 069 795	19 810 358
Financial derivatives	Note 6,10	6 490 736	14 023 905	10 302 016
Shares	Note 4,11	1 650	1 650	1 650
Total securities		26 458 584	37 095 350	30 114 024
Shares in associated company	Note 4	54 563	63 712	57 441
Intangible assets				
Deferred tax assets		25 864	77 868	25 864
Intangible assets		2 301	3 649	3 270
Total other intangible assets		28 165	81 517	29 133
Tangible fixed assets				
Right-of-use assets	Note 12	15 645	16 501	15 932
Tangible fixed assets		15 645	16 501	15 932
TOTAL ASSETS		118 720 525	128 773 589	120 562 614
LIABILITIES AND EQUITY				
Loans from credit institutions	Note 13	4 098 770	9 311 412	6 881 420
Financial derivatives	Note 6,10	468 178	238 220	164 377
Debt securities issued	Note 14	107 018 634	111 860 934	106 127 106
Other liabilities		664 000	792 086	792 002
Pension liabilities		5 974	5 021	5 974
Lease obligations	Note 12	15 707	16 668	16 267
Subordinated loan capital	Note 15	724 269	724 270	724 343
TOTAL LIABILITIES		112 995 531	122 948 611	114 711 488
Called-up and fully paid capital				
Share capital		1 225 497	1 225 497	1 225 497
Share premium		3 384 886	3 384 886	3 384 886
Other paid-in equity		477 728	477 728	477 728
Total called-up and fully paid capital	Note 16	5 088 111	5 088 111	5 088 111
Retained earnings				
Fund for unrealised gains		27 589	9 596	27 588
Fund for valuation differences		815	10 280	13 911
Other equity		34 007	142 839	147 283
Total retained equity	Note 16	62 411	162 715	188 782
Hybrid capital				
Tier 1 capital		574 472	574 152	574 232
Total hybrid capital		574 472	574 152	574 232
TOTAL EQUITY		5 724 994	5 824 978	5 851 125
TOTAL LIABILITIES AND EQUITY		118 720 525	128 773 589	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 2018	-	-	-	-	-	(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 2018	-	-	-	-	-	-	-	-
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 2018	-	-	-	-	-	-	-	-
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 2018	-	-	-	-	-	-	-	-
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 2018	-	-	-	-	-	-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 2018	-	-	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-	-	-
Balance sheet as at 30 September 2021	1 225 496	3 384 886	477 728	27 588	815	34 007	574 471	5 724 994

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

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

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

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

⁴The 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.

⁵Other equity comprises earned and retained profits.

⁶Tier 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	3Q 2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	36 792	203 959
Taxes	3 255	55 492
Income taxes paid	(3 488)	(62 232)
Ordinary depreciation	1 350	1 751
Non-cash pension costs	-	953
Change in loans to customers	(575 772)	(4 550 118)
Change in bonds and certificates	(155 840)	(6 447 412)
Change in financial derivatives and debt securities issued	(300 259)	(370 503)
Interest expenses	708 605	1 417 921
Paid interest	(839 103)	(1 474 426)
interest income	(1 326 711)	(2 194 376)
received interests	1 341 294	2 231 328
Changes in other assets	(1 009 097)	(519)
Changes in short-term liabilities and accruals	306 258	162 407
Net cash flow relating to operating activities	(1 812 716)	(11 025 774)
INVESTING ACTIVITIES		
Payments related to acquisition of fixed assets	(381)	(468)
Share of profit/loss in associated companies	(10 218)	(12 631)
Payments from shares in associated companies	13 097	18 875
Net cash flow relating to investing activities	2 497	5 776
FINANCING ACTIVITIES		
Gross receipts from issuance of bonds and commercial paper	13 610 473	18 138 395
Gross payments of bonds and commercial paper	(8 607 405)	(9 764 618)
Gross receipts on issue of subordinated loan capital	-	-
Gross payments of subordinated loan capital	(74)	(164 707)
Gross receipts from issue of loan from credit institution	-	2 943 722
Gross payments from loan from credit institution	(2 782 650)	-
Gross receipts from issuing tier 1 perpetual bonds	-	-
Gross payments from issuing tier 1 perpetual bonds	-	-
Interest to the hybrid capital investors	(16 663)	(25 469)
Payments of dividend	(146 263)	(103 873)
Paid-up new share capital	-	-
Net cash flow from financing activities	2 057 417	11 023 450
Net changes in lending to and receivables from credit institutions	247 199	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	1 218 959	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 third 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 30 September 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	3rd quarter 2021	3rd quarter 2020	Jan-Sept 2021	Jan-Sept 2020	2020
Total income from portfolio sale	22 628	-	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 30 sep 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	-	-
Revaluation at acquisition cost	-	-
Share of profit/loss	10 218	12 631
Dividend	(13 096)	(18 875)
Carrying amount	54 563	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	3rd quarter	3rd quarter	Jan-Sept	Jan-Sept	2020
	2021	2020	2021	2020	
Net gains and losses on bonds and certificates including currency effects ¹	389	74	6 947	(5 097)	(1 303)
Net gains and losses on loans at fair value	(32 655)	(16 006)	(140 016)	260 876	186 706
Net gains and losses on financial debts, hedged ²	566 712	(1 140 192)	4 184 147	(7 309 398)	(3 551 932)
Net gains and losses on interest swaps related to lending	67 822	6 168	185 279	(237 209)	(150 131)
Net gains and losses on interest and currency swaps related to liabilities ²	(552 405)	1 145 517	(4 179 397)	7 310 185	3 559 706
Net gains and losses on financial instruments at fair value	49 863	(4 438)	56 959	19 358	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	3rd quarter	3rd quarter	Jan-Sept	Jan-Sept	2020
	2021	2020	2021	2020	
Net gains and losses on bonds and certificates	(2 253)	4 094	(3 396)	21 946	19 105
Net gains and losses on interest-rate swaps related to bonds and certificates	1 040	(4 372)	5 458	(14 750)	(11 008)
Net gains and losses on basis swaps ³	48 687	10 208	(72 607)	81 425	98 710
Net gains and losses on financial instruments at fair value	47 474	9 930	(70 546)	88 621	106 806

³ Comprehensive profit for 2021 includes negative changes of NOK 72.6 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.

Assets	30 Sep 2021		31 Dec 2020	
	Nominal amount	Fair value	Nominal amount	Fair value
Amounts in NOK 1 000				
Interest rate swap lending ¹	4 171 850	95 374	2 218 560	20 245
Interest rate and currency swap ²	47 753 450	6 395 060	58 809 050	10 281 259
Interest swap placement	101 366	302	104 703	513
Total financial derivative assets including accrued interest	52 026 666	6 490 736	61 132 313	10 302 016
Liabilities	Nominal amount	Fair value	Nominal amount	Fair value
Amounts in NOK 1 000				
Interest rate swap lending ¹	3 796 089	35 231	5 601 862	145 967
Interest rate and currency swap ²	11 400 000	424 508	-	-
Interest swap placement	1 743 495	8 439	2 586 164	18 410
Total financial derivative liabilities including accrued interest	16 939 584	468 178	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.

	30 Sep 2021		31 Dec 2020	
	Nominal amount	Value recognised in balance sheet	Nominal amount	Value recognised in balance sheet
Amounts in NOK 1 000				
Hedging instruments: interest rate and currency swaps ^{1,2}	59 153 450	5 635 799	58 809 050	9 834 231
Hedged items: financial commitments incl foreign exchange ²	59 153 450	(5 775 604)	58 809 050	(9 887 143)
Net capitalised value without accrued interest	-	(139 804)	-	(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

Gains/losses on fair value hedging recorded in profit and loss					
Amounts in NOK 1 000	3rd quarter 2021	3rd quarter 2020	Jan-Sept 2021	Jan-Sept 2020	2020
Hedging instruments	(552 405)	1 145 517	(4 179 397)	7 310 185	3 559 706
Hedged items	566 712	(1 140 192)	4 184 147	(7 309 398)	(3 551 932)
Net gains/losses (ineffectiveness) recorded in profit and loss³	14 306	5 325	4 749	787	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	30 Sep 2021	30 Sep 2020	31 Dec 2020
Installment loans - retail market	84 923 592	82 963 853	83 910 819
Installment loans - housing cooperatives	4 908 581	5 260 622	5 198 781
Adjustment fair value lending to customers ¹	12 261	236 495	159 063
Total lending before specific and general provisions for losses	89 844 434	88 460 970	89 268 662
Impairments on lending to customers	-	-	-
Total lending to and receivables from customers	89 844 434	88 460 970	89 268 662

¹The 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 company had no loans in default at 30 September 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 60 000 at 30 September 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 920 million from the owner banks at 30 September 2021, this will involve no accounting loss for the company in the third quarter of 2021.

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

30 Sep 2021

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	81 296 474	81 296 474
Fixed rate loans	8 535 700	8 547 960
Total lending	89 832 173	89 844 434

30 Sep 2020

Amounts in NOK 1 000	Nominal value	Fair value
Variable rate loans	80 355 194	80 355 194
Fixed rate loans	7 869 282	8 105 776
Total lending	88 224 477	88 460 970

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
Total 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	30.09.2021	30.09.2020	31.12.2020
Prepaid expenses	7 861	9 693	2 636
Repo agreements	1 003 872	1 515 222	-
Accrued interests	88 443	99 028	103 025
Short-term receivables	1	(98)	1
Total other financial assets	1 100 176	1 623 844	105 662

Note 9 – Bonds and certificates at fair value

30 September 2021

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	7 367 102	7 381 155	7 418 085
Credit institutions	8 018 000	8 051 251	8 060 866
Government bonds	4 640 250	4 675 719	4 487 247
Total bonds and certificates at fair value	20 025 351	20 108 125	19 966 198
Change in value charged recognised through profit and loss to other comprehensive income ¹			(141 927)

Average effective interest rate is 0.48 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 60.8 million on bank deposits, bonds and certificates. The return on reinvested cash collateral received is excluded from the calculation.

30 September 2020

Amounts in NOK 1 000

Bonds broken down by issuer sector	Nominal value	Cost price	Fair Value
Municipalities	8 646 364	8 664 813	8 974 267
Credit institutions	7 708 000	7 745 307	7 752 675
Government bonds	6 347 889	6 370 968	6 342 854
Total bonds and certificates at fair value	22 702 253	22 781 088	23 069 795
Change in value charged recognised through profit and loss to other comprehensive income ¹			288 707

Average effective interest rate is 1.12 per cent annualised. The calculation is based on a weighted fair value of NOK 13.4 billion. The calculation takes account of a return of NOK 114.5 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.

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Average term to maturity	1.2	0.9	1.4
Average duration	0.2	0.2	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)

Amounts in NOK 1 000	Fair value		
	30 Sep 2021	30 Sep 2020	31 Dec 2020
Lending to customers ²	89 275 458	88 086 641	88 998 168
Substitute assets and derivatives:			
Financial derivatives without accrued interest (net)	5 682 682	13 313 599	9 663 684
Substitute assets ³	11 782 133	16 249 660	12 994 572
Total cover pool	106 740 273	117 649 900	111 656 424
The cover pool's overcollateralisation ⁴	105.08%	106.59%	107.75%

Covered bonds issued

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Covered bonds	101 270 151	108 516 973	102 378 493
Premium/discount	(132 525)	(18 145)	(14 613)
Own holding (Covered bonds) ¹	443 000	1 882 000	1 258 000
Total covered bonds	101 580 626	110 380 828	103 621 880

¹When 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)

Amounts in NOK 1 000	Nominal values		
	30 Sep 2021	30 Sep 2020	31 Dec 2020
Lending to customers ²	89 263 197	87 850 146	88 839 105
Substitute asset:			
Substitute assets ³	11 660 632	16 131 844	12 906 286
Total cover pool	100 923 829	103 981 990	101 745 391
The cover pool's overcollateralisation ⁴	105.82%	109.59%	109.98%

Covered bonds issued

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Covered bonds	95 371 450	94 881 050	92 509 050
Total covered bonds	95 371 450	94 881 050	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.

³Substitute 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 30 September 2021, liquid assets totalling NOK 6.3 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 11.28 per cent at fair value and 12.43 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.

30 September 2021

Amounts in NOK 1 000	Level 1	Level 2	Level 3
Financial assets			
Lending to customers (fixed income)	-	-	8 547 960
Bonds and certificates	3 823 645	16 142 553	-
Financial derivatives	-	6 490 736	-
Shares classified at fair value recognised in profit or loss	-	-	1 650
Total financial assets	3 823 645	22 633 289	8 549 610
Financial liabilities			
Financial derivatives	-	468 178	-
Total financial liabilities	-	468 178	-

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	6 935 605	12 874 754	-
Financial derivatives	-	10 302 016	-
Shares classified as available for sale	-	-	1 650
Total financial assets	6 935 605	23 176 770	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		Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2021	Other comprehensive income	30 Sep 2021
Amounts in NOK 1 000	01 Jan 2021						
Lending to customers (fixed-rate loans)	8 456 402	1 402 877	(1 171 302)	-	(140 016)	-	8 547 960
Shares at fair value over profit or loss	1 650	-	-	-	-	-	1 650
Total	8 458 052	1 402 877	(1 171 302)	-	(140 016)	-	8 549 610

2020		Purchases/ issues	Disposals/ settlements	Transfers in/out of level 3	Allocated to profit or loss 2020	Other comprehensive income	31 Dec 2020
Amounts in NOK 1 000	01 Jan 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 30 September 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 267 million. The effect of a decrease in interest rates would be an increase of NOK 267 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 30 September 2021 and cumulatively.

Detailed statement of changes in debt related to currency changes

2021		01 Jan 2021	Issued/matured	Currency changes	30 Sep 2021
Amounts in NOK 1 000					
Change in debt securities issued ¹		58 371 923	910 500	(2 770 878)	56 511 545
Total		58 371 923	910 500	(2 770 878)	56 511 545

2020		01 Jan 2020	Issued/matured	Currency changes	31 Dec 2020
Amounts in NOK 1 000					
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

¹The 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 15.6 million and NOK 15.7 million respectively, in the company's balance sheet at 30 September 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 30 September 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 30 September 2021, Eika Boligkreditt had received cash collateral of NOK 4.1 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 0.4 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	30 Sep 2021	30 Sep 2020	31 Dec 2020
NO0010605587	1 000 000	NOK	Fixed	5.20 %	2011	2021	-	1 000 000	566 000
NO0010625346	1 500 000	NOK	Fixed	4.60 %	2011	2026	1 500 460	1 500 551	1 500 528
NO0010669922	1 000 000	NOK	Fixed	4.00 %	2013	2028	998 073	997 767	997 843
NO0010685480	5 125 000	NOK	Floating	3M Nibor + 0.54 %	2013	2020	-	1 402 628	-
NO0010685704	550 000	NOK	Fixed	3.50 %	2013	2020	-	128 041	-
NO0010687023	150 000	NOK	Fixed	4.10 %	2013	2028	150 000	150 000	150 000
NO0010732258	8 000 000	NOK	Floating	3M Nibor + 0.28%	2015	2022	5 163 832	7 985 570	7 988 242
NO0010733694	2 000 000	NOK	Fixed	1.75 %	2015	2021	93 000	1 148 712	741 076
NO0010763022	850 000	NOK	Fixed	2.25 %	2016	2031	844 836	844 295	844 430
NO0010780687	700 000	NOK	Fixed	2.60 %	2016	2027	699 623	699 556	699 572
NO0010794308	5 000 000	NOK	Floating	3M Nibor + 0.43 %	2017	2022	5 002 423	5 005 112	5 004 434
NO0010815376	1 600 000	NOK	Fixed	2.67 %	2018	2033	1 590 567	1 589 737	1 589 944
NO0010821192	8 050 000	NOK	Floating	3M Nibor + 0.34 %	2018	2023	8 047 532	8 046 219	8 046 550
NO0010863178	7 250 000	NOK	Floating	3M Nibor + 0.25 %	2019	2024	7 245 777	7 244 343	7 244 704
NO0010881162	6 000 000	NOK	Floating	3M Nibor + 0.41%	2020	2025	5 998 248	5 997 764	5 997 886
NO0010921067	6 000 000	NOK	Floating	3M Nibor + 0.75 %	2021	2026	6 148 789	-	-
XS0881369770	1 000 000	EUR	Fixed	2.125 %	2013	2023	10 126 577	11 045 942	10 454 132
XS1044766191	500 000	EUR	Fixed	1.50 %	2014	2021	-	5 529 304	5 233 823
XS1312011684	500 000	EUR	Fixed	0.625 %	2015	2021	5 067 895	5 526 139	5 230 507
XS1397054245	500 000	EUR	Fixed	0.375 %	2016	2023	5 058 042	5 514 131	5 219 444
XS1566992415	500 000	EUR	Fixed	0.375 %	2017	2024	5 056 114	5 513 654	5 218 604
XS1725524471	500 000	EUR	Fixed	0.375 %	2017	2025	5 051 079	5 508 235	5 213 458
XS1869468808	500 000	EUR	Fixed	0.50 %	2018	2025	5 048 699	5 505 680	5 211 030
XS1945130620	500 000	EUR	Fixed	0.875 %	2019	2029	5 032 530	5 488 185	5 194 438
XS1969637740	10 000	EUR	Fixed	1.245 %	2019	2039	101 366	110 651	104 703
XS1997131591	60 000	EUR	Fixed	1.112 %	2019	2039	608 100	663 795	628 114
XS2085864911	5 000	EUR	Fixed	0.56 %	2019	2039	50 622	55 256	52 286
XS2133386685	500 000	EUR	Fixed	0.01 %	2020	2027	5 126 287	5 607 470	5 303 271
XS2234711294	500 000	EUR	Fixed	0.01 %	2020	2028	5 148 196	5 633 224	5 327 202
XS2353312254	500 000	EUR	Fixed	0.125 %	2021	2031	5 035 977	-	-
Value adjustments							1 275 509	3 075 012	2 616 270
Total covered bonds¹							101 270 151	108 516 973	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	30 Sep 2021	30 Sep 2020	31 Dec 2020
NO0010776099	500 000	NOK	Floating	3M Nibor +0.92%	2016	2020	-	95 000	-
NO0010782048	500 000	NOK	Floating	3M Nibor +0.95%	2017	2022	500 143	500 650	500 522
NO0010830367	450 000	NOK	Floating	3M Nibor + 0.56 %	2018	2022	449 943	449 878	449 894
NO0010834716	500 000	NOK	Fixed	3.01 %	2018	2025	299 722	299 653	299 670
NO0010841620	300 000	NOK	Fixed	2.87 %	2019	2026	299 760	299 704	299 718
NO0010845936	500 000	NOK	Floating	3M Nibor + 0.78 %	2019	2024	299 893	299 849	299 860
NO0010849433	500 000	NOK	Floating	3M Nibor + 0.74 %	2019	2024	299 803	299 731	299 750
NO0010851975	1 000 000	NOK	Floating	3M Nibor + 0.27 %	2019	2021	-	299 963	299 978
NO0010874944	300 000	NOK	Floating	3M Nibor + 0.58 %	2020	2025	299 808	299 751	299 766
NO0010891351	500 000	NOK	Floating	3M Nibor + 0.50 %	2020	2023	499 856	499 781	499 800
NO0010904642	500 000	NOK	Floating	3M Nibor + 0.65 %	2020	2024	499 722	-	499 654
NO0010918113	300 000	NOK	Floating	3M Nibor + 0.45 %	2021	2024	299 931	-	-
Total senior unsecured bonds							3 748 581	3 343 961	3 748 612

Senior unsecured certificates - amounts in NOK 1 000

ISIN	Nominal amounts	Local currency	Interest rate terms	Interest rate	Establishment	Maturity	30 Sep 2021	30 Sep 2020	31 Dec 2020
NO0010918170	1 000 000	NOK	Fixed	0.57 %	2021	2021	999 958	-	-
NO0011099798	500 000	NOK	Floating	3M Nibor + 0.07 %	2021	2022	499 960	-	-
NO0011108920	500 000	NOK	Fixed	0.45 %	2021	2021	499 984	-	-
Total senior unsecured certificates							1 999 902	-	-

Total debt securities issued							107 018 634	111 860 934	106 127 106
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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	30 Sep 2021	30 Sep 2020	31 Dec 2020
NO0010759475	150 000	NOK	Floating	3M Nibor + 3.40% ¹	2016	2026	-	149 973	149 988
NO0010814916	325 000	NOK	Floating	3M Nibor + 1.40% ²	2018	2028	324 826	324 696	324 729
NO0010864333	250 000	NOK	Floating	3M Nibor + 1.55% ³	2019	2029	249 701	249 601	249 626
NO0010917735	150 000	NOK	Floating	3M Nibor + 1.04% ⁴	2021	2026	149 742	-	-
Total subordinated loan capital							724 269	724 270	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	30 Sep 2021	30 Sep 2020	31 Dec 2020
Share capital	1 225 497	1 225 497	1 225 497
Share premium	3 384 886	3 384 886	3 384 886
Other paid-in equity	477 728	477 728	477 728
Other equity	1 021	1 016	1 018
Total equity recognised in the balance sheet (without tier 1 perpetual bonds)	5 089 132	5 089 127	5 089 130
Fund for unrealised gains	27 589	9 596	27 588
Fund for valuation differences	815	10 280	13 911
Intangible assets	(2 301)	(3 649)	(3 270)
Deferred tax assets ¹	-	-	-
Prudent valuation adjustments of fair valued positions without accrued interest	(28 790)	(41 762)	(28 500)
Total core tier 1 capital	5 086 444	5 063 593	5 098 859
Core capital adequacy ratio (core tier 1 capital)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Weighted calculation basis	37 406 017	38 025 210	37 221 959
Core tier 1 capital	5 086 444	5 063 593	5 098 859
Core tier 1 capital ratio	13.6%	13.3%	13.7%
Total core tier 1 capital	5 086 444	5 063 593	5 098 859
Tier 1 perpetual bonds	574 472	574 152	574 232
Total tier 1 capital	5 660 916	5 637 745	5 673 091
Capital adequacy ratio (tier 1 capital)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Weighted calculation basis	37 406 017	38 025 210	37 221 959
Tier 1 capital	5 660 916	5 637 745	5 673 091
Tier 1 capital ratio	15.1%	14.8%	15.2%
Total tier 1 capital	5 660 916	5 637 745	5 673 091
Subordinated loans	724 269	724 270	724 343
Total primary capital (tier 2 capital)	6 385 185	6 362 015	6 397 434
Capital adequacy ratio (tier 2 capital)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Weighted calculation basis	37 406 017	38 025 210	37 221 959
Total primary capital (tier 2 capital)	6 385 185	6 362 015	6 397 434
Capital adequacy ratio	17.1%	16.7%	17.2%
Required capital corresponding to eight per cent of calculation basis	2 992 481	3 042 017	2 977 757
Surplus equity and subordinated capital	3 392 704	3 319 998	3 419 677
The capital adequacy ratio is calculated using the standard method in Basel II.			
30 September 2021			
Calculation basis	Weighted calculation basis	Capital requirement	
Credit risk ²	34 890 211	2 791 217	
Operational risk	326 965	26 157	
CVA risk ³	2 188 841	175 107	
Total	37 406 017	2 992 481	
Leverage Ratio	30 Sep 2021	30 Sep 2020	31 Dec 2020
Total Leverage Ratio exposure	122 134 443	132 345 470	123 706 197
Tier 1 capital	5 660 916	5 637 745	5 673 091
Leverage Ratio	4.6 %	4.3 %	4.6 %

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

¹Deferred 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.

²The 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 33.3 million at 30 September 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.

³At 30 September 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 30 September amounted to NOK 37.4 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, the calculation basis for capital adequacy at 30 September 2021 was NOK 0.2 billion higher than at 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 30 September 2021 with a core tier 1 capital ratio of 13.6 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

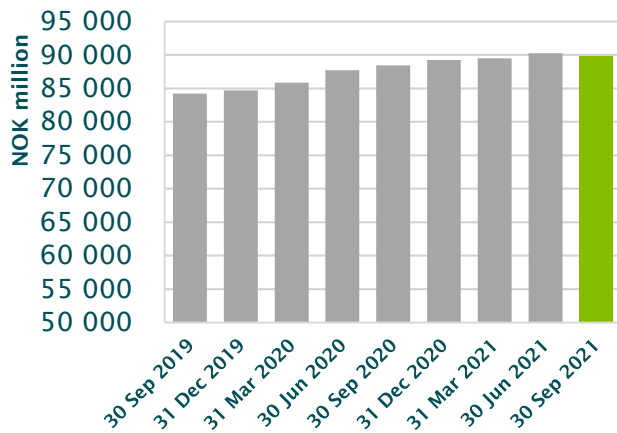
The company has an overdraft facility with DNB Bank ASA (DNB). Note 15 to the annual financial statements for 2020 provides a more detailed presentation of the overdraft with DNB. The company also has a note purchase agreement with the owner banks and OBOS concerning the purchase of covered bonds, whereby 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

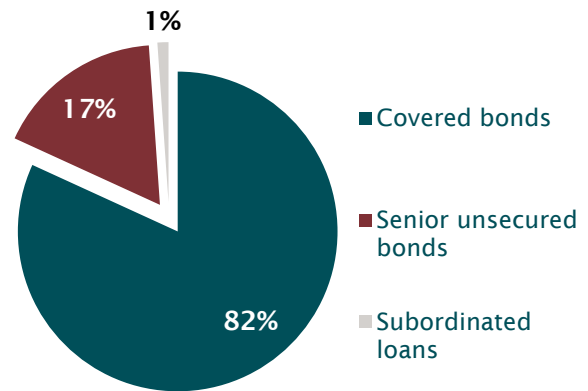
Eika Boligkreditt AS has established a framework for risk management and control in the company, which defines risk willingness and the principles for managing risk and capital. The value of financial assets and liabilities fluctuates as a result of risk in the financial markets. Note 3 to the annual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

Key figures – Development

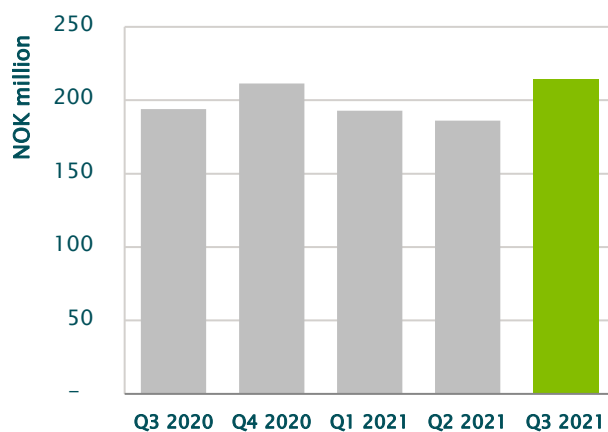
Lending to customers



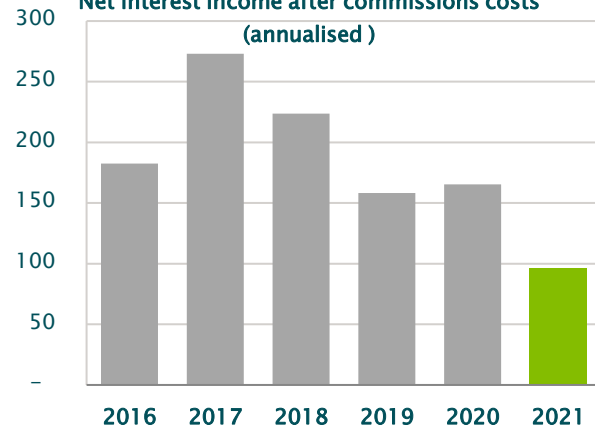
Issues by sector 2021



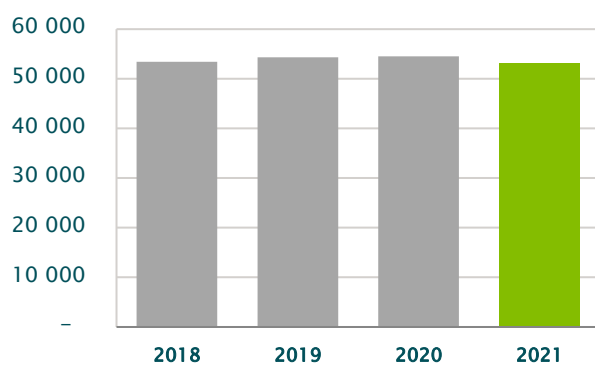
Distributor commissions



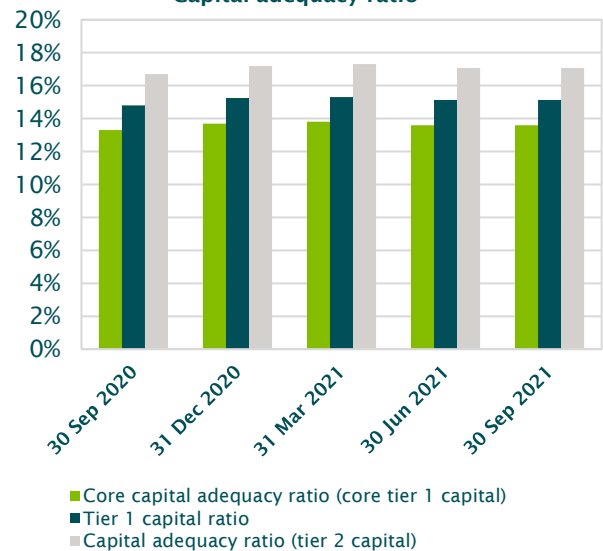
Net interest income after commissions costs (annualised)



Number of loans



Capital adequacy ratio



Key figures

Amounts in NOK 1 000	30 Sep 2021	30 Sep 2020	31 Dec 2020
Balance sheet development			
Lending to customers	89 844 434	88 460 970	89 268 662
Debt securities issued	107 018 634	111 860 934	106 127 106
Subordinated loan capital	724 269	724 270	724 343
Equity	5 724 994	5 824 978	5 851 125
Equity in % of total assets	4.8	4.5	4.9
Average total assets ¹	120 474 512	120 960 729	120 881 106
Total assets	118 720 525	128 773 589	120 562 614
Rate of return/profitability			
Fee and commission income in relation to average total assets, annualised (%)	0.6	0.5	0.5
Staff and general administration expenses in relation to average total assets, annualised (%)	0.03	0.03	0.03
Return on equity before tax, annualised (%) ²	2.9	3.4	3.0
Total assets per full-time position	6 248 449	6 777 557	6 345 401
Cost/income ratio (%) ³	71.2	33.2	41.4
Financial strength			
Core tier 1 capital	5 086 444	5 063 593	5 098 859
Tier 1 capital	5 660 916	5 637 745	5 673 091
Total primary capital (tier 2 capital)	6 385 185	6 362 015	6 397 434
Calculation basis capital adequacy ratio	37 406 017	38 025 210	37 221 959
Core tier 1 capital ratio (%)	13.6	13.3	13.7
Tier 1 capital ratio (%)	15.1	14.8	15.2
Capital adequacy ratio % (tier 2 capital)	17.1	16.7	17.2
Leverage ratio (%) ⁴	4.6	4.3	4.6
NSFR totalindicator i % ⁵	98	104	100
Defaults in % of gross loans	0.04	-	-
Loss in % of gross loans	-	-	-
Staff			
Number of full-time positions at end of period	19.0	19.0	19.0
Liquidity Coverage Ratio (LCR)⁶:			
30 Sep 2021	Total	NOK	EUR
Stock of HQLA	9 879 763	6 320 229	327 924
Net outgoing cash flows next 30 days	9 597 635	5 998 558	327 924
LCR indicator (%)	103 %	105 %	100 %
30 Sep 2020	Total	NOK	EUR
Stock of HQLA	10 272 830	750 000	725 164
Net outgoing cash flows next 30 days	9 766 219	1 267 811	648 066
LCR indicator (%)	105 %	59 %	112 %
31 Dec 2020	Total	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):
$$\frac{\text{High-quality liquid assets}}{\text{Net outgoing cash flows next 30 days}}$$

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 30 September 2021, liquid assets totalling NOK 6.3 billion in the form of bonds and certificates were excluded from the calculation of the cover pool's overcollateralisation.

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