



## Interim Report 2<sup>nd</sup> quarter 2022

Nordea Direct Boligkreditt



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Nordea Direct Boligkreditt AS is part of the Nordea Group. Nordea build strong and close relationships through our engagement with customers and society. Whenever people strive to reach their goals and realise their dreams, we are there to provide relevant financial solutions. We are one of the largest banks in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation with around 10 million customers. The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges.

Read more about us on [Nordea.com](https://www.nordea.com).

# Key financial figures

## Summary of income statement

NOKt	Jan-Jun 2022	Jan-Jun 2021	Year 2021
Net interest income	60,890	101,008	178,334
Net commission income and other operating income	-1,144	1,384	-1,353
<b>Total income</b>	<b>59,747</b>	<b>102,392</b>	<b>176,981</b>
Staff costs	1,346	1,086	2,029
Other expenses	8,903	10,467	17,536
<b>Total operating expenses</b>	<b>10,249</b>	<b>11,553</b>	<b>19,565</b>
Loan losses (negative figures are reversals)	-197	318	235
<b>Operating profit</b>	<b>49,694</b>	<b>90,520</b>	<b>157,181</b>
Income tax expense	12,424	22,630	39,295
<b>Net profit for the period</b>	<b>37,271</b>	<b>67,890</b>	<b>117,886</b>

## Summary of balance sheet

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
Loans to the public (gross)	23,442,119	24,153,680	19,664,505
Allowance for loan losses	-1,378	-1,659	-1,575
Total assets	24,064,595	24,933,810	20,238,216
Equity	2,179,930	2,092,690	2,142,686

## Ratios and key figures

		Jan-Jun 2022	Jan-Jun 2021	Year 2021
Net interest margin, annualised	%	0,57	0,77	0,73
Loss rate	%	0,00	0,00	0,00
Non-performing loans in % of gross lending <sup>1</sup>	%	0,03	0,03	0,05
Return on equity, annualised	%	3,0	6,7	5,6
Capital adequacy <sup>2</sup>	%	24,9	22,8	29,4
Tier 1 capital ratio <sup>2</sup>	%	24,9	22,8	29,4
Common equity Tier 1 capital ratio <sup>2</sup>	%	24,9	22,8	29,4
Cost/income ratio	%	17,2	11,3	11,1
Liquidity Coverage Ratio	%	546	480	511
Net Stable Funding Ratio	%	129	69	105
Average total assets	NOKt	23,096,549	26,374,567	24,444,725
Cover pool	NOKt	23,438,689	24,617,587	19,924,957
Number of loans	Number	12,801	13,105	11,108
Weighted indexed loan-to-value ratio <sup>3</sup>	%	41,3	44,4	43,5
Weighted average remaining life	Year	21,5	21,4	20,7

<sup>1</sup> Gross default over 90 days

<sup>2</sup> The profit for the period is not included in the calculation for the quarters, with the exception of fourth quarter.

<sup>3</sup> Quarterly updated house prices

# Nordea Direct Boligkreditt AS

## Introduction

(Previous year comparable figures for the company are shown in brackets).

Nordea Direct Boligkreditt AS is licensed by the Financial Supervisory Authority of Norway to issue covered bonds. The objective is to provide residential mortgage loans, and to primarily finance the lending portfolio by issuing covered bonds. The company is in a merge process with Nordea Eiendoms kreditt AS, and the last covered bond was issued 23 March 2017. In this period covered bond funding gradually has been replaced with unsecured funding from Nordea Direct Bank ASA. The Company only has residential mortgage loans purchased from Nordea Direct Bank ASA.

Nordea Direct Boligkreditt AS is wholly owned subsidiary of Nordea Direct Bank ASA. The Company's registered business address is in Oslo.

The merger between Nordea Direct Boligkreditt AS and Nordea Eiendoms kreditt AS is ongoing and the target merge date is set for November 1, 2022.

## Income statement

Operating profit was NOK 49.5m (NOK 90.8m). The decrease was mainly driven by reduced net interest margins due to higher funding cost.

Total income amounted to NOK 59.8m (NOK 102.4m). Net interest income amounted to NOK 60.9m (NOK 101.0m).

Net commission income and other income amounted to minus NOK 1.1m (plus NOK 1.4m). The reduction was mainly due to repurchasing of own covered bond March 2022.

The net interest margin<sup>1</sup> was 0.57% (0.77%). Operating expenses were NOK 10.2m (NOK 11.5m).

Total write-downs and losses amounted to NOK minus 0.2m (NOK 0.3m). The balance of group write-downs amounted to NOK 1.4m (NOK 1.7m).

The group write-downs are intended to cover losses on commitments that are not individually identified as doubtful.

The Company uses the Banking Group's guidelines for assessing and writing down loans. No individual write-downs related to individual commitments have been made. At the end of the period, the Company had five loans with an outstanding amount of NOK 5.4 m in default over 90 days.

## Lending

As of June 30, 2022, the Company had 12,801 loans with a total outstanding balance of NOK 23,442m (NOK 24,154 m). The portfolio continues to be of high quality.

The entire lending portfolio has been acquired from Nordea Direct Bank ASA. It consists of loans with variable interest rates. The average loan commitment was NOK 1.8m per loan as of June 2022. The largest single exposure was NOK 9.2m and 12.9% of the lending portfolio consisted of loans with credit lines (fleksilån). Including the unutilised credit facilities, 19.5% of the lending portfolio consisted of loans with credit lines (fleksilån).

Nordea Direct Boligkreditt AS has a weighted loan-to-value ratio, indexed, of 41.3% (44.4%).

## Segments

The target group for Nordea Direct Boligkreditt AS is the retail market spread throughout Norway.

<sup>1</sup> The net interest margin is calculated as net interest income as a percentage of average total assets, annualised.

### **Capital position**

As of June 30, 2022, the Company had a common equity Tier 1 capital ratio of 24.9% (22.8%). The total capital held by the Company was NOK 2,142.5m (NOK 2,024.6m).

### **Rating**

Nordea Direct Bank ASA and its subsidiary Nordea Direct Boligkreditt AS had a long-term and short-term counterparty credit rating of AA-/A-1+. The covered bonds portfolio issued by Nordea Direct Boligkreditt AS had a long-term rating of AAA.

Nordea Direct Boligkreditt AS will hold the amount of over-collateralisation required to maintain the current rating for Nordea Direct Boligkreditt AS's covered bond program.

### **Debt securities issued**

The Company had issued covered bonds with a total face value of NOK 5,100.0m as of June 2022. The portfolio includes two loans, the first of which matures on 23 May 2023 (extended due date to 22 May 2024).

### **Liquidity**

As of June 30, 2022, the Company had net liquid assets of NOK 603.9m, of which NOK 419.0m in bank deposits, NOK 56.0m in covered bonds and NOK 128.9m in treasury bills.

Norwegian financial institutions are required to maintain a Liquidity Coverage Ratio (LCR) on 100 %, in order to be able to cover net liquidity outflow during periods with limited access to market funding. The LCR for the Company was 546% (480%) at end of the second quarter.

The Company has a long-term credit facility with the parent company of NOK 21,000.0m. Unutilised credit facilities amounted to NOK 6,421.8m as of June 2022. In addition, the Company has a credit facility agreement that allows Nordea Direct Boligkreditt AS to borrow money in order to repay its outstanding bond debt.

### **Other information**

#### **Covered Bond legislation**

The new European Covered Bond Directive (EU 2019/2162) and Regulation (EU 2019/2160) was finalised in 2019, but implementation has been significantly delayed in many EU member states and also in Norway. The amendments required by the EU Covered Bond Directive have now been incorporated into the Financial Undertakings Act by amendment act 23 May 2022 no 31 and entered into force in Norway and in the EU on 8 July 2022. New and harmonised rules and definitions with the EU will make it easier for Norwegian and international investors to assess the quality and risk of covered bonds.

#### **Covid-19 pandemic – governance, operational risk measures and further disclosures**

The Covid-19 situation developed over the first half of the year and restrictions were gradually lifted across the Nordic countries. In the second quarter Nordea's Global Crisis Management team and country crisis management teams ended their extraordinary monitoring efforts after having successfully managed Nordea's pandemic-associated challenges. Nordea continues to monitor developments and stands ready to activate crisis management efforts should the situation worsen.

## Macroeconomy

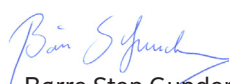
The seasonally adjusted unemployment rate fell to 1.6% in June, the lowest level since 2008. So far, housing prices have risen this year and were 6.4% higher in June 2022 than in the same month last year. Year-on-year consumer price inflation stood at 5.7% in May, driven by increased energy prices and imported goods. Norges Bank is hiking interest rates due to the developments in the Norwegian economy and rising inflation. They increased the key rate by 50bp to 1.25% in June 2022 and indicates that it will be raised to 1.5% in August. Moreover, the rate path signals 25bp rate hikes at all consecutive meetings and a key rate of around 3% by next summer.

## Events after the balance sheet date

No significant events have occurred after the end of the quarter.

## Nordea Direct Boligkreditt AS

Oslo, 21 July 2022

  
Børre Sten Gundersen  
Chairman

  
Morten Keil  
Board member

  
Elen Margrethe Stiksrud  
Board member

  
Cathrine K. Conradi  
Board member

  
Jan Kåre Raæ  
Chief Executive Officer

# Income statement

NOKt	Note	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Year 2021
Interest income etc, amortised cost		117,082	95,892	220,719	191,235	355,748
Interest income etc, fair value		762	-1,782	1,115	-1,633	-1,330
Interest costs etc.		87,355	40,908	160,944	88,594	176,084
<b>Net interest income</b>		<b>30,489</b>	<b>53,201</b>	<b>60,890</b>	<b>101,008</b>	<b>178,334</b>
Fee and commission income		498	536	994	1,084	2,083
Net gains on financial instruments at fair value		-128	-179	-2,668	-181	-4,397
Other operating income		265	240	530	481	961
<b>Net commission income and other operating income</b>		<b>635</b>	<b>597</b>	<b>-1,144</b>	<b>1,384</b>	<b>-1,353</b>
<b>Total income</b>		<b>31,124</b>	<b>53,798</b>	<b>59,747</b>	<b>102,392</b>	<b>176,981</b>
Staff costs		687	502	1,346	1,086	2,029
Other operating expenses		2,530	3,406	8,903	10,467	17,536
<b>Total operating expenses</b>		<b>3,217</b>	<b>3,908</b>	<b>10,249</b>	<b>11,553</b>	<b>19,565</b>
<b>Profit / (loss) before loan losses</b>		<b>27,907</b>	<b>49,890</b>	<b>49,497</b>	<b>90,838</b>	<b>157,416</b>
Loan losses	4	-194	-408	-197	318	235
<b>Operating profit</b>		<b>28,101</b>	<b>50,298</b>	<b>49,694</b>	<b>90,520</b>	<b>157,181</b>
Income tax expense		7,025	12,575	12,424	22,630	39,295
<b>Net profit for the period</b>		<b>21,076</b>	<b>37,724</b>	<b>37,271</b>	<b>67,890</b>	<b>117,886</b>
Basic/diluted earnings per share, NOK		162,1	290,2	286,7	522,2	906,8

# Statement of comprehensive income

NOKt	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Year 2021
<b>Net profit for the period</b>	<b>21,076</b>	<b>37,724</b>	<b>37,271</b>	<b>67,890</b>	<b>117,886</b>
<b>Components of other comprehensive income</b>					
<b>Items that are not reclassified subsequently to profit or loss</b>					
Items that may be reclassified subsequently to profit or loss					
<b>Total components of other comprehensive income</b>					
<b>Total comprehensive income for the period</b>	<b>21,076</b>	<b>37,724</b>	<b>37,271</b>	<b>67,890</b>	<b>117,886</b>

# Balance sheet

NOKt	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Assets</b>				
Loans to credit institutions	6	418,952	537,259	336,114
Loans to the public	2,4	23,440,741	24,152,021	19,662,930
Interest-bearing securities	9	184,967	190,295	189,367
Derivatives	9		38,930	25,382
Deferred tax assets			944	
Advance payments and accrued income		19,935	14,361	24,423
<b>Total assets</b>		<b>24,064,595</b>	<b>24,933,810</b>	<b>20,238,216</b>
<b>Liabilities and equity</b>				
Liabilities to credit institutions	6	16,722,248	12,641,778	9,186,381
Debt securities in issue	3,6	5,100,647	10,152,046	8,830,539
Derivatives	9	3,485	2,788	2,448
Current tax liabilities		10,039	22,630	29,978
Other liabilities		48,246	21,878	37,810
Deferred tax liabilities				8,374
<b>Total liabilities</b>		<b>21,884,665</b>	<b>22,841,120</b>	<b>18,095,530</b>
<b>Equity</b>				
Share capital		221,000	221,000	221,000
Share premium reserve		999,020	999,020	999,020
Retained earnings		922,639	804,780	922,666
Net profit for the period		37,271	67,890	
<b>Total equity</b>		<b>2,179,930</b>	<b>2,092,690</b>	<b>2,142,686</b>
<b>Total liabilities and equity</b>		<b>24,064,595</b>	<b>24,933,810</b>	<b>20,238,216</b>

# Statement of changes in equity

NOKt	Share capital	Share premium reserve	Other equity	Total equity
<b>Balance at 1 Jan 2022</b>	<b>221,000</b>	<b>999,020</b>	<b>922,666</b>	<b>2,142,686</b>
Net profit for the period			37,271	37,271
Other comprehensive income, net of tax				
<b>Total comprehensive income</b>			<b>37,271</b>	<b>37,271</b>
Capital expansion				
Share-based payment transactions settled in equity			-26	-26
<b>Balance at 30 Jun 2022</b>	<b>221,000</b>	<b>999,020</b>	<b>959,910</b>	<b>2,179,930</b>

NOKt	Share capital	Share premium reserve	Other equity	Total equity
<b>Balance at 1 Jan 2021</b>	<b>221,000</b>	<b>999,020</b>	<b>804,853</b>	<b>2,024,873</b>
Net profit for the period			117,886	117,886
Other comprehensive income, net of tax				
<b>Total comprehensive income</b>			<b>117,886</b>	<b>117,886</b>
Capital expansion				
Share-based payment transactions settled in equity			-74	-74
<b>Balance at 31 Dec 2021</b>	<b>221,000</b>	<b>999,020</b>	<b>922,666</b>	<b>2,142,686</b>

NOKt	Share capital	Share premium reserve	Other equity	Total equity
<b>Balance at 1 Jan 2021</b>	<b>221,000</b>	<b>999,020</b>	<b>804,853</b>	<b>2,024,873</b>
Net profit for the period			67,890	67,890
Other comprehensive income, net of tax				
<b>Total comprehensive income</b>			<b>67,890</b>	<b>67,890</b>
Capital expansion				
Share-based payment transactions settled in equity			-74	-74
<b>Balance at 30 Jun 2021</b>	<b>221,000</b>	<b>999,020</b>	<b>872,670</b>	<b>2,092,690</b>

Number of shares at end of period 130,000



# Cash flow statement

NOKt	Jan-Jun 2022	Jan-Jun 2021	Year 2021
<b>Operating activities</b>			
Operating profit	49 497	90 838	157 181
Adjustment for non cash items	10 907	3 684	9 991
Income taxes paid	-32 362	-32 362	-32 362
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>28 042</b>	<b>62 160</b>	<b>134 810</b>
<b>Changes in operating assets</b>			
Change in loans to credit institutions	10 824	10 849	-42
Change in loans to the public	-3 782 728	-2 330 611	2 158 666
Change in interest-bearing securities	4 400	-268	-3 737
Change in derivatives, net	26 419	16 824	30 032
<b>Changes in operating liabilities</b>			
Change in deposits by credit institutions	7 540 175	7 366 620	3 911 714
Change in debt securities in issue	-3 744 366	-5 037 916	-6 344 954
Change in other liabilities	98	-19	5
<b>Cash flow from operating activities</b>	<b>82 864</b>	<b>87 639</b>	<b>-113 506</b>
<b>Investing activities</b>			
<b>Cash flow from investing activities</b>			
<b>Financing activities</b>			
Other changes in equity excluding minority	-26	-74	-74
Cash flow from financing activities	-26	-74	-74
<b>Cash flow for the year</b>	<b>82 838</b>	<b>87 565</b>	<b>-113 580</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>336 114</b>	<b>449 693</b>	<b>449 693</b>
Cash and cash equivalents at the end of year	418 952	537 259	336 114
<b>Change</b>	<b>82 838</b>	<b>87 565</b>	<b>-113 580</b>

## Comments on the cash flow statement

The cash flow statement shows inflows and outflows of cash and cash equivalents during the year for total operations. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

### Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for non cash items and income taxes paid. Adjustment for items not included in cash flow includes:

NOKt	Jan-Jun 2022	Jan-Jun 2021	Year 2021
Loan losses	-197	318	235
Unrealised gains/losses	2 668	181	4 397
Change in accruals and provisions	10 876	3 649	5 355
Other	-2 440	-464	4
<b>Total</b>	<b>10 907</b>	<b>3 684</b>	<b>9 991</b>

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

NOKt	Jan-Jun 2022	Jan-Jun 2021	Year 2021
Interest payments received	227 124	200 054	354 370
Interest expenses paid	-160 876	-88 696	-176 237

### Investing activities

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

### Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

### Cash and cash equivalents

The following items are included in Cash and cash equivalents :

NOKt	Jan-Jun 2022	Jan-Jun 2021	Year 2021
Loans to credit institutions, payable on demand	418 952	537 259	336 114
<b>Total</b>	<b>418 952</b>	<b>537 259</b>	<b>336 114</b>

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled;

- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities. Loans to central banks, payable on demand includes instruments where Nordea has the right to resell immediately.

# Notes to the financial statements

## Note 1 Accounting policies

The financial statements as of the second quarter of 2022, concluded on 30 June 2022, comprise Nordea Direct Boligkreditt AS. With the exception of the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2021.

The financial statements as of the first quarter of 2022 are prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU. In addition, certain complementary rules in the Norwegian Accounting Act with supported regulation have been applied.

The report includes a condensed set of financial statements and is to be read in conjunction with the audited consolidated financial statement for the year ended 31 December 2021.

With exception for the items presented in the section "Changed accounting policies and presentation" below, the accounting policies and methods of computation are unchanged in comparison to Note 1 in the Annual Report 2021. For more information see Note 1 in the Annual Report 2021.

### Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea Direct Boligkreditt AS on 1 January 2022.

### Amendments

The following amended standards issued by the International Accounting Standards Board (IASB) were implemented by Nordea Direct Boligkreditt on 1 January 2022, but have not had any significant impact on the financial statements of Nordea Direct Boligkreditt.

- Amendments to International Financial Reporting Standard (IFRS) 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to IFRS Standards 2018–2020

### Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In 2021 the IASB published amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The amendments require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to taxable and deductible temporary differences of equal amounts. Such a requirement may apply on the initial recognition of a lease liability and the corresponding right-of-use asset at the commencement of a lease. The requirement also applies in the context of decommissioning, restoration and similar liabilities where the corresponding amounts are recognised as part of the cost of the related asset.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The standard is not yet endorsed by the EU and Nordea Direct bank Group does not currently intend to adopt it early. The gross deferred tax assets and liabilities will be disclosed,

but will be set off on the balance sheet if such requirements are met. The current assessment of Nordea Direct Boligkreditt AS is that the amendments will not have any significant impact on its financial statements or capital adequacy in the period of initial application.

#### Other amendments to IFRSs

Other amendments to IFRSs are not assessed to have any significant impact on the financial statements or capital adequacy of Nordea Direct Boligkreditt in the period of their initial application.

#### Critical judgements and estimation uncertainty

Nordea Direct Boligkreditt applied critical judgements in the preparation of this interim report due to the uncertainty concerning the potential long-term impact of the war in Ukraine on the financial statements. The crisis have shaken financial markets, hitting all asset classes and causing global risk aversion. The escalation comes at a time when anxiety is already high in markets as central banks prepare to withdraw the ample liquidity injected during the coronavirus crisis.

In terms of direct credit risk Nordea Direct Boligkreditt is unaffected by the invasion as the exposure towards Russia and Ukraine is insignificant.

Information on where critical judgements are generally applied and where estimation uncertainty exists can be found in Note 2 "Critical accounting estimates and judgements" in the Annual Report 2021.

	2021	2022	2023
<b>Unemployment rate</b>			
Alternative A (best case)	4.0%	2.7%	2.6%
Base case	4.1%	3.1%	3.0%
Alternative B (worst case)	4.3%	4.1%	3.9%
<b>Housing prices</b>			
Alternative A (best case)	9.7%	3.5%	2.8%
Base case	9.2%	1.0%	1.3%
Alternative B (worst case)	7.1%	-5.4%	-0.9%

#### Scenario weighting Q2 2022

Alternative A (best case)	20%
Base case	60%
Alternative B (worst case)	20%

## Note 2 Segment information

Nordea Direct Boligkreditt AS has only one business segment, which is lending to private customers. The segment consists of loans to private customers, and

the entire loan portfolio is purchased from Nordea Direct Bank ASA. The company's full accounts therefore fall entirely under the segment «Retail market».

## Note 3 Liabilities on the issue of securities

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Liabilities opened for the issue of securities</b>			
Bond debt	4,500,000	9,500,000	8,799,000
<b>Total liabilities at amortised cost</b>	<b>4,500,000</b>	<b>9,500,000</b>	<b>8,799,000</b>
<b>Liabilities opened for the issue of securities</b>			
Bond debt	600,000	600,000	600,000
<b>Total liabilities included in fair value hedge</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
<b>Total liabilities</b>	<b>5,100,000</b>	<b>10,100,000</b>	<b>9,399,000</b>

### Maturity

Remaining maturity (nominal value)	30 Jun 2022	30 Jun 2021	31 Dec 2021
2022		5,000,000	3,699,000
2023	4,500,000	4,500,000	4,500,000
2025	600,000	600,000	600,000
<b>Total</b>	<b>5,100,000</b>	<b>10,100,000</b>	<b>8,799,000</b>

The maturity of subordinated debt is presented at first call date in the above table.

New issues in 2022

Repayments in 2022 3,699,000

NOKt					
ISIN Number	Currency	Rate	Due	Ext.Due	Nominal value
NO0010789266	NOK	Floating	23.05.2023	24.05.2024	4,500,000
NO0010678766	NOK	Fixed	08.05.2025	08.05.2026	600,000
<b>Total liabilities through the issuance of excluding own securities</b>					<b>5,100,000</b>

## Note 4 Write-downs and losses on loans

### Write-downs and losses on loans

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Write-downs and losses for the period</b>			
+/- Change in group write-downs for the period (ECL)	-197	318	235
+ Write-off during the period			
- Payments on previously written-off accounts			
<b>Write-downs and losses for the period</b>	<b>-197</b>	<b>318</b>	<b>235</b>
<b>Loss allowance</b>			
Loss allowance at the start of the period	1,575	1,340	1,340
+/- Change in loss allowance for the period	-197	318	235
<b>Loss allowance at the end of the period</b>	<b>1,378</b>	<b>1,659</b>	<b>1,575</b>
<b>Defaulted loans</b>			
Gross default over 90 days	7,696	8,339	8,924

### Credit quality by risk group

30 Jun 2022 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	21,150,920	26,452		21,177,371
Medium		58,500		58,500
High		151,198	12,945	164,143
Not classified	5,038			5,038
Impaired and written down			7,696	7,696
Adjustment	2,029,371			2,029,371
<b>Total</b>	<b>23,185,329</b>	<b>236,149</b>	<b>20,641</b>	<b>23,442,119</b>
Loss allowance	327	548	504	1,378
<b>Total net</b>	<b>23,185,002</b>	<b>235,602</b>	<b>20,137</b>	<b>23,440,741</b>

## Note 4 Write-downs and losses on loans (cont.)

30 Jun 2021 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	24,920,047	29,218	7,826	24,957,092
Medium	1,320	61,565		62,885
High		88,010	13,881	101,891
Not classified	1,701			1,701
Impaired and written down			8,339	8,339
Adjustment	-978,228			-978,228
<b>Total</b>	<b>23,944,840</b>	<b>178,793</b>	<b>30,047</b>	<b>24,153,680</b>
Loss allowance	463	539	656	1,659
<b>Total net</b>	<b>23,944,377</b>	<b>178,254</b>	<b>29,390</b>	<b>24,152,021</b>

31 Dec 2021 NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Loans to and claims on customers</b>				
Low	20,108,940	25,232	6,718	20,140,890
Medium		58,837		58,837
High		128,604	10,802	139,406
Not classified	1,985			1,985
Impaired and written down			8,924	8,924
Adjustment	-685,537			-685,537
<b>Total</b>	<b>19,425,388</b>	<b>212,673</b>	<b>26,444</b>	<b>19,664,505</b>
Loss allowance	347	730	498	1,575
<b>Total net</b>	<b>19,425,042</b>	<b>211,943</b>	<b>25,946</b>	<b>19,662,930</b>

### Loans to and claims on customers by past due status

NOKt	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
0-29 days	23,420,129	1,030	24,135,049	1,354	19,641,587	1,221
30-59 days	13,293	161	6,291	43	12,908	208
60-89 days	1,001	7	4,001	50	1,086	8
90+ days	7,696	180	8,339	211	8,924	138
<b>Total</b>	<b>23,442,119</b>	<b>1,378</b>	<b>24,153,680</b>	<b>1,659</b>	<b>19,664,505</b>	<b>1,575</b>

## Note 4 Write-downs and losses on loans (cont.)

The following tables reconcile the opening and closing balances for accumulated loan loss allowance on financial Instruments.

Reconciling items includes the following:

- Changes in allowance due to the origination of new financial instruments during the period.
- Changes in allowance due to the derecognition of financial instruments during the period.
- Transfers between stages due to changes in credit risk. This includes the difference in loan loss allowance balance from one period to another.
- Changes in balance with no transfer between stages are related to financial instruments that did not move between stages but had changes in balances and hence resulting in changes in loan loss allowance.

Balances shown are loan loss allowance balances as of end of period except for "financial assets that have been derecognised" which are as of the beginning of period.

### Loss allowance

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2022</b>	<b>347</b>	<b>730</b>	<b>498</b>	<b>1,575</b>
Transfer to stage 1	10	-10		
Transfer to stage 2	-191	191	-1	
Transfer to stage 3	-290	-23	313	
New Financial assets originated during the period	50	57		107
Financial assets that have been derecognised	-57	-195	-148	-399
Changes in balance with no transfer between stages	477	-203	-160	114
<b>Loss allowance as at 30 Jun 2022</b>	<b>346</b>	<b>548</b>	<b>504</b>	<b>1,397</b>

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2021</b>	<b>600</b>	<b>331</b>	<b>410</b>	<b>1,340</b>
Transfer to stage 1	6	-6		
Transfer to stage 2	-315	315		
Transfer to stage 3	-112	-92	204	
New Financial assets originated during the period	156	203	184	543
Financial assets that have been derecognised	-98	-71	-66	-236
Changes in balance with no transfer between stages	226	-140	-75	11
<b>Loss allowance as at 30 Jun 2021</b>	<b>463</b>	<b>539</b>	<b>656</b>	<b>1,659</b>

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total allowance
<b>Loss allowance as at 1 Jan 2021</b>	<b>600</b>	<b>331</b>	<b>410</b>	<b>1,340</b>
Transfer to stage 1	6	-6		
Transfer to stage 2	-397	403	-6	
Transfer to stage 3	-227	-6	233	
New Financial assets originated during the period	122	309	19	450
Financial assets that have been derecognised	-191	-78	-72	-341
Changes in balance with no transfer between stages	435	-223	-86	126
<b>Loss allowance as at 31 Dec 2021</b>	<b>347</b>	<b>730</b>	<b>498</b>	<b>1,575</b>



## Note 4 Write-downs and losses on loans (cont.)

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
Stage 1	346	463	347
Stage 2	548	539	730
Stage 3	504	656	498
<b>Total</b>	<b>1,397</b>	<b>1,659</b>	<b>1,575</b>
Stage 1	24,7%	27,9%	22,0%
Stage 2	39,2%	32,5%	46,4%
Stage 3	36,1%	39,6%	31,6%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

The following tables reconcile the opening and closing balances on gross carrying amount.

Reconciling items includes the following:

- Transfers between stages due to changes in credit risk.
- Changes due to the origination of new financial instruments during the period.
- Changes due to the derecognition of loans during the period, including down-payment of loans, write-offs and sale of assets.

Balances shown are as of end of period except for "financial assets that have been derecognised" which are as of beginning of period and "down-payments" which are computed as the difference of the beginning of period and closing period balances.

### Loans to and claims on customers

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2022</b>	<b>19,425,388</b>	<b>212,673</b>	<b>26,444</b>	<b>19,664,505</b>
Transfer to stage 1	82,660	-78,203	-4,457	
Transfer to stage 2	-121,939	126,656	-4,717	
Transfer to stage 3	-11,196	-2,268	13,464	
New financial assets originated	4,576,914	30,163		4,607,077
Financial assets that have been derecognised	-2,883,397	-50,804	-9,834	-2,944,035
Change in balances due to payments	-597,989	-2,068	-260	-600,317
Other Changes	2,714,890			2,714,890
<b>Gross carrying amount as at 30 Jun 2022</b>	<b>23,185,329</b>	<b>236,149</b>	<b>20,641</b>	<b>23,442,119</b>
Loss allowance as at 31 Mar 2022	346	548	504	1,397

## Note 4 Write-downs and losses on loans (cont.)

### Loans to and claims on customers

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2021</b>	<b>21,672,546</b>	<b>131,573</b>	<b>19,387</b>	<b>21,823,506</b>
Transfer to stage 1	52,788	-50,676	-2,112	
Transfer to stage 2	-97,130	99,791	-2,660	
Transfer to stage 3	-7,573	-4,419	11,992	
New financial assets originated	6,744,254	36,960	6,268	6,787,482
Financial assets that have been derecognised	-3,514,414	-32,634	-2,530	-3,549,578
Change in balances due to payments	-638,149	-1,802	-299	-640,251
Other Changes	-267,480			-267,480
<b>Gross carrying amount as at 30 Jun 2021</b>	<b>23,944,840</b>	<b>178,793</b>	<b>30,047</b>	<b>24,153,680</b>
Loss allowance as at 30 Mar 2021	463	539	656	1,659

NOKt	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
<b>Gross carrying amount as at 1 Jan 2021</b>	<b>21,672,546</b>	<b>131,573</b>	<b>19,387</b>	<b>21,823,506</b>
Transfer to stage 1	44,250	-42,820	-1,430	
Transfer to stage 2	-119,938	121,909	-1,971	
Transfer to stage 3	-11,525	-627	12,152	
New financial assets originated	5,353,284	55,101	1,889	5,410,274
Financial assets that have been derecognised	-6,494,948	-49,472	-3,059	-6,547,479
Change in balances due to payments	-1,043,491	-2,991	-525	-1,047,008
Other Changes	25,212			25,212
<b>Gross carrying amount as at 31 Dec 2021</b>	<b>19,425,388</b>	<b>212,673</b>	<b>26,444</b>	<b>19,664,505</b>
Loss allowance as at 31 Dec 2021	347	730	498	1,575

<sup>1</sup>Market value adjustment for fixed interest loans and overaft facilities balance with credit balance.

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
Stage 1	23,185,329	23,944,840	19,425,388
Stage 2	236,149	178,793	212,673
Stage 3	20,641	30,047	26,444
<b>Total</b>	<b>23,442,119</b>	<b>24,153,680</b>	<b>19,664,505</b>
Stage 1	98,9%	99,1%	98,8%
Stage 2	1,0%	0,7%	1,1%
Stage 3	0,1%	0,1%	0,1%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

## Note 5 Capital adequacy

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Primary capital</b>			
Share capital and share premium	1,220,020	1,220,020	1,220,020
Other equity	959,910	872,670	922,666
<b>Total equity</b>	<b>2,179,930</b>	<b>2,092,690</b>	<b>2,142,686</b>
<b>Deduction</b>			
Profit not included in the calculation of net primary capital	-37,271	-67,890	
Value adjustments due to the requirement for prudent valuation	-188	-232	-217
<b>Common equity Tier 1 capital</b>	<b>2,142,471</b>	<b>2,024,568</b>	<b>2,142,469</b>
<b>Net primary capital</b>	<b>2,142,471</b>	<b>2,024,568</b>	<b>2,142,469</b>
<b>Credit risk:</b>			
Of which:			
Central government or central banks		189	
Institutions	6,945	9,313	6,221
Mass market positions	590	948	777
Positions secured by mortgage	655,555	675,797	550,251
Overdue positions	2,694	926	784
Covered bonds	449	628	626
Other positions	101	61	
<b>Total minimum requirement credit risk</b>	<b>666,335</b>	<b>687,862</b>	<b>558,659</b>
Operational risk	22,088	21,411	22,088
CVA-risk	52	2,383	1,947
<b>Minimum requirement for net primary capital</b>	<b>688,475</b>	<b>711,656</b>	<b>582,694</b>
<b>Basis of calculation of balance sheet items not included in trading portfolio</b>	<b>8,326,783</b>	<b>8,589,762</b>	<b>6,975,068</b>
<b>Basis of calculation of off-balance sheet items not included in trading portfolio</b>	<b>2,400</b>	<b>8,511</b>	<b>8,184</b>
<b>Risk-weighted assets (calculation basis for capital adequacy ratio)</b>	<b>8,605,937</b>	<b>8,895,695</b>	<b>7,283,688</b>
<b>Buffer requirements</b>			
Systemic risk buffer	258,178	266,871	218,511
Conservation buffer	215,148	222,392	182,092
Countercyclical buffer	129,089	88,957	72,837
<b>Total buffer requirement for common equity Tier 1 capital</b>	<b>602,416</b>	<b>578,220</b>	<b>473,440</b>
<b>Pillar 2 requirement 1.7% for common equity Tier 1 capital set by the Financial Supervisory Authority of Norway</b>	<b>146,301</b>	<b>151,227</b>	<b>123,823</b>
<b>Available surplus common equity Tier 1 capital net min. requirement</b>	<b>1,006,487</b>	<b>894,815</b>	<b>1,217,440</b>
<b>Capital adequacy</b>			
Capital adequacy ratio	24.9%	22.8%	29.4 %
Tier 1 capital ratio	24.9%	22.8%	29.4 %
Common equity Tier 1 capital ratio	24.9%	22.8%	29.4 %
Leverage ratio	8.8%	8.1%	10.5 %

For credit risk the standard method is used, while basis method is used for operational risk. The Financial Supervisory Authority of Norway has set a Pillar 2 requirement on additional 1.7% of risk-weighted assets for Nordea Direct Bank Group, covered by Common equity Tier 1 capital. Total regulatory requirement for common equity Tier 1 capital was 13.2% end Q2 2022.

## Note 6 Transactions with related parties

Nordea Direct Bank ASA is a directly owned subsidiary of Nordea Bank Abp. Nordea Direct Boligkreditt AS is a wholly owned subsidiary of Nordea Direct Bank ASA. All transactions and agreements with related parties are carried out in accordance with the arm's length principle.

Nordea Direct Boligkreditt AS purchases services such as customer support and loan management, as well as day-to-day management and administrative services, from Nordea Direct Bank ASA.

Nordea Direct Boligkreditt AS has access to strong credit facilities with Nordea Direct Bank ASA. This ensure that the Company can pay interest and principal to the covered bonds owners, and finance the transferring of loans and the cover pool.

a) long-term credit facility of up to NOK 21,000.0m. Expiry date 30 November 2023

b) credit facility agreement that enables Nordea Direct Boligkreditt AS to borrow money in order to repay its outstanding bond debt. The credit facility shall be sufficient to cover the total repayment of the outstanding bonds over the next 12 months. As of 30 June 2022, the credit limit of the agreement was NOK 4,500.0m.

All transactions between the parent company Nordea Direct Bank ASA and the subsidiary Nordea Direct Boligkreditt AS have been eliminated in the consolidated financial statements

Further information about the credit agreements:

The list below shows the transactions with related parties that are recognised in the income statement

NOKt	Jan-Jun 2022		Jan-Jun 2021		Jan-Dec 2021	
	Nordea Direct Bank ASA	Nordea Bank Abp	Nordea Direct Bank ASA	Nordea Bank Abp	Nordea Direct Bank ASA	Nordea Bank Abp
Net interest income	105,581	39,272	31,472	7,245	70,467	35,291
Other operating income	530		481		961	
Other operating expenses	-5,804		-6,300	-6	-12,041	-12

The list below shows assets / liabilities with / to related parties

NOKt	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Nordea Direct Bank ASA	Nordea Bank Abp	Nordea Direct Bank ASA	Nordea Bank Abp	Nordea Direct Bank ASA	Nordea Bank Abp
Deposit	418,541	412	536,373	885	335,961	155
Loans to credit institutions	14,599,151	2,147,977	12,648,878		9,195,924	
Interest-bearing securities		21		90		104,480

## Note 7 Cover pool

NOKt	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Nominal value	Market value	Nominal value	Market value	Nominal value	Market value
<b>Assets</b>						
Loans to the public	23,442,119	23,442,119	24,153,680	24,153,680	19,664,505	19,664,505
- whereof pool of eligible loans	23,438,689	23,438,689	24,132,917	24,132,917	19,655,111	19,655,111
Supplementary assets and derivatives:	305,452	305,452	445,740	484,670	244,464	269,847
- whereof CIRS						
- whereof IRS				38,930		25,382
<b>Total cover pool</b>	<b>23,744,141</b>	<b>23,744,141</b>	<b>24,578,657</b>	<b>24,617,587</b>	<b>19,899,575</b>	<b>19,924,957</b>
Debt securities in issue (net outstanding amount)	5,100,000	5,119,638	10,100,000	10,222,345	8,799,000	8,873,907
Over-collateralization calculated on net outstanding covered bonds	365,6 %	363,8 %	143,5 %	141,0 %	126,2 %	124,5 %
Debt securities in issue (issued amount)	5,100,000	5,119,638	10,100,000	10,222,345	8,799,000	8,873,907
Over-collateralization calculated on issued covered bonds <sup>1</sup>	365,6 %	363,8 %	143,5 %	141,0 %	126,2 %	124,5 %

<sup>1</sup> without deduction for holdings of own bonds

## Note 8 Contingent liabilities and security

NOKt	30 Jun 2022	30 Jun 2021	31 Dec 2021
Unutilised credit facility	1,926,300	1,956,363	1,823,813
<b>Total contingent liabilities</b>	<b>1,926,300</b>	<b>1,956,363</b>	<b>1,823,813</b>

## Note 9 Fair value of financial instruments

### **Fair value**

Financial assets and liabilities measured at fair value are carried at the amount each asset/liability can be settled for in an orderly transaction between market participants on the measurement date. Different valuation techniques and methods are used to estimate fair value, depending on the type of financial instruments and the extent to which they are traded in active markets. Instruments are classified in their entirety in one of three valuation levels in a hierarchy on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Prices quoted in active markets are considered to be the best estimate of an asset/liability's fair value. When quoted prices in active markets are not available, the fair value of financial assets/ liabilities will preferably be estimated on the basis of valuation techniques based on observable market data. When neither quoted prices in active markets nor observable market data are available, the fair value of financial assets/liabilities is estimated based on valuation techniques that are based on non-observable market data.

### **Quoted prices in active markets**

Quoted prices in active markets are considered the best estimate of an asset/liability's fair value. A financial asset/liability is considered valued based on quoted prices in active markets if fair value is estimated based on easily and regularly available prices and these prices represent actual and regularly occurring transactions at arm's length principle. Financial assets/liabilities valued based on quoted prices in active markets are classified as level one in the valuation hierarchy.

### **Valuation based on observable market data**

When quoted prices in active markets are not available, the fair value of financial assets/ liabilities is preferably estimated on the basis of valuation techniques based on observable market data. A financial asset/liability is considered valued based on observable market data if fair value is estimated with reference to prices that are not quoted, but are observable either directly (as prices) or indirectly (derived from prices).

### **Valuation based on non-observable market data**

When neither quoted prices in active markets nor observable market data is available, the fair value of financial assets/liabilities is estimated based on valuation techniques which are based on non-observable market data. A financial asset/liability is considered valued based on non-observable market data if fair value is estimated without being based on quoted prices in active markets or observable market data. Financial assets/liabilities valued based on non-observable market data are classified as level three in the valuation hierarchy.

### **Sensitivity financial assets level three**

The sensitivity analysis for financial assets that are valued on the basis of non-observable market data shows the effect on profits of realistic and plausible market outcomes. General market downturns or a worsening of the outlook can affect expectations of future cash flows or the applied multiples, which in turn will lead to a reduction in value. A fall in value of ten per cent is deemed to be a realistic and plausible market outcome for shares and similar interests, as well as bonds and other securities with a fixed return that are included in level three of the valuation hierarchy.

## Note 9 Fair value of financial instruments (cont.)

NOKt	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>						
Loans to and receivables from credit institutions, amortised cost	418,952	418,952	537,259	537,259	336,114	336,114
<b>Loans to and receivables from credit institutions</b>	<b>418,952</b>	<b>418,952</b>	<b>537,259</b>	<b>537,259</b>	<b>336,114</b>	<b>336,114</b>
Loans to and receivables from customers, amortised cost	23,442,119	23,442,119	24,153,680	24,153,680	19,664,505	19,664,505
<b>Total loans before individual and group write-downs</b>	<b>23,442,119</b>	<b>23,442,119</b>	<b>24,153,680</b>	<b>24,153,680</b>	<b>19,664,505</b>	<b>19,664,505</b>
- Group write-downs	1,378	1,378	1,659	1,659	1,575	1,575
<b>Total net loans to customers</b>	<b>23,440,741</b>	<b>23,440,741</b>	<b>24,152,021</b>	<b>24,152,021</b>	<b>19,662,930</b>	<b>19,662,930</b>
Certificates and bonds, fair value	184,967	184,967	190,295	190,295	189,367	189,367
<b>Total bonds and other fixed-income securities</b>	<b>184,967</b>	<b>184,967</b>	<b>190,295</b>	<b>190,295</b>	<b>189,367</b>	<b>189,367</b>
Derivatives, fair value			38,930	38,930	25,382	25,382
<b>Derivatives</b>			<b>38,930</b>	<b>38,930</b>	<b>25,382</b>	<b>25,382</b>
Other financial assets, amortised cost	18,673	18,673	13,594	13,594	24,413	24,413
<b>Total other financial assets</b>	<b>18,673</b>	<b>18,673</b>	<b>13,594</b>	<b>13,594</b>	<b>24,413</b>	<b>24,413</b>
<b>Total financial assets</b>	<b>24,063,333</b>	<b>24,063,333</b>	<b>24,932,099</b>	<b>24,932,099</b>	<b>20,238,206</b>	<b>20,238,206</b>
<b>Liabilities</b>						
Loans and deposits from credit institutions, amortised cost	16,722,248	16,722,248	12,641,778	12,641,778	9,187,671	9,187,671
<b>Total liabilities to credit institutions</b>	<b>16,722,248</b>	<b>16,722,248</b>	<b>12,641,778</b>	<b>12,641,778</b>	<b>9,187,671</b>	<b>9,187,671</b>
Commercial paper and bonds, amortised cost	4,504,384	4,518,450	9,515,857	9,574,873	8,234,050	8,241,352
Liability incurred through the issue of securities, fair value hedge	596,263	601,188	636,189	647,473	622,839	632,554
<b>Total debt securities</b>	<b>5,100,647</b>	<b>5,119,638</b>	<b>10,152,046</b>	<b>10,222,345</b>	<b>8,856,890</b>	<b>8,873,907</b>
Derivatives, fair value	3,485	3,485	2,788	2,788	2,448	2,448
<b>Derivatives</b>	<b>3,485</b>	<b>3,485</b>	<b>2,788</b>	<b>2,788</b>	<b>2,448</b>	<b>2,448</b>
Other financial liabilities, amortised cost	13,592	13,592	12,682	12,682	27,640	27,640
<b>Total other financial liabilities</b>	<b>13,592</b>	<b>13,592</b>	<b>12,682</b>	<b>12,682</b>	<b>27,640</b>	<b>27,640</b>
<b>Total financial liabilities</b>	<b>21,839,972</b>	<b>21,858,963</b>	<b>22,809,294</b>	<b>22,879,593</b>	<b>18,074,649</b>	<b>18,091,666</b>

## Note 9 Fair value of financial instruments (cont.)

NOKt	30 Jun 2022			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, designated at fair value	128,929	56,038		184,967
Derivatives, fair value				
<b>Total financial assets measured at fair value</b>	<b>128,929</b>	<b>56,038</b>		<b>184,967</b>
Liabilities opened for the issue of securities, measured at fair value				
Derivatives, fair value		3,485		3,485
<b>Total financial liabilities measured at fair value</b>		<b>3,485</b>		<b>3,485</b>
Liability incurred through the issue of securities, amortised cost		4,518,450		4,518,450
<b>Total financial liabilities measured at amortised cost</b>		<b>4,518,450</b>		<b>4,518,450</b>
Liability incurred through the issue of securities, fair value hedge		601,188		601,188
<b>Total financial liabilities included in fair value hedge</b>		<b>601,188</b>		<b>601,188</b>

There were no major moves between levels 1 and 2 in 2022.

NOKt	30 Jun 2021			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, designated at fair value	111,844	78,451		190,295
Derivatives, fair value		38,930		38,930
<b>Total financial assets measured at fair value</b>	<b>111,844</b>	<b>117,381</b>		<b>229,225</b>
Liabilities opened for the issue of securities, measured at fair value				
Derivatives, fair value		2,788		2,788
<b>Total financial liabilities measured at fair value</b>		<b>2,788</b>		<b>2,788</b>
Liability incurred through the issue of securities, amortised cost		9,574,873		9,574,873
<b>Total financial liabilities measured at amortised cost</b>		<b>9,574,873</b>		<b>9,574,873</b>
Liability incurred through the issue of securities, fair value hedge		647,473		647,473
<b>Total financial liabilities included in fair value hedge</b>		<b>647,473</b>		<b>647,473</b>

NOKt	31 Dec 2021			
	Level 1	Level 2	Level 3	Total
Interest-bearing securities, designated at fair value	111,186	78,181		189,367
Derivatives, fair value		25,382		25,382
<b>Total financial assets measured at fair value</b>	<b>111,186</b>	<b>103,563</b>		<b>214,749</b>
Liabilities opened for the issue of securities, measured at fair value				
Derivatives, fair value		2,448		2,448
<b>Total financial liabilities measured at fair value</b>		<b>2,448</b>		<b>2,448</b>
Liability incurred through the issue of securities, amortised cost		8,241,352		8,241,352
<b>Total financial liabilities measured at amortised cost</b>		<b>8,241,352</b>		<b>8,241,352</b>
Liability incurred through the issue of securities, fair value hedge		632,554		632,554
<b>Total financial liabilities included in fair value hedge</b>		<b>632,554</b>		<b>632,554</b>

There were no major moves between levels 1 and 2 in 2021.



# Declaration

## Declaration from the Board and CEO


The Board and the CEO have today discussed and approved the interim report and financial statements for Nordea Direct Boligkreditt AS for the period 1 January to 30 June 2022.

We declare that, to the best of our knowledge, the interim financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IFRS as adopted by the EU, and in accordance with additional requirements set out in the

Accounting Act, and taking into account the limitations of accounting regulations for banks. The accounting data provide a true and fair picture of the company's assets, liabilities, financial position and results as a whole, and the report gives a true picture of important events in the accounting period and their impact on the financial statements, related material transactions and the most important risks and uncertainties faced by the bank in the next accounting period.

### Nordea Direct Boligkreditt AS

Oslo, 21 July 2022

  
Børre Sten Gundersen  
Chairman

  
Morten Keil  
Board member

  
Elen Margrethe Stiksrud  
Board member

  
Cathrine K. Conradi  
Board member

  
Jan Kåre Raae  
Chief Executive Officer

## Quarterly earnings performance

NOKt	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Interest income etc, amortised cost	117,082	103,637	81,064	83,449	95,892	95,343	83,792	73,719
Interest income etc, fair value	762	353	194	110	-1,782	149	251	583
Interest costs etc.	87,355	73,589	49,573	37,918	40,908	47,685	39,050	32,896
<b>Net interest income</b>	<b>30,489</b>	<b>30,401</b>	<b>31,685</b>	<b>45,641</b>	<b>53,201</b>	<b>47,806</b>	<b>44,994</b>	<b>41,406</b>
Fee and commission income	498	497	488	512	536	548	540	533
Net gains on financial instruments at fair value	-128	-2,540	-4,453	237	-179	-1	-149	-916
Other operating income	265	265	240	240	240	240	240	240
<b>Total income</b>	<b>31,124</b>	<b>28,622</b>	<b>27,961</b>	<b>46,629</b>	<b>53,798</b>	<b>48,593</b>	<b>45,625</b>	<b>41,263</b>
Staff costs	687	659	418	525	502	584	554	561
Other operating costs	2,530	6,373	3,349	3,720	3,406	7,061	3,424	3,162
<b>Total operating expenses</b>	<b>3,217</b>	<b>7,032</b>	<b>3,767</b>	<b>4,244</b>	<b>3,908</b>	<b>7,645</b>	<b>3,978</b>	<b>3,723</b>
<b>Profit / (loss) before loan losses</b>	<b>27,907</b>	<b>21,590</b>	<b>24,193</b>	<b>42,385</b>	<b>49,890</b>	<b>40,948</b>	<b>41,646</b>	<b>37,540</b>
Loan losses	-194	-3	175	-259	-408	726	-183	-927
<b>Operating profit</b>	<b>28,101</b>	<b>21,593</b>	<b>24,018</b>	<b>42,643</b>	<b>50,298</b>	<b>40,222</b>	<b>41,830</b>	<b>38,468</b>

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