



*bustadkreditt
sogn og fjordane*



Interim report

Q3 2024 (unaudited)

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Front cover photo: Lene Neverdal

GRAPHIC DESIGN: Sparebanken Sogn og Fjordane E. Natvik Prenteverk AS

ENGLISH TRANSLATION: Språkverkstaden AS

Key figures

FIGURES IN 000S OF NOK

INCOME STATEMENT

	30 Sept. 2024/ Q1-Q3 2024	30 Sept. 2023/ Q1-Q3 2023	31 Dec.2023/ Full-year 2023
Profit/loss after taxation	159 794	102 406	143 385
Net interest margin	1,02 %	0,76 %	0,76 %
Profit/loss after tax as a % of average total assets	0,80 %	0,49 %	0,52 %

KEY BALANCE SHEET FIGURES

Gross loans to customers	25 504 600	25 268 324	25 127 741
Loss allowance	28 815	34 485	36 588
Equity	2 322 623	2 264 850	2 305 829
Total assets	26 491 935	26 176 631	25 807 397
Average total assets	26 558 992	27 964 425	27 512 185

OTHER KEY FIGURES

Cost-to-income ratio	5,19 %	7,31 %	6,83 %
Impairment loss as a % of gross loans	- 0,03 %	0,05 %	0,06 %
Loss allowance as a % of gross loans	0,11 %	0,14 %	0,15 %
Return on equity after tax *)	9,36 %	6,21 %	6,55 %
Capital adequacy ratio	22,0 %	22,13 %	22,22 %
Liquidity Coverage Ratio (LCR)	824 %	918 %	705 %
Net Stable Funding Ratio (NSFR)	117 %	107 %	103 %

YEAR-ON-YEAR BALANCE SHEET GROWTH

Growth in total assets	1,20 %	- 4,79 %	- 8,90 %
Growth in customer lending	0,94 %	- 2,84 %	- 10,06 %

INFORMATION ABOUT THE LOAN PORTFOLIO

Surplus value of cover pool (NOK millions)	3 416	3 715	3 778
Surplus value of cover pool (%)	15,6 %	17,8 %	18,2 %
Loan-to-value ratio, indexed	52,2 %	55,1 %	56,7 %
Loan-to-value ratio, not indexed	58,3 %	59,2 %	59,1 %
Face value of converted bonds issued (NOK millions)	21 925	20 942	20 942
Substitute assets other than loans (NOK millions)	404,1	244,0	228,8
Weighted average time since issued of loans (years)	3,9	3,8	3,8
Weighted average remaining term of loans (years)	19,1	19,3	19,3
Proportion of variable-rate loans	100,0 %	99,8 %	100,0 %
Proportion of fixed-rate loans	0,0 %	0,2 %	0,0 %
Proportion of flexible mortgages	14,8 %	14,2 %	14,3 %
Average loan value (NOK millions)	1,67	1,57	1,59
Number of loans	15 212	16 016	15 787
Proportion of loans secured by an overseas property	0 %	0 %	0 %

*) Calculation of profit after tax, divided by the average of incoming and outgoing equity from 31.03.24. In previous periods, return on equity has been calculated from the opening equity balance adjusted for dividend payments.

Interim report 30 September 2024

Highlights

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of Sparebanken Sogn og Fjordane, with its head office in Førde.

Bustadkreditt Sogn og Fjordane AS has given the Sparebanken Sogn og Fjordane group access to long-term funding on competitive terms. It finances itself by issuing covered bonds. Services such as customer care, loan servicing, management and administrative services are supplied by Sparebanken Sogn og Fjordane.

In November, Sparebanken Sogn og Fjordane will become part of the SpareBank 1 alliance. In the future, the parent company will transfer loans to the jointly owned company SpareBank 1 Boligkreditt, and consequently gradually reduce its use of Bustadkreditt Sogn og Fjordane. The Company will continue to fulfil all of its ongoing obligations.

At the end of September 2024, the Company had 15,212 mortgages with a total face value of NOK 25.5 billion. The loans in the cover pool were issued by Sparebanken Sogn og Fjordane and subsequently bought by Bustadkreditt Sogn og Fjordane AS. At the end of September, all of the loans were variable rate loans. 14.8% of the loan book was made up of flexible mortgages.

The weighted average loan-to-value ratio was 52.2%, the weighted average loan term was 19.1 years and the weighted average time since the loans were granted was 3.9 years. The average loan per customer was NOK 1.67 million. The Company's total loan portfolio grew by NOK 0.2 billion over the past year.

The volume of covered bonds issued by the Company was NOK 21.9 billion.

Rating of Covered Bonds

In 2011, Bustadkreditt Sogn og Fjordane AS's covered bond programme was given a long-term rating of Aaa by the ratings agency Moody's, and the TPI Leeway was set at 2. At the end of the third quarter of 2024, the long-term rating was still Aaa, while the TPI Leeway was 4. In June 2023, BSF was assigned an A1 issuer rating by Moody's.

Calculation of loan-to-value ratio

The loan-to-value ratio is calculated as the loan amount divided by the value of the collateral. The value of the collateral is based on Eiendomsverdi AS's estimation model. This model is used by all Norwegian credit institutions.

Key figures

(Figures in brackets are for the year-earlier period)

- Profit after tax of NOK 159.8 million (102.4 million)
- Net interest income of NOK 203.8 million (158.4 million)
- Operating expenses of NOK 10.8 million (11.4 million)
- Net change in the value of financial instruments of NOK 2.4 million (-4.3 million)
- Impairment gain of NOK 7.8 million (against loss of NOK 13.0 million)
- Annualised return on equity of 9.36% (6.21%) after tax
- Core Tier 1 capital adequacy ratio of 22,01% (22.13%)

Profit

In the first nine months of 2024, the Company made a pre-tax profit of NOK 204.9 million. Profit after tax was NOK 159.8 million, giving an annualised return on equity of 9.36%. The equivalent figures for the first nine months of 2023 were NOK 131.3 million in pre-tax profit, NOK 102.4 million in profit after tax and return on equity of 6.21%. Profit after tax was equivalent to 0.80% of average total assets, compared with 0.49% in the year-earlier period.

Net interest income

Net interest income totalled NOK 203.8 million. The net interest margin for the first nine months of the year was 1.02%. The equivalent figures for the year-earlier period were NOK 158.4 million and 0.76%.

Operating expenses

Operating expenses were NOK 10.8 million, compared with NOK 11.4 million for the same period of 2023. The Company's biggest expense was the purchase of services from Sparebanken Sogn og Fjordane, followed by the purchase of services from Eiendomsverdi, credit rating agency fees and the cost of issuing bonds.

The cost-to-income ratio was 5.19%, down from 7.31% last year.

Expected credit losses on loans, etc.

The Company follows Sparebanken Sogn og Fjordane's guidelines for assessing expected credit losses on loans, guarantees and undrawn credit facilities. At 30 September 2024, the Company had 28 loans with a combined value of NOK 49.3 million that were more than 90 days past due. The Company has not realised any losses.

For the first nine months of 2024, a NOK 7.8 million impairment gain was recognised for changes in expected credit losses (ECLs). The total balance sheet allowance for ECLs was NOK 28.8 million at the end of the quarter.

For a more detailed explanation see Notes 3 and 4, which include a sensitivity analysis of how expected losses may be affected by various scenarios for macroeconomic parameters.

Balance sheet

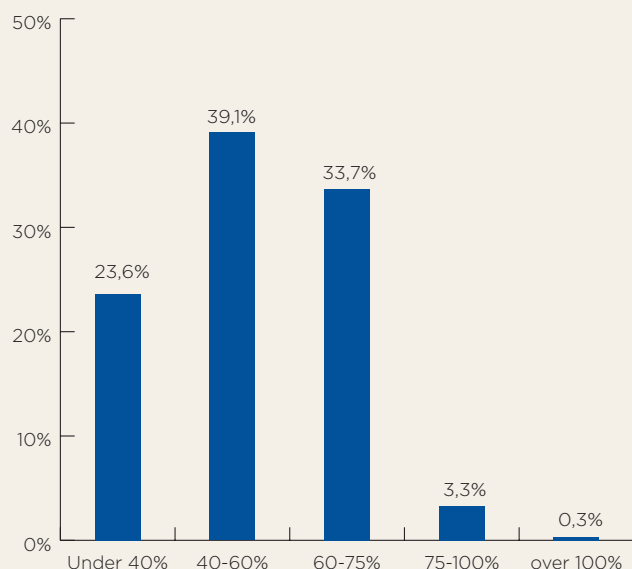
The Company had total assets of NOK 26.5 billion at 30 September 2024. This represented an increase of NOK 0.3 billion (1.2%) over the past 12 months.

Customer loans and other substitute assets

The total value of the cover pool is NOK 25.3 billion, which is 15.6% higher than the volume of covered bonds issued. NOK 404.1 million of that constitutes substitute assets which have been established.

62.7% of Bustadkreditt Sogn og Fjordane's loan portfolio has a loan-to-value ratio of less than 60%. The Company considers its loan portfolio to be low-risk. The figure below shows the weighted loan-to-value ratio for the loans held by the Company.

Loan-to-value ratio



The geographic distribution of the residential mortgage portfolio was as follows:

5 BIGGEST COUNTIES MEASURED BY LOAN VOLUME

County	Percentage
Vestland	73.7%
Oslo	10.7%
Akershus	6.8%
Møre og Romsdal	1.6%
Rogaland	1.4%
Rest of Norway	5.8%
Total	100%

5 BIGGEST MUNICIPALITIES MEASURED BY LOAN VOLUME

Municipality	Percentage
Bergen	17.0%
Sunnfjord	16.4%
Kinn	11.2%
Oslo	10.7%
Sogndal	6.5%
Rest of Norway	38.2%
Total	100%

DISTRIBUTION BY LOAN VALUE

Loan value	Volume (NOK millions)
NOK 0-1 million	2,521
NOK 1-2 million	6,456
NOK 2-3 million	6,829
NOK 3-4 million	4,393
Over NOK 4 million	5,307
Total	25,505

Shareholders' equity and capital adequacy

At 30 September 2024, Bustadkreditt Sogn og Fjordane AS had NOK 2,323 million of equity. Its capital adequacy ratio was 22.01%. The equivalent figures for the previous year were NOK 2,265 million of equity and a capital adequacy ratio of 22.13%.

In the first quarter of 2024, the Company paid NOK 143.0 million in dividends to the parent company.

Liquidity

At the close of the third quarter, Bustadkreditt Sogn og Fjordane had NOK 404.1 million of substitute assets consisting of deposits held at Sparebanken Sogn og Fjordane. The Company also had bonds with a carrying amount of NOK 574 million. These bonds are not included as substitute assets.

Bustadkreditt Sogn og Fjordane AS has excellent credit facilities with Sparebanken Sogn og Fjordane. These are designed to ensure that the Company can make advances to customers with flexible mortgages, provide bridge financing when loans are being transferred to it from the parent bank, and fund the necessary surplus in the cover pool.

Risk

Under its licence as a credit provider, Bustadkreditt Sogn og Fjordane is subject to laws, regulations and rules that limit the level of risk to which it can be exposed. The Board of Directors and CEO are responsible for establishing risk management procedures, and for ensuring that they are adequate and in compliance with laws and regulations.

Bustadkreditt Sogn og Fjordane is exposed to credit risk, operational risk, liquidity risk and interest rate risk. The Board considers it a priority for the Company to maintain a low risk exposure. Limits have been set on exposure to the various classes of risk, and a system has been established for measuring, managing and monitoring each of them.

Credit risk

Credit risk is the danger of losing money as a result of customers or counterparties being unable or unwilling to meet their obligations to Bustadkreditt Sogn og Fjordane.

The Company has its own rules on which loans it can buy from its parent company. The rules are strict, which means that in principle the credit risk is low. The rules specify requirements relating to the type of loan, loan-to-value ratio, risk class and type of collateral. At the end of the third quarter of 2024, the Company's weighted loan-to-value ratio was 52.2%, measured using the approved valuation of the collateral by Eiendomsverdi AS. The Board of Directors considers the loan portfolio to be of high quality, and to be associated with a low credit risk.

Market risk

Market risk is the risk arising from the Company's open positions relating to loans and financial instruments whose values fluctuate over time in response to changes in market prices. Bustadkreditt Sogn og Fjordane AS has not invested in shares or in foreign currencies, so all of its market risk consists of interest rate risk. The Company's risk management framework sets limits on the Company's exposure to market risk. The Board of Directors considers it

important for Bustadkreditt Sogn og Fjordane AS to maintain a low exposure to market risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfil its obligations and/or finance an increase in assets without significant additional cost, either because it has to realise losses on the sale of assets or because it has to make use of unusually expensive financing.

The Board has decided that the Company should maintain a low exposure to liquidity risk. This is, amongst other things, reflected in the size of the required liquidity buffer. The Company's credit agreements with its parent also play an important role in reducing its liquidity risk.

Operational risk

Operational risk is defined as the risk of losses due to human error, external actions or failures and defects in the Company's systems, procedures and processes. Bustadkreditt Sogn og Fjordane AS has signed an agreement with Sparebanken Sogn og Fjordane on the provision of services in areas such as customer service, anti-corruption, administration, IT, finance and risk management. In these areas, the parent company is responsible for resolving any mistakes and for handling the operational risk. The Board believes that it handles this well.

Summary

The Company produced strong results and its operations were stable in the third quarter of 2024. The Company generated NOK 203.8 million of net interest income, which was 28.7% more than in the first nine months of last year. Its return on equity was 9.36%. Loan growth is continuously adjusted in view of the cover pool needed as we approach the transition to using the jointly owned company Sparebank 1 Boligkreditt. The Company, which has a strong capital position, its costs firmly under control and no realised losses, will continue to meet all of its obligations in the future.

Førde, 28 October 2024

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth
Chair

Ole Aukland

Andrea Kvamsdal

Peter Midthun

Linda Vøllestad Westbye

Irene Flølo
CEO

Income statement

	Note	Q3 2024	Q3 2023	01.01.-30.09. 2024	01.01.-30.09. 2023	År 2023
Interest income		387 860	337 900	1 148 760	963 274	1 326 221
Interest expenses		319 870	289 598	944 975	804 917	1 117 738
Net interest income		67 990	48 301	203 785	158 357	208 483
Commission income		553	555	1 663	1 677	2 231
Net commission income		553	555	1 663	1 677	2 231
Net gains/losses on financial instruments		2 188	- 3 879	2 394	- 4 315	2 860
Total other operating income		2 188	- 3 879	2 394	- 4 315	2 860
Net other operating income		2 741	- 3 323	4 058	- 2 638	5 091
Total operating income		70 730	44 978	207 843	155 719	213 574
Wages, salaries, etc.		0	0	0	0	46
Other operating expenses		3 231	3 911	10 790	11 388	14 550
Total operating expenses		3 231	3 911	10 790	11 388	14 596
Operating profit/loss before impairment loss		67 499	41 067	197 053	144 331	198 978
Impairment loss(+)/gain (-)	3, 4, 5	- 4 141	1 486	- 7 810	13 041	15 151
Operating profit/loss		71 640	39 581	204 863	131 290	183 827
Tax expense		15 760	8 709	45 069	28 884	40 442
Profit/loss for the reporting period		55 880	30 872	159 794	102 406	143 385
COMPREHENSIVE INCOME						
Profit/loss for the reporting period		55 880	30 872	159 794	102 406	143 385
Other comprehensive income		0	0	0	0	0
Comprehensive income		55 880	30 872	159 794	102 406	143 385

Balance sheet

ASSETS	Note	30.09.24	30.09.23	31.12.23
Loans and advances to credit institutions		404 076	244 367	228 804
Loans to customers	3,4,5	25 475 785	25 233 838	25 091 153
Commercial paper and bonds		574 004	663 435	433 079
Financial assets		36 641	33 582	54 361
Other assets		1 428	1 408	0
Total assets		26 491 935	26 176 631	25 807 397
DEBT AND EQUITY				
Liabilities				
Debt to credit institutions		2 534 696	2 940 774	2 606 451
Debt securities in issue	6	21 232 090	20 344 143	20 521 113
Financial derivatives		347 530	589 616	327 609
Tax payable		45 069	32 814	38 420
Defferd tax		5 953	0	5 953
Other liabilities and provisions		3 974	4 433	2 022
Total liabilities		24 169 312	23 911 781	23 501 568
Paid-up equity				
Share capital		2 150 000	2 150 000	2 150 000
Total paid-up equity		2 150 000	2 150 000	2 150 000
Retained earnings				
Other equity	7	172 623	114 850	12 829
Allocated for dividends		0	0	143 000
Total paid-up equity		172 623	114 850	155 829
Total equity		2 322 623	2 264 850	2 305 829
Total liabilities and equity		26 491 935	26 176 631	25 807 397

Førde, 28 October 2024

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth
Chair

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Irene Flølo
CEO

Cash flow statement

	30.09.2024	30.09.2023	31.12.2023
Profit/loss before taxation	204 863	131 290	183 827
Impairment loss	- 7 810	13 041	15 151
Tax paid	- 38 420	- 31 436	- 31 436
Reduction/increase (-) in loans and advances to customers	- 376 859	2 669 779	2 810 362
Other non-cash transactions	560	1 781	771
A) Net cash flow from operating activities	- 217 666	2 784 455	2 978 675
Reduction/increas (-) in investments in commercial paper/bonds/derivatives	- 123 205	- 421 005	- 211 428
B) Net cash flow from investment activities	- 123 205	- 421 005	- 211 428
Increase/reduction(-) in loans from credit institutions	- 71 754	- 1 377 745	- 1 712 069
Increase/reduction (-) in debt securities/derivatives	730 898	- 759 443	- 844 480
Increase/reduction in paid-up share capital	0	0	0
Dividends	- 143 000	- 118 000	- 118 000
C) Net cash flow from financing activities	516 144	- 2 255 188	- 2 674 549
D) Net cash flow during the year (A + B + C)	175 272	108 262	92 699
Opening balance of cash and cash equivalents	228 804	136 106	136 106
Closing balance of cash and cash equivalents	404 076	244 367	228 804
Breakdown of cash and cash equivalents			
Deposits at ofther financial institutions	404 076	244 367	228 804
Total	404 076	244 367	228 804

Equity statement

	PAID-UP EQUITY Share capital	RETAINED EARNINGS Other equity	TOTAL EQUITY
Opening balance 01.01.23	2 150 000	130 444	2 280 444
Dividends paid	0	- 118 000	- 118 000
Profit/loss for the reporting period	0	143 385	143 385
Closing balance 31.12.23	2 150 000	155 829	2 305 829
Opening balance 01.01.24	2 150 000	155 829	2 305 829
Dividends paid	0	- 143 000	- 143 000
Profit/loss for the reporting period	0	159 794	159 794
Closing balance 30.09.24	2 150 000	172 623	2 322 623

Notes to the financial statements

Note 1 Accounting principles and critical accounting estimates

BASIS OF PRESENTATION

Bustadkreditt Sogn og Fjordane AS's financial statements are prepared using International Financial Reporting Standards (IFRS). These interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting". All figures are stated in thousands of NOK, unless otherwise specified.

GENERAL

For more detailed information about accounting policies and for information about critical accounting estimates, please see Bustadkreditt Sogn og Fjordane AS's 2023 annual report. See: www.ssf.no.

CHANGES TO ACCOUNTING STANDARDS

There were no changes to accounting standards or interpretations that were implemented by the Company in the third quarter of 2024.

Note 2 Segments

The Company has one segment. This segment consists of loans to retail customers and a small volume of loans to private businesses. All of the loans have been bought from Sparebanken Sogn og Fjordane. The Company does not have any operations outside Norway. Customers with overseas addresses are classified as part of the Norwegian operations.

Note 3 Impairment loss on loans and undrawn credit facilities

	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full-year 2023
Increase/reduction in individually assessed allowances	0	0	0	0	0
Increase/reduction in expected credit losses (model-based)	- 4 141	1 486	- 7 810	13 041	15 151
Losses realised during period for which a loss allowance had previously been made	0	0	0	0	0
Losses realised during the period for which a loss allowance had not previously been made	0	0	0	0	0
Recoveries against previous years' realised losses	0	0	0	0	0
Impairment loss for the period	- 4 141	1 486	- 7 810	13 041	15 151

Note 4 Loss allowances classified by IFRS 9 stage

Upon initial recognition, a loan is generally allocated to Stage 1. If its credit risk has increased significantly since initial recognition, it is transferred to Stage 2. Assets in default are allocated to Stage 3. Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. In the table below, individually assessed allowances are included under Stage 3.

2024	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.2024	6 948	16 904	12 735	36 588
Transferred to Stage 1	397	- 2 954	- 737	- 3 294
Transferred to Stage 2	- 435	2 769	- 891	1 442
Transferred to Stage 3	- 13	- 654	2 389	1 722
New financial assets issued or acquired	1 729	2 179	0	3 908
Derecognised financial assets	- 1 861	- 5 123	- 3 848	- 10 832
Changes to model/macroeconomic parameters	- 668	- 1 027	- 282	- 1 977
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 290	- 513	2 061	1 258
Loss allowance for loans at amortised cost at 30.09.2024	5 807	11 581	11 427	28 815
Loss allowance for loans at fair value at 30.09.2024	0	0	0	0
Total loss allowance for loans at 30.09.2024	5 807	11 581	11 427	28 815
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2024	198	94	0	292
Transferred to Stage 1	3	- 17	0	- 14
Transferred to Stage 2	- 5	26	0	21
Transferred to Stage 3	0	0	0	0
New financial assets issued or acquired	17	8	0	25
Derecognised financial assets	- 8	- 14	0	- 23
Changes to model/macroeconomic parameters	- 21	- 6	0	- 27
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 1	- 17	0	- 18
Loss allowance for undrawn credit facilities and guarantees at 30.09.2024	182	73	0	255

Note 4 Loss allowances classified by IFRS 9 stage (cont.)

2023	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.2023	5 479	11 381	4 726	21 587
Transferred to Stage 1	203	- 1 980	- 144	- 1 920
Transferred to Stage 2	- 633	4 260	- 579	3 049
Transferred to Stage 3	- 8	- 1 268	2 694	1 418
New financial assets issued or acquired	1 042	2 171	660	3 873
Derecognised financial assets	- 1 442	- 2 331	- 1 429	- 5 203
Changes to model/macroeconomic parameters	2 490	5 913	5 353	13 756
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 763	- 1 195	- 160	- 2 118
Loss allowance for loans at amortised cost at 30.09.2023	6 369	16 951	11 122	34 442
Loss allowance for loans at fair value at 30.09.2023	13	31	0	43
Total loss allowance for loans at 30.09.2023	6 381	16 982	11 122	34 485
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2023	105	36	2	142
Transferred to Stage 1	0	- 4	0	- 4
Transferred to Stage 2	- 9	25	- 2	14
Transferred to Stage 3	0	0	0	0
New financial assets issued or acquired	13	10	0	23
Derecognised financial assets	- 1	0	0	- 1
Changes to model/macroeconomic parameters	85	59	0	144
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 12	- 22	0	- 34
Loss allowance for undrawn credit facilities and guarantees at 30.09.2023	181	104	0	285

Future Scenario in model for write-downs according to IFRS 9

Under IFRS 9, impairment allowances shall take into account expectations for future defaults and impairment losses. In 2018 and 2019, the bank used a statistical model to estimate how expected changes in macroeconomic parameters will affect the future probability of default amongst the bank's customers. During the Covid-19 pandemic and subsequently, there have been such great fluctuations in the macroeconomic variables used as independent variables in the model that the model is no longer suitable for predicting future defaults. We have therefore performed a qualitative assessment of what is likely to happen to the probability of default and house prices over the coming five years, based on the impacts of past crises, long-term expectations prior to the Covid crisis and the outlook in Norges Bank's monetary policy report. Expected credit losses are calculated using a weighted average of the losses under the 3 different scenarios; see below.

Future scenarios used to measure estimated expected credit losses at 30.09.2024	Probability of default starting from 30.09.2024					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Optimistic scenario for retail market	1,50	1,50	1,35	1,20	1,00	6,2 %	25 %
Scenario 2: Base scenario for retail market	2,00	2,00	1,80	1,60	1,40	5,2 %	50 %
Scenario 3: Pessimistic scenario for retail market	2,70	2,70	2,43	2,16	1,89	2,4 %	25 %

Note 5 Assets classified by IFRS 9 stage

2024	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.2024	21 833 253	3 056 419	238 068	25 127 741
Transferred to Stage 1	712 527	- 699 946	- 12 581	0
Transferred to Stage 2	- 648 710	672 373	- 23 662	0
Transferred to Stage 3	- 14 214	- 60 139	74 354	0
New financial assets issued or acquired	6 050 303	524 796	0	6 575 099
Derecognised financial assets	- 4 708 869	- 798 539	- 95 806	- 5 603 214
Other changes	- 553 344	- 39 441	- 2 241	- 595 027
Gross loans at amortised cost at 30.09.2024	22 670 945	2 655 522	178 132	25 504 600
Loss allowance for loans at amortised cost at 30.09.2024	5 807	11 581	11 427	28 815
Net loans at amortised cost at 30.09.2024	22 665 138	2 643 942	166 705	25 475 785
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.09.2024	0	0	0	0
Loss allowance for loans at fair value at 30.09.2024	0	0	0	0
Net loans at fair value at 30.09.2024	0	0	0	0
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.09.2024	22 670 945	2 655 522	178 132	25 504 600
Total loss allowance for loans at 30.09.2024	5 807	11 581	11 427	28 815
Total net loans at 30.09.2024	22 665 138	2 643 942	166 705	25 475 785
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 30.09.2024	2 234 342	55 446	0	2 289 788
Loss allowance for guarantees and undrawn credit facilities at 30.09.2024	182	73	0	255
Net exposure to guarantees and undrawn credit facilities at 30.09.2024	2 234 159	55 374	0	2 289 533

Note 5 Assets classified by IFRS 9 stage (cont.)

2023	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.2023	25 544 763	2 263 849	129 491	27 938 103
Transferred to Stage 1	511 555	- 502 824	- 8 731	0
Transferred to Stage 2	- 1 497 423	1 527 387	- 29 964	0
Transferred to Stage 3	- 19 194	- 85 354	104 548	0
New financial assets issued or acquired	3 352 650	423 132	17 385	3 793 167
Derecognised financial assets	- 5 089 319	- 485 906	- 25 316	- 5 600 542
Other changes	- 811 181	- 89 016	- 5 301	- 905 498
Gross loans at amortised cost at 30.09.2023	21 991 851	3 051 268	182 111	25 225 230
Loss allowance for loans at amortised cost at 30.09.2023	6 369	16 951	11 122	34 442
Net loans at amortised cost at 30.09.2023	21 985 482	3 034 317	170 989	25 190 788
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.09.2023	34 542	8 551	0	43 094
Loss allowance for loans at fair value at 30.09.2023	13	31	0	43
Net loans at fair value at 30.09.2023	34 530	8 521	0	43 050
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.09.2023	22 026 393	3 059 819	182 111	25 268 324
Total loss allowance for loans at 30.09.2023	6 381	16 982	11 122	34 485
Total net loans at 30.09.2023	22 020 012	3 042 838	170 989	25 233 838
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 30.09.2023	2 113 048	55 527	0	2 168 575
Loss allowance for guarantees and undrawn credit facilities at 30.09.2023	181	104	0	285
Net exposure to guarantees and undrawn credit facilities at 30.09.2023	2 112 868	55 422	0	2 168 290

Note 6 Debt securities in issue

	30.09.24	30.09.23	31.12.23
Face value:			
Commercial paper and other short-term borrowings	0	0	0
Bonds in issue at amortised cost	16 900 000	15 917 000	15 917 000
Own unamortised commercial paper/bonds, at amortised cost	- 583 000	- 254 000	- 354 000
Bonds in issue at fair value	5 025 000	5 025 000	5 025 000
Total debt securities in issue	21 342 000	20 688 000	20 588 000
Term to maturity			
Remaining term to maturity (net face value)			
2024	0	1 763 000	1 663 000
2025	7 417 000	5 000 000	5 000 000
2026	4 000 000	4 000 000	4 000 000
2027	4 900 000	4 900 000	4 900 000
2029	1 000 000	1 000 000	1 000 000
2030	1 000 000	1 000 000	1 000 000
2032	525 000	525 000	525 000
2033	1 000 000	1 000 000	1 000 000
2034	1 000 000	1 000 000	1 000 000
2037	500 000	500 000	500 000
Total	21 342 000	20 688 000	20 588 000
New borrowings in 2024	3 000 000		
Net repayments during the reporting period	2 040 805		

ISIN NUMBER	Face value	Interest rate	Coupon margin	Maturity date *)	Carrying amount 30.09.24
NO0010843311	3 000 000	3 MTH NIBOR	0,49	23.04.25	3 030 314
NO0010881048	4 000 000	3 MTH NIBOR	0,49	18.06.26	4 012 807
NO0010895329	900 000	3 MTH NIBOR	0,40	12.10.27	910 537
NO0011008377	4 000 000	3 MTH NIBOR	0,75	27.05.27	4 065 486
NO0012916818	2 000 000	3 MTH NIBOR	0,21	15.01.25	1 431 428
NO0013181529	3 000 000	3 MTH NIBOR	0,23	15.10.25	3 032 019
NO0012713553	1 000 000	Fixed-rate	4,14	04.10.29	1 042 959
NO0010830524	1 000 000	Fixed-rate	2,68	31.08.33	912 857
NO0010863772	1 000 000	Fixed-rate	2,04	20.09.34	855 286
NO0010871643	1 000 000	Fixed-rate	2,30	19.06.30	927 624
NO0012654476	500 000	Fixed-rate	3,72	31.08.37	491 359
NO0012767963	525 000	Fixed-rate	3,80	30.08.32	519 414
Total debt securities in issue	21 925 000				21 232 090

The table shows the agreed maturity date.

*) The terms allow for the maturity date to be extended by one year.

All of the loans are denominated in NOK.

All loan agreements are subject to standard loan terms.

The Company has issued six fixed-rate bonds. A hedge has been initiated to counteract fluctuations in the values of the bonds, and hedge accounting was introduced in conjunction with that. There is a ratio of virtually 1:1 between the hedged item (the bond) and the hedging instrument (the interest rate swap).

Note 7 Capital adequacy

EQUITY AND SUBORDINATED DEBT	30.09.24	30.09.23	31.12.23
Share capital and share premium account	2 150 000	2 150 000	2 150 000
Other equity	12 829	12 444	12 829
Equity	2 162 829	2 162 444	2 162 829
Other core capital	0	0	0
Deductions:			
Valuation adjustment (prudent valuation rules)	- 683	- 814	- 577
Deferred tax assets	0	0	0
Other deductions	- 1 038	0	0
Net core capital	2 161 109	2 161 630	2 162 252
Core Tier 1 capital	2 161 109	2 161 630	2 162 252
Net supplementary capital	0	0	0
Net equity and subordinated debt	2 161 109	2 161 630	2 162 252
BASIS FOR CALCULATION			
Credit risk			
Institutions	105 472	76 489	72 350
Retail loans	105 858	129 719	146 172
Residential mortgage loans	8 787 165	8 687 829	8 610 539
Overdue advances	166 242	171 615	228 364
Covered bonds	36 097	48 717	25 701
Other advances	32 678	33 582	27 233
Total calculation basis for credit risk	9 233 513	9 147 951	9 110 360
Operational risk	398 898	389 812	398 898
CVA	187 387	231 034	219 732
Total calculation basis	9 819 798	9 768 797	9 728 990
Excess equity and subordinated debt	1 375 525	1 380 126	1 383 933
CAPITAL ADEQUACY			
Capital adequacy ratio	22,01 %	22,13 %	22,22 %
Core capital adequacy ratio	22,01 %	22,13 %	22,22 %
Core Tier 1 capital adequacy ratio	22,01 %	22,13 %	22,22 %
Unweighted core capital ratio	8,05 %	8,15 %	8,27 %

The capital adequacy ratio has been calculated using the Basel II capital adequacy regulations. The standardised approach has been used for credit risk, whilst the basic indicator approach has been used for operational risk. The original exposure method has been used for derivatives.

Note 8 Transactions with related parties

Intra-group transactions

	30.09.24	30.09.23	31.12.23
Interest received from Sparebanken Sogn og Fjordane	12 614	11 009	14 755
Interest paid to Sparebanken Sogn og Fjordane	118 464	139 529	180 085
Interest paid to Sparebanken Sogn og Fjordane on covered bonds	30 970	205	205
Services bought from Sparebanken Sogn og Fjordane	5 729	6 310	8 321
Deposits at Sparebanken Sogn og Fjordane	404 076	244 367	228 804
Liabilities to Sparebanken Sogn og Fjordane	2 534 696	2 940 774	2 606 451
Covered bonds held by Sparebanken Sogn og Fjordane	0	0	0

Bustadkreditt Sogn og Fjordane AS has no employees. An agreement has been signed with Sparebanken Sogn og Fjordane on the supply of loan servicing and administrative services. All of the Company's loans have been acquired from Sparebanken Sogn og Fjordane, and an agreement has been signed with the bank on the servicing of the portfolio. Bustadkreditt Sogn og Fjordane AS takes on all of the risk associated with the loans that it acquires from its parent. Bustadkreditt Sogn og Fjordane AS has been given access to good credit facilities with Sparebanken Sogn og Fjordane. These will allow to make advances to customers with flexible mortgages, provide bridge financing when loans are being transferred, and fund the necessary surplus in the cover pool.

Further details of the credit facilities:

Bustadkreditt Sogn og Fjordane AS (BSF) has four credit facilities with Sparebanken Sogn og Fjordane (SSF):

- a) A NOK 1,200 million credit facility to be used to settle the purchase of mortgage loans from SSF. This is a revolving credit facility with a 15-month notice period on the part of SSF. BSF can cancel or change the limit on the facility with SSF at 14 days' notice. At 30.09.2024, the amount drawn against the facility was NOK 2 million.
- b) A credit facility that can be used to finance advances to customers with available credit within their flexible mortgages. At 30.09.2024, the limit on the facility was NOK 2 290 million.
- c) A credit facility related to overcollateralisation. The facility shall only be used to buy loans for inclusion in the cover pool, and to buy instruments that qualify as part of a liquidity buffer. At 30.09.2024, the limit on the facility was NOK 1 754 million, but this limit depends on the volume of covered bonds issued at any given time.
- d) A long-term credit facility. The limit on the facility is NOK 1,000 million, which was fully drawn at 30.09.2024.

In addition to these four credit agreements, BSF and SSF have signed an ISDA agreement. The ISDA agreement regulates all derivative transactions between the parties. The ISDA agreement has the same structure as agreements between SSF and external entities, which means that changes in the value of interest rate swaps are measured daily and there is an exchange of collateral. When fixed-rate covered bonds are issued, SSF hedges the relevant amount with an external party and then performs an internal swap with BSF.

All agreements and transactions adhere to arm's length principles.

Note 9 Substitute assets

	30.09.24	30.09.23	31.12.23
Deposits at the parent company	404 076	244 367	228 804
Government-guaranteed commercial paper	0	0	0
Other commercial paper and bonds	0	0	0
Total substitute assets	404 076	246 862	228 804

Note 10 Fair value of financial instruments

Fair value of financial instruments measured at amortised cost

	30.09.24		30.09.23		31.12.23	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<i>Financial assets</i>						
Loans and advances to credit institutions	404 076	404 076	244 367	244 367	228 804	228 804
Loans to customers (gross)	25 504 600	25 504 600	25 225 230	25 225 230	25 127 741	25 127 741
Total financial assets measured at amortised cost	25 908 676	25 908 676	25 469 597	25 469 597	25 356 545	25 356 545
<i>Financial liabilities</i>						
Debt to credit institutions	2 534 696	2 534 696	2 940 774	2 940 774	2 606 451	2 606 451
Securities in issue (covered bonds)	16 482 592	16 520 929	15 834 471	15 833 225	15 734 362	15 744 626
Total financial liabilities measured at amortised cost	19 017 289	19 055 625	18 775 245	18 773 999	18 340 813	18 351 076

Financial assets measured at fair value

<i>Financial assets at fair value through profit or loss</i>	Level 1	Level 2	Level 3	Total at
				30.09.24
Loans and advances to customers at fair value	0	0	0	0
Commercial paper and bonds measured at fair value	213 031	360 973	0	574 004
Derivatives, trading portfolio	0	36 641	0	36 641

Financial liabilities at fair value through profit or loss (gross)

Securities in issue (covered bonds)	0	4 749 498	0	4 749 498
Derivatives, trading portfolio	0	347 530	0	347 530

Fair value hierarchy

Financial instruments measured at fair value are split into three levels:

Level 1: Prices quoted in active markets

Level 2: Valuation is directly or indirectly based on observable prices for similar assets

Level 3: Valuation is not based on observable prices, and instead relies on e.g. our own valuation models

Information about the company

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ORGANISATION NUMBER 946 917 990

MANAGEMENT

Irene Flølo CEO

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Frode Vasseth	Chair
Ole Aukland	Board member
Andrea Kvamsdal	Board member
Peter Midthun	Board member
Linda Vøllestad Westbye	Board member

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