



Sparebanken Vest Boligkreditt

Interim Report Q3 2024

 **SparebankenVest**

Income statement

	Notes	01/01-24- 30/09-24	01/01-23- 30/09-23	3Q 2024	3Q 2023	2023
Interest income from asset valued at amortised cost		6 015	4 041	2 120	1 594	5 846
Interest income from asset valued at fair value		754	706	240	266	991
Interest expenses and similar expenses		5 793	4 069	2 023	1 616	5 915
Net interest and credit commission income	2	977	678	337	244	923
Commission expenses and expenses relating to banking services	14	487	321	168	117	443
Net gain/(loss) on financial instruments	3	4	-92	40	-70	-248
Net other operating income		-483	-413	-128	-187	-691
Net operating income		494	265	209	57	232
Payroll and general administration expenses		1	2	1	1	2
Other operating expenses		4	5	1	2	6
Total operating expenses	4	5	7	2	3	8
Profit before write-downs and tax		489	259	207	54	224
Write-downs and losses on loans and guarantees	6	5	30	3	-6	46
Pre-tax profit/loss		484	229	205	60	178
Tax expenses		106	44	45	12	32
Profit for the period		377	185	160	49	146
Profit/diluted profit per share		55,9	27,2	22,8	6,3	20,4

Statement of comprehensive income

	01/01-24- 30/09-24	01/01-23- 30/09-23	3Q 2024	3Q 2023	2023
Profit for the period	377	185	160	49	146
Changes in fair value due to credit risk – debt securities issued	-169	171	55	74	226
Base margin from hedging instruments related to hedge accounting	-129	5	-34	-1	-9
Taxes on items in other comprehensive income	66	-39	-5	-16	-48
Total profit for the period	145	323	176	106	314

Balance Sheet

	Notes	30/09-2024	30/09-2023	31/12-2023
Assets				
Loans to and receivables from credit institutions	8	13 878	2 815	4 587
Loans to and receivables from customers	5,6,7	150 378	136 986	141 545
Certificates and bonds		2 407	2 648	2 645
Deferred tax asset		114	0	34
Financial derivatives		6 202	3 552	4 801
Other assets		5	2 931	21
Total assets		172 985	148 932	153 633
Liabilities and equity				
Liabilities to credit institutions	9	35 781	22 931	21 507
Securitised debt	5,10	129 343	116 782	123 796
Financial derivatives		179	1 958	1 139
Tax payable		106	65	109
Deferred tax		0	12	0
Other liabilities		93	192	100
Total liabilities		165 502	141 941	146 650
Share capital		7 000	6 500	6 500
Total paid-in capital		7 000	6 500	6 500
Reserve for unrealised gains		299	168	299
Other equity		183	323	183
Total equity		7 483	6 991	6 983
Total liabilities and equity		172 985	148 932	153 633

Bergen, 30.09.2024/30.10.2024
Board of directors for Sparebanken Vest Boligkreditt AS

Frank Johannesen
Chairman of the Board

Brede Borgen Kristiansen

Inga Lise Moldestad

John Edwin Nicolay Hopp
Managing Director

Cash flow statement

	01/01-24- 30/09-24	01/01-23- 30/09-23	2023
Cash flow from operations			
Interest, commission and customers fees received	6 670	4 569	6 505
Interest, commission and customers fees paid	-505	-346	-473
Interests received on other investments	115	157	213
Interests paid relating to bond debt	-5 641	-3 893	-5 689
Payments to other suppliers for goods and services	-5	-6	-7
Fees and other social costs	0	0	0
Payment of taxes	-124	-124	-124
Net cash flow from operations	510	357	426
Cash flow from investment activities			
Payments made/received on loans to customers	-8 701	-9 837	-14 036
Payments made/received on purchase/sales of other securities	350	-1 865	-1 761
Net cash flow from investment activities	-8 352	-11 702	-15 798
Cash flow from financing activities			
Payments made/received relating to debt to credit institutions	14 228	4 636	2 180
Payments received related to issuing bond debt	13 284	22 388	31 713
Payments made relating to redemption of bond debt	-10 734	-14 763	-15 329
Redemption of hybrid capital and subordinated loan capital	0	-675	-1 179
Issue of new share capital	500	1 850	1 850
Payments of dividends/ group contributions	-145	-402	-402
Net cash flow from financing activities	17 132	13 035	18 834
Net cash flow for the period	9 291	1 690	3 461
Net change in cash and cash equivalents	9 291	1 690	3 461
Cash and cash equivalents at beginning of period	4 587	1 125	1 125
Cash and cash equivalents at end of period	13 878	2 815	4 587

Equity movements

	Share capital	Other equity	Reserve for unrealised gains	Hybrid-capital	Sum
Equity at 31/12-2022	4 650	434	168	679	5 931
Profit/loss for the period		154		31	185
Other comprehensive income		137			137
Capital increase	1 850				1 850
Redemption of hybrid capital				-675	-675
Interest paid on hybrid capital				-35	-35
Distributed dividend		-402			-402
Equity at 30/09-2023	6 500	323	168	0	6 991
Equity at 31/12-2022	4 650	434	168	679	5 931
Profit/loss for the period		152	-37	31	146
Other comprehensive income			169		169
Capital increase	1 850				1 850
Redemption of hybrid capital				-675	-675
Interest paid on hybrid capital				-35	-35
Distributed dividend		-402			-402
Equity at 31/12-2023	6 500	183	299	0	6 983
Profit/loss for the period		377			377
Other comprehensive income		-232			-232
Capital increase	500				500
Distributed dividend		-145			-145
Equity at 30/09-2024	7 000	183	299	0	7 483

Share capital as of 30 September 2024 is NOK 7 000 million and is divided between 7 000 000 shares with a nominal value of NOK 1 000. All the shares are owned by Sparebanken Vest.

Notes

Note 1 Accounting principles

The company accounts of Sparebanken Vest Boligkreditt AS are prepared in accordance with IAS 34. The principles and estimates are described in the annual report for 2023. There has not been any changes in standards having an effect on Sparebanken Vest Boligkreditt AS accounts from 1 January 2024.

The interim accounts have not been audited.

All amounts are stated in NOK million unless stated otherwise.

Note 2 Net interest and credit commission income

	01/01-24- 30/09-24	01/01-23- 30/09-23	3Q 2024	3Q 2023	2023
Interest and similar income from loans to and receivables from credit institutions valued at amortised cost	240	116	115	83	181
Interest and similar income from loans to and receivables from customers valued at amortised cost	5 776	3 925	2 005	1 511	5 665
Interest and similar income from loans to and receivables from customers valued at fair value	639	655	203	239	903
Interest and similar income from commercial papers, bonds and other interest-bearing securities	115	52	37	27	88
Interest income and similar income	6 770	4 747	2 360	1 860	6 837
Interest and similar expenses on debt to credit institutions	1 043	704	416	308	1 006
Interest and similar expenses on issued securities	4 734	3 323	1 601	1 298	4 861
Interest and similar expenses on subordinated loan capital	0	17	0	4	17
Fee Norwegian Banks' Resolution Fund	16	24	5	6	30
Interest expenses and similar expenses	5 793	4 069	2 023	1 616	5 915
Net interest and credit commission income	977	678	337	244	923

Note 3 Net gains/(losses) on financial instruments

	01/01-24- 30/09-24	01/01-23- 30/09-23	3Q 2024	3Q 2023	2023
Net gains/(losses) on fixed interest rate mortgages	179	-108	171	91	191
Net gains/(losses) related to interest swaps for fixed interest rate mortgages	-152	109	-145	-69	-205
Net gains/(losses) on commercial papers and bonds	-8	-6	-3	-2	-9
Net gains/(losses) own debt	-21	-89	0	-92	-195
Net gains/(losses) on financial instruments designated for hedge accounting	6	1	17	2	-15
Other gains/(losses)	1	1	0	1	-13
Net gains/(losses)	4	-92	40	-70	-248

Note 4 Operating expenses

	01/01-24- 30/09-24	01/01-23- 30/09-23	3Q 2024	3Q 2023	2023
Fees	0	0	0	0	1
Other administration expenses	1	1	0	1	2
Total administration expenses	1	2	1	1	2
Rating expenses	3	4	1	2	5
Other operating expenses	1	0	0	0	1
Total other operating expenses	4	5	1	2	6
Total operating expenses	5	7	2	3	8

Note 5 Classification of financial assets and liabilities

The following table shows the classification of financial assets and liabilities under IFRS 9 on the balance sheet date.

30/09-2024	Fair value through profit or loss	Hedge accounting	Amortised cost	Total book value
Financial assets				
Loans to and receivables from credit institutions	0	0	13 878	13 878
Loans to and receivables from customers	14 028	0	136 350	150 378
Certificates and bonds	2 407	0	0	2 407
Financial derivatives	3 496	2 706	0	6 202
Total financial assets	19 931	2 706	150 228	172 865
Financial liabilities				
Liabilities to credit institutions	0	0	35 781	35 781
Securitised debt	24 789	48 807	55 747	129 343
Financial derivatives	30	148	0	179
Total financial liabilities	24 820	48 955	91 528	165 303

30/09-2023	Fair value through profit or loss	Hedge accounting	Amortised cost	Total book value
Financial assets				
Loans to and receivables from credit institutions	0	0	2 815	2 815
Loans to and receivables from customers	15 121	0	121 865	136 986
Certificates and bonds	2 648	0	0	2 648
Financial derivatives	1 933	1 619	0	3 552
Total financial assets	19 701	1 619	124 681	146 001
Financial liabilities				
Liabilities to credit institutions	0	0	22 931	22 931
Securitised debt	45 327	14 446	57 009	116 782
Financial derivatives	1 678	280	0	1 958
Total financial liabilities	47 005	14 726	79 940	141 671

Note 6 Write-down on loans, guarantees, unused credit facilities and loan approvals

Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals	Calculated by model			Total calculated by model losses	Individually assessed	Total
	Stage 1	Stage 2	Stage 3		Stage 3	
Loss provision at 31/12-2023	31	42	22	96	0	96
Transferred to 12-month ECL (Stage 1)	8	-6	-2	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-1	6	-4	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	0	-2	2	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	0	0	0	0	0	0
Net new measurement of losses	-9	15	11	16	0	16
Newly issued or acquired financial assets	7	5	0	13	0	13
Financial assets derecognised	-8	-11	-5	-24	0	-24
Loss provision at 30/09-2024	28	49	24	101	0	101
Loan loss provision	27	49	24	100	0	100
Provision for guarantees, unused credit facilities and loan approvals	1	0	0	1	0	1
Total loss provision	28	49	24	101	0	101
Gross lending recognised at amortised cost, allocated to different stages at 31/12-2023	122 409	3 626	118	126 153	4	126 157
Gross lending recognised at amortised cost, allocated to different stages at 30/09-2024	131 800	4 503	147	136 450	0	136 450
Loss cost for the period:						
Changes in individual write-downs for the period						0
Confirmed loss in the period with previous individual write-down						0
Confirmed loss in the period with no previous individual write-down						1
Recoveries in previously confirmed write-downs						0
Net effect on profit/loss from individual write-downs						0
Changes in losses for the period, calculated by model (Stage 1–3)						5
Loss cost for the period						5
Gross lending recognised at amortised cost at 30/09-2024	131 800	4 503	147	136 450	0	136 450
Loss write-down	-27	-49	-24	-100	0	-100
Net lending recognised at amortised cost in the balance sheet	131 773	4 454	123	136 350	0	136 350
Loans valued at fair value						14 028
Capitalised lending at 30/09-2024						150 378

In line with IFRS 9, Sparebanken Vest Boligkreditt AS groups its loans into three stages based on the probability of default (PD) at the time of recognition compared with the balance sheet date, and checking the watch list, forbearance and instalments paid more than 30 days after the due date. In other words, each individual loan (or commitment) is classified as Stage 1, 2 or 3. All commitments recognised at amortised cost are included in the model.

Stage 1 is the starting point for financial assets covered by the general loss model, for which a provision will be made corresponding to 12-month expected losses. Stage 2 includes assets for which the credit risk has increased significantly since initial recognition, but where there is no objective evidence of a loss. Commitments at Stage 1 and 2 are assessed at portfolio level (calculated by model).

Stage 3 of the model includes assets for which the credit risk has increased significantly since initial recognition, and where there has been objective evidence of a loss event on the balance sheet date. They are divided into loans that have been individually assessed and loans assessed at portfolio level (calculated by model).

Transfer between the stages shows how much of expected credit losses in the opening balance have migrated from the other stages. The effect of the new measurement method and new calculation in the quarter is presented on the line 'Net new measurement of losses'.

Confirmation of the loss write-down (booked against the customer's commitment) takes place when all security has been realised and it is certain that the company will receive no further payments on the loan. The claim on the customer remains and will be followed up, unless it has been agreed with the customer that the loan is to be written off.

Write-downs of guarantees, unused credit facilities and loan approvals include off-balance sheet items and are recognised as debt obligations in the accounts.

Note 6 Write-down on loans, guarantees, unused credit facilities and loan approvals (cont.)

Changes in write-downs under IFRS 9 on loans, guarantees, unused credit facilities and loan approvals	Calculated by model			Total calculated by model losses	Individually assessed	Total
	Stage 1	Stage 2	Stage 3		Stage 3	
Loss provision at 31/12-2022	9	33	10	52	0	52
Transferred to 12-month ECL (Stage 1)	11	-11	0	0	0	0
Transferred to lifetime ECL – no objective evidence of loss (Stage 2)	-1	2	-1	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Calculated by model	0	0	0	0	0	0
Transferred to lifetime ECL – objective evidence of loss (Stage 3) – Individually assessed	0	0	0	0	0	0
Net new measurement of losses	0	17	15	33	0	33
Newly issued or acquired financial assets	8	4	0	13	0	13
Financial assets derecognised	-3	-9	-6	-18	0	-18
Loss provision at 30/09-2023	25	36	19	80	0	80
Loan loss provision	23	35	19	77	0	77
Provision for guarantees, unused credit facilities and loan approvals	1	1	0	2	0	2
Total loss provision	25	36	19	80	0	80
Gross lending recognised at amortised cost, allocated to different stages at 31/12-2022	105 556	3 550	140	109 246	0	109 246
Gross lending recognised at amortised cost, allocated to different stages at 30/09-2023	118 397	3 455	90	121 942	0	121 942
Loss cost for the period:						
Changes in individual write-downs for the period						0
Confirmed loss in the period with previous individual write-down						0
Confirmed loss in the period with no previous individual write-down						3
Recoveries in previously confirmed write-downs						0
Net effect on profit/loss from individual write-downs						2
Changes in losses for the period, calculated by model (Stage 1–3)						27
Loss cost for the period						30
Gross lending recognised at amortised cost at 30/09-2023	118 397	3 455	90	121 942	0	121 942
Loss write-down	-23	-35	-19	-77	0	-77
Net lending recognised at amortised cost in the balance sheet	118 373	3 420	71	121 865	0	121 865
Loans valued at fair value						15 121
Capitalised lending at 30/09-2023						136 986

Note 7 Loans to and receivables from customers

Loans broken down by type of receivable	30/09-2024	30/09-2023	31/12-2023
Flexible loans	17 133	15 409	15 724
Instalment loans	133 345	121 654	125 915
Gross loans to customers	150 478	137 063	141 639
Individual write-downs on loans	0	0	0
Write-downs calculated by model	-100	-77	-94
Net loans to and receivables from customers	150 378	136 986	141 545

Age distribution of loans in default	30/09-2024	30/09-2023	31/12-2023
Up to 30 days	104	104	87
31-60 days	44	19	23
61-90 days	17	4	8
More than 90 days	76	10	32
Total	241	137	150

Note 8 Loans to and receivables from credit institutions

Loans to and receivables from credit institutions are classified at amortised cost and the counterpart is Sparebanken Vest (see note 14).

There is no agreed maturity date or period of notice.

Liquidity Coverage Ratio (LCR) amounted to 169% per 30/09-2024.

Note 9 Liabilities to credit institutions

Liabilities to credit institutions is classified at amortised cost, and is mainly liability to Sparebanken Vest (see note 14).

Liability to Sparebanken Vest has a maturity of 13 months.

Note 10 Securitised debt

Covered bonds

ISIN CODE	Currency	Nominal value	Type	Interest rate	Issued	Maturity	30/09-2024	30/09-2023	31/12-2023
NO0010634546	NOK	500	Fixed	4,50%	2012	2027	516	505	523
XS1565074744	EUR	0	Fixed	0,375%	2017	2024	0	5 559	5 625
XS1781811143	EUR	500	Fixed	0,75%	2018	2025	5 838	5 401	5 503
NO0010833387	NOK	3 250	Fixed	2,70%	2018	2028	3 117	2 980	3 130
NO0010835390	NOK	0	Floating	3M Nibor + 0,42%	2018	2024	0	8 016	6 078
XS1951084638	EUR	750	Fixed	0,50%	2019	2026	8 599	7 846	8 071
NO0010849367	NOK	302	Fixed	2,03%	2019	2024	305	490	300
NO0010873805	NOK	9 000	Floating	3M Nibor + 0,28%	2020	2025	9 017	9 016	9 017
XS2174487277	EUR	50	Floating	3M Euribor + 1,25%	2020	2025	595	577	576
XS2199484929	EUR	500	Fixed	0,01%	2020	2027	5 503	4 919	5 120
XS2237321190	EUR	500	Fixed	0,01%	2020	2025	5 702	5 195	5 330
XS2270414712	SEK	5 300	Floating	3M Stibor + 0,75%	2020	2025	5 574	5 280	5 482
NO0010985674	NOK	10 000	Floating	3M Nibor + 0,75%	2021	2026	10 167	10 218	10 203
XS2397352233	EUR	750	Fixed	0,01%	2021	2026	8 381	7 544	7 812
XS2434412859	EUR	750	Fixed	0,375%	2022	2032	7 489	6 475	6 968
NO0012519687	NOK	10 050	Floating	3M Nibor + 0,35%	2022	2027	10 147	10 132	10 143
XS2536376416	EUR	750	Fixed	2,50%	2022	2027	8 830	8 080	8 417
NO0012805748	NOK	7 750	Floating	3M Nibor + 0,48%	2023	2028	7 761	7 761	7 761
NO0012913906	NOK	6 000	Floating	3M Nibor + 0,51%	2023	2028	6 009	6 008	6 009
NO0012987165	NOK	1 850	Fixed	4,50%	2023	2033	1 957	849	916
NO0013027995	NOK	1 000	Fixed	4,85%	2023	2028	1 037	1 004	1 054
XS2696811368	SEK	3 000	Fixed	4,09%	2023	2028	3 338	2 924	3 247
NO0013035907	NOK	650	Fixed	4,43%	2023	2038	724	0	714
XS2717426576	EUR	500	Fixed	3,375%	2023	2028	6 218	0	5 795
NO0013149047	NOK	6 000	Floating	3M Nibor + 0,56%	2024	2029	6 064	0	0
XS2769887600	EUR	35	Floating	3M Euribor + 0,37%	2024	2029	413	0	0
XS2824740778	EUR	500	Fixed	3,00%	2024	2029	6 042	0	0
Total securities issued							129 343	116 782	123 796

Note 11 Overcollateralisation

Cover pool	30/09-2024	30/09-2023	31/12-2023
Pool of eligible loans	149 844	135 851	140 088
Supplementary assets	16 240	5 407	7 178
Total collateralised assets	166 084	141 258	147 266
Debt securities issued	122 766	115 524	120 032
Own holding	0	0	0
Total covered bonds in the cover pool, including own holding	122 766	115 524	120 032
Net overcollateralisation incl. HQLA¹⁾ in the LCR portfolio	43 318	25 734	27 234
Net overcollateralisation excl. HQLA in the LCR portfolio	40 956	23 143	24 643
Collateralisation (per cent) incl. HQLA in the LCR portfolio	135%	122%	123%
Collateralisation (per cent) excl. HQLA in the LCR portfolio	133%	120%	121%

¹⁾ HQLA = High quality liquid assets

Overcollateralisation in excess of the minimum requirement of 105%.	37 179	19 958	21 233
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The cover pool represents assets in the balance sheet that are designated as collateral for issued covered bonds. The overcollateralisation in the cover pool indicates the relationship between the cover pool and issued covered bonds. NOK 582 million of mortgages are not eligible for the cover pool.

Note 12 Capital adequacy

In 2009 Sparebanken Vest Boligkreditt AS was given permission by the Financial Supervisory Authority of Norway to use internal methods to calculate credit risk (Internal Rating Based-method).

	30/09-2024	30/09-2023	31/12-2023
Risk-weighted assets			
Credit risk IRB	31 579	29 212	30 017
Operational risk	569	762	569
Commitments under the standard method	4 160	2 348	2 421
Risk of credit valuation adjustment of the counterparty (CVA)	297	214	220
Risk weighted assets	36 605	32 536	33 227
Own funds			
Share capital	7 000	6 500	6 500
Other equity	483	491	483
Total booked equity excluding hybrid capital	7 483	6 991	6 983
Deduction for expected losses IRB	-254	-201	-205
Adj. for unrealised losses/(gains) on debt recorded at fair value	-170	-259	-302
Value adjustment for prudent valuation requirement	-72	-67	-70
Year-to-date profit not included in core capital	-377	-154	0
Deductions for provision for dividend		0	-145
Core Tier 1 capital	6 610	6 310	6 262
Subordinated bonds		0	0
Total Tier 1 capital	6 610	6 310	6 262
Supplementary capital		0	0
Own funds	6 610	6 310	6 262
Core Tier 1 capital adequacy	18,1%	19,4%	18,8%
Subordinated bonds	0,0%	0,0%	0,0%
Supplementary capital	0,0%	0,0%	0,0%
Capital adequacy, IRB	18,1%	19,4%	18,8%
Minimum requirement			
Minimum requirement own funds, 8%	2 928	2 603	2 658
Surplus own funds	3 681	3 707	3 604
<i>of which surplus Core Tier 1 capital to meet buffer requirement</i>	3 681	3 707	3 604
Buffer requirement			
Conservation buffer, 2.5%	915	813	831
Systemic risk buffer, 4.5%	1 647	1 464	1 495
Countercyclical buffer, 2.5%	915	813	831
Total buffer requirement	3 478	3 091	3 157
Surplus Core Tier 1 capital	204	616	447

Note 13 Leverage ratio

	30/09-2024	30/09-2023	31/12-2023
Total assets	172 985	148 932	153 633
Off-balance sheet items	4 512	4 563	4 436
Regulatory adjustments	-496	-326	-371
Other adjustments to the calculation (leverage ratio)	-1 625	19	-149
Calculation basis for leverage ratio	175 377	153 188	157 548
Core Capital	6 610	6 310	6 262
Leverage ratio	3,8%	4,1%	4,0%

Note 14 Transactions with related parties

Sparebanken Vest Boligkreditt AS is a wholly owned subsidiary of Sparebanken Vest. The parent company is defined as a related party in relation to the accounting standard regarding related party disclosures.

Transactions between the company and the parent bank are conducted in accordance with generally accepted business terms and principles.

Transactions with related parties	30/09-2024	30/09-2023	31/12-2023
Profit and Loss			
Interest and credit commission received from related parties	240	116	181
Interest paid on related parties' deposits	-1 017	-682	-972
Interest on subordinated debt	0	-17	-17
Interest on derivatives paid/received to/from related parties	-1 255	-745	-1 105
Interest on covered bonds	0	0	-1
Interest expenses and similar expenses	-2 272	-1 444	-2 096
Commission costs	-486	-320	-442
Balance Sheet			
Loans to and receivables from credit institutions	13 878	2 815	4 587
Financial derivatives assets	5 217	1 933	3 006
Liabilities to credit institutions	34 818	22 108	20 594
Financial derivatives liability	30	1 678	1 003
Covered bonds	181	0	0
Other liabilities	54	36	50



Sparebanken
Vest

BOLIGKREDITT

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