

Q1 2025

Unaudited



**SPAREBANKEN SØR**  
**BOLIGKREDITT AS**



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## Board of Director's report

### General

Sparebanken Sør Boligkreditt AS is a wholly owned subsidiary of Sparebanken Sør. The company is licensed by the Financial Supervisory Authority of Norway to operate as a mortgage company and issue covered bonds, and is a part of Sparebanken Sør's long-term financial strategy. All shares are owned by Sparebanken Sør and the financial statements are consolidated into the financial statements of the Sparebanken Sør Group.

The cover pool consists of secured mortgages, substitute assets in interest-bearing securities and financial derivatives. The mortgages are granted by Sparebanken Sør and later taken on by Sparebanken Sør Boligkreditt AS. The secured mortgages meet the requirements established by the company for inclusion in the company's cover pool. One important requirement is that any outstanding loan balance taken on by the company, must not exceed 80 percent of the mortgaged property's market value at the date of acquisition.

At the end of Q1 2025, Sparebanken Sør Boligkreditt AS had taken on a mortgage loan portfolio totalling NOK 65 146 million, transferred from Sparebanken Sør, of which NOK 64 816 million was included in the qualified cover pool. Corresponding figures at the end of Q1 2024 were NOK 54 948 million and NOK 54 605 million respectively.

The portfolio of bonds and certificates totalled NOK 10 654 million at the end of Q1 2025, of which NOK 9 514 million was included in the cover pool. Corresponding figures at the end of Q1 2024 were NOK 2 837 million and NOK 1 850 million respectively.

Sparebanken Sør Boligkreditt AS had issued covered bonds totalling NOK 64 089 million, compared to NOK 50 483 million at the same time in 2024. The company had achieved diversified funding by issuing covered bonds outside the Norwegian bond market.

A Green Euro Covered Bond of EUR 500 million, with a maturity of 6 years and to favorable conditions, was issued in Q1 2025. The issuance was a success and with a high degree of granularity in the investor base.

### Income statement and balance sheet

The financial statement of Sparebanken Sør Boligkreditt AS shows a profit after tax of NOK 103.5 million at the end of Q1 2025, compared to NOK 87.7 million in 2024.

The company had net interest income of NOK 178.9 million, compared to NOK 144.7 million in 2024.

Net income from financial instruments totalled minus NOK 12.6 million, compared to minus NOK 0.2 million in 2024. The negative effect on net income from financial instruments is related to negative changes in value from certificates and bonds and from hedge accounting.

The company had issued covered bonds in Euros under the EMTCN (European Medium Term Covered Note) program. In order to control interest and currency exposure, the company had established swap arrangements (basis swaps), to convert foreign currency into NOK. The impact on earnings related to changes in the value of the basis swap, did not affect the income from financial instruments in Q1 2025, but affected other comprehensive income by NOK 23.4 million at the end of Q1 2025. Assuming that the covered

bonds in foreign currency are held to maturity, the total change in fair value is equal to zero. The accounting effects will therefore be reversed over time.

Operating expenses were NOK 32.8 million at the end of Q1 2025, compared to NOK 27.4 million in the same period in 2024.

Tax expenses were NOK 29.2 million at the end of Q1 2025. Corresponding figures at the end of Q1 2024 were NOK 25.7 million respectively.

Total assets as at 31.03.2025 were NOK 80 112 million, of which net loans to customers represented NOK 65 118 million. At the same time in 2024 total assets were NOK 61 499 million, of which net loans to customers were NOK 54 921 million. The loan portfolio has been financed through the issuance of bonds totalling NOK 64 089 million, and by equity and loans from Sparebanken Sør. At the end of Q1 2025, the company had a total paid-in capital of NOK 3 975 million, of which NOK 3 475 million was share capital and NOK 500 million was related to share premiums.

Sparebanken Sør Boligkreditt AS has an overdraft facility of NOK 8 500 million with Sparebanken Sør for operational purposes that, as at 31.03.2025, was drawn down by NOK 8 045 million.

## Capital strength

At the end of Q1 2025, the net subordinated capital in the company was NOK 5 823 million, compared to NOK 4 786 million at the same time in 2024. This corresponds to a common equity tier 1 capital ratio/tier 1 capital ratio/total capital ratio of 20.8 percent ( 20.5 percent in 2024), while regulatory minimums requirements constitute 14.0 percent, 15.5 percent and 17.5 percent respectively. The capital adequacy ratio was calculated based on the standard method in the Basel II - regulations.

The Board of Directors considers the company's solidity and risk-bearing ability to be good. The company's Leverage Ratio was 7.1 percent at the end of Q1 2025.

## Risks

As a licensed mortgage company, Sparebanken Sør Boligkreditt AS is under the regulation of The Act on the Supervision of Financial Institutions and is subject to a number of regulations, recommendations and regulatory provisions. The objective of the company is to finance lending activities through the issuance of covered bonds with a high rating. This means that Sparebanken Sør Boligkreditt AS strives to maintain risk at a low level. The company emphasizes identifying, measuring and controlling risk elements in such a way that the market has high confidence in the company, and that bonds issued by the company have a high rating.

The company's credit strategy and policy constitute a framework, which includes lending regulations and loan-to-value requirements for any loan taken on by the company. The Board of Directors considers the overall quality of the lending portfolio to be very good and the credit risk is considered low.

The company's mortgage lending to customers is in Norwegian kroner (NOK) at both floating and fixed interest rates. Financing is based on both floating and fixed interest rate bonds in NOK and EUR. Foreign currency debt is swapped into NOK and liabilities established at fixed rates are swapped into floating rates. Accounting for foreign currency debt and debt at fixed interest rates, complies with the rules for hedge accounting. The Board of Directors considers the overall market risk to be low.



The company issues covered bonds with the opportunity to extend the maturities by up to 12 months, given an approval by the FSA. In addition, financing needs are met by using equity and credit facilities with Sparebanken Sør. The Board of Directors considers the company's liquidity risk to be low.

As at 31.03.2025 the company had a liquidity portfolio in addition to substitute assets, and was compliant with the liquidity requirements imposed on financial institutions, with a LCR total ratio of 287.2 percent and LCR EUR ratio above the requirement of 100 percent. As at 31.03.2025 the mortgages in the cover pool had an average loan-to-value of 53.2 percent. Long term financing was well diversified and the NSFR ratio was reported at 117.8 percent. Over-collateralization was 20.1 percent, and given a stress test on assets prices of 30 percent, the OC was above the legislative OC level of 5 percent. The Board of Directors considers the company's liquidity risk to be low.

A Loan Service Agreement and Management Service Agreement are in place with Sparebanken Sør encompassing the supply of all services necessary for operating the company, and the Board of Directors considers the company's operational risk to be low.

## Green Covered Bond

Sparebanken Sør Group has a Green and Sustainability Bond Framework in place, under which Sparebanken Sør Boligkreditt AS has issued green covered bonds. The proceeds are allocated to a mortgage portfolio, financing energy-efficient residential buildings in Norway. The bond framework, which is aligned with ICMA Green Bond Principles, was last updated and approved by the Green Bond Committee in October 2024.

## Rating

Covered bonds issued by Sparebanken Sør Boligkreditt AS in NOK and EUR, have been given an Aaa rating by Moody's. Sparebanken Sør Boligkreditt AS has as of June 2023 been assigned an A1/Prime-1 issuer rating by Moody's, in line with ratings assigned on the parent bank.

## Future prospects

The Norwegian economy has cooled in recent years, bringing the inflation rate to come down.

Growth in household consumption and housing investments have been negatively affected by the high interest rates. Recently employment has increased, and the Norges Bank's Regional Network reports on increased activity.

The uncertainty in further economic outlook for an open economy as the Norwegian, is higher than normal. The development in international trade policy will have implications on economic growth and inflation. In addition, the economy will be affected by increased European defense and infrastructure investments.

The Norwegian Central Bank's assessment of the outlook as at March 2025, is that the key policy rate will probably be reduced by 25 basis points from 4.5 percent as of June. Given the unpredictable effects on economic growth and inflation from the ongoing changes in environment for international trade and defense policy, a further easing in the Norwegian monetary policy is uncertain.

## Merger with Sparebanken Vest Boligkreditt AS

In August 2024 it was announced that the Boards of Directors of Sparebanken Sør and Sparebanken Vest had approved a plan for merging the two banks. Sparebanken Vest will be the overtaking entity and will thus assume all rights and liabilities upon the completion of the merger, which will take place on May 2, 2025.

Following the completion of the bank merger Sparebanken Sør Boligkreditt AS will merge with Sparebanken Vest Boligkreditt AS, and the new boligkreditt company will be rebranded to Sparebanken Norge Boligkreditt AS.

## Subsequent events

Negative events of major significance to the accounts have not occurred after the balance sheet date.

Kristiansand, 28 April 2025

### The Board of Directors for Sparebanken Sør Boligkreditt AS



Geir Bergskaug  
Chairman



Seunn Smith-Tønnessen  
Member



Steinar Vigsnes  
Member



Marianne Lofthus  
Managing Director

## Income statement

NOK Thousand	Notes	31.03.2025	31.03.2024	31.12.2024
Interest income effective interest method	<u>2</u> , <u>13</u>	895 238	802 887	3 402 933
Other interest income	<u>2</u> , <u>13</u>	97 444	26 387	189 362
Interest expenses	<u>2</u> , <u>13</u>	813 788	684 613	2 977 049
<b>Net interest income</b>	<u>2</u>	<b>178 894</b>	<b>144 661</b>	<b>615 246</b>
Commission income		49	52	206
Commission expenses		42	13	59
<b>Net commission income</b>		<b>7</b>	<b>39</b>	<b>146</b>
Net income from financial instruments	<u>3</u>	-12 626	-180	-28 310
Other income		-	-	-
<b>Total other income</b>		<b>-12 626</b>	<b>-180</b>	<b>-28 310</b>
Personnel expenses		-	-	89
Other operating expenses	<u>13</u>	32 769	27 382	116 726
<b>Total expenses</b>		<b>32 769</b>	<b>27 382</b>	<b>116 816</b>
<b>Profit before loss</b>		<b>133 506</b>	<b>117 138</b>	<b>470 266</b>
Losses on loans and undrawn credit	<u>9</u>	802	3 785	3 328
<b>Profit before taxes</b>		<b>132 704</b>	<b>113 352</b>	<b>466 938</b>
Tax expenses		29 200	25 680	104 602
<b>Profit for the period</b>		<b>103 504</b>	<b>87 673</b>	<b>362 337</b>

## Statement of other comprehensive income

NOK Thousand	Notes	31.03.2025	31.03.2024	31.12.2024
<b>Profit for the period</b>		<b>103 504</b>	<b>87 673</b>	<b>362 337</b>
Net change in value from basis swaps		30 039	-24 194	-64 039
Tax effect		-6 609	5 323	14 089
<b>Total profit for the period</b>		<b>126 935</b>	<b>68 801</b>	<b>312 386</b>

## Balance sheet

ASSETS (NOK Thousand)	Notes	31.03.2025	31.03.2024	31.12.2024
Loans to and receivables from credit institutions	<u>13</u>	2 357 299	1 996 999	3 308 704
Net loans to customers	<u>7,8,9,11</u>	65 118 236	54 920 741	60 624 841
Bonds and certificates	<u>10</u>	10 653 541	2 836 773	5 605 847
Financial derivatives	<u>12</u>	1 910 715	1 682 284	2 752 872
Deferred tax assets		35 351	25 919	46 675
Other assets		37 283	36 363	19 490
<b>TOTAL ASSETS</b>		<b>80 112 425</b>	<b>61 499 079</b>	<b>72 358 429</b>
<b>LIABILITIES AND EQUITY</b>				
Debt to credit institutions	<u>5,13</u>	9 806 067	5 751 357	6 530 493
Debt incurred due to issuance of securities	<u>11, 12</u>	64 088 570	50 482 834	59 572 945
Financial derivatives		174 144	10 947	-
Payable taxes		24 485	114 149	120 833
Deferred tax liabilities		-	-	-
Other liabilities		80 032	261 182	11 965
<b>TOTAL LIABILITIES</b>		<b>74 173 297</b>	<b>56 620 470</b>	<b>66 236 236</b>
<b>EQUITY</b>				
Paid-in equity	<u>6</u>	3 975 000	2 975 000	3 975 000
Retained earnings	<u>6</u>	1 964 128	1 903 609	2 147 193
<b>TOTAL EQUITY CAPITAL</b>	<u>6</u>	<b>5 939 128</b>	<b>4 878 609</b>	<b>6 122 193</b>
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>		<b>80 112 425</b>	<b>61 499 079</b>	<b>72 358 429</b>

Kristiansand, 28 April 2025

### The Board of Directors for Sparebanken Sør Boligkreditt AS



Geir Bergskaug  
Chairman



Seunn Smith-Tønnessen  
Member



Steinar Vigsnes  
Member



Marianne Lofthus  
Managing Director



## Cash flow statement

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Interest received	983 498	826 956	3 592 693
Interest paid	-786 052	-695 086	-2 959 633
Operating expenditure	-33 720	222 215	-117 388
Changes in loans to customers	-4 485 046	886 772	-4 819 539
Income tax paid	-120 833	-20 672	-104 899
<b>Net cash flow from operating activities</b>	<b>-4 442 152</b>	<b>1 220 186</b>	<b>-4 408 767</b>
Payments received, securities	1 677 132	203 205	2 289 362
Payments made, securities	-6 736 228	-884 199	-5 759 316
Changes in other assets	-17 793	-6 484	10 389
Changes in deposits from credit institutions	3 275 575	339 985	1 119 121
Changes in other liabilities	69 010	1 100	2 035
<b>Net cash flow from current financing activities</b>	<b>-1 732 304</b>	<b>-346 393</b>	<b>-2 338 409</b>
Paid-in share capital	-	400 000	1 400 000
Paid dividend	-310 000	-250 000	-250 000
Payments received, bond debt	5 782 808	-	12 238 000
Payments made, bond debt	-249 758	-	-4 305 325
<b>Net cash flow from long-term financing activities</b>	<b>5 223 050</b>	<b>150 000</b>	<b>9 082 675</b>
<b>Net change in liquid funds</b>	<b>-951 406</b>	<b>1 023 792</b>	<b>2 335 498</b>
Liquid funds as at 01.01.	3 308 704	973 207	973 207
<b>Liquid funds at the end of the period</b>	<b>2 357 299</b>	<b>1 996 999</b>	<b>3 308 704</b>

## Statement of changes in Equity

NOK Thousand	Share capital	Share premium reserve	Retained earnings	Total
<b>Balance 31.12.2023</b>	<b>2 075 000</b>	<b>500 000</b>	<b>2 084 807</b>	<b>4 659 807</b>
Dividend	-	-	-250 000	-250 000
Share capital increase	400 000	-	-	400 000
Profit 01.01.2024-31.03.2024	-	-	87 673	87 673
Other income/expenses	-	-	-18 871	-18 871
<b>Balance 31.03.2024</b>	<b>2 475 000</b>	<b>500 000</b>	<b>1 903 609</b>	<b>4 878 609</b>
Share capital increase	1 000 000			1 000 000
Profit 01.04.2024 - 31.12.2024			274 663	274 663
Other income/expenses			-31 080	-31 080
<b>Balance 31.12.2024</b>	<b>3 475 000</b>	<b>500 000</b>	<b>2 147 193</b>	<b>6 122 193</b>
Dividend			-310 000	-310 000
Share capital increase				-
Profit 01.01.2025 - 31.03.2025			103 504	103 504
Other income/expenses			23 430	23 430
<b>Balance 31.03.2025</b>	<b>3 475 000</b>	<b>500 000</b>	<b>1 964 128</b>	<b>5 939 128</b>

## Notes

### 1. Accounting policies

The quarterly financial statements have been kept in accordance with IFRS Accounting Standards ("IFRS"), including IAS 34. Sparebanken Sør Boligkreditt AS is a part of the Sparebanken Sør Group and follows the same accounting principles as the Group. Please refer to the annual financial statements for 2024 (Note 1 – Accounting policies) for further details.

The company's financial statements are presented in Norwegian kroner, which is the functional currency. All totals in the financial statements are stated in thousands of NOK unless indicated otherwise.

A tax rate of 22 percent is assumed.

#### **Discretionary assessments, estimates and assumptions**

With the preparation of the financial statements, the management makes discretionary assessments, estimates and assumptions that affect the accounting policies and financial records. Please refer to the annual financial statements for 2024 (Note 2 - Discretionary assessments, estimates and assumptions) for further details.

The financial item losses on loans and undrawn credit are subject to a significant degree of discretionary assessments. The turmoil following the pandemic and Russia's aggressive warfare has largely come under control. In most countries, policy interest rates were reduced several times during 2024. However, in 2025, new uncertainty has emerged in the global economy, partly as a result of the U.S. presidential election and the introduction of increased tariffs affecting large parts of the world. This has, among other things, led Norway to stand out as an exception with respect to monetary policy, as the key policy rate remains at its highest level. As of the end of the first quarter of 2025, these conditions have been taken into account in the assessment of the macroeconomic parameters used as input in the credit loss evaluations.

Housing prices in the Group's core markets have shown a positive, though moderate trend over several years. As of the first quarter of 2025, statistics indicate that the development in the bank's main geographic area has been somewhat stronger than the national average over the past 12 months.

The model used to calculate future credit losses contains forward-looking macro data and must take future events into account. In the event of changes in business cycles or macro conditions, relevant parameters in the model must be changed accordingly.

## 2. Net interest income

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
<b>Interest income recognised at amortized cost</b>			
Interest on loans to customers	888 474	798 891	3 380 838
Interest on loans to and receivables from credit institutions	6 764	3 997	22 095
Total interest income recognised at amortized cost	895 238	802 887	3 402 933
<b>Interest income effective interest method</b>	<b>895 238</b>	<b>802 887</b>	<b>3 402 933</b>
<b>Interest income recognised at fair value</b>			
Interest on certificates/bonds/interest-bearing securities	97 444	26 387	189 362
Total interest income recognised at fair value	97 444	26 387	189 362
<b>Other interest income</b>	<b>97 444</b>	<b>26 387</b>	<b>189 362</b>
<b>Total interest income</b>	<b>992 682</b>	<b>829 274</b>	<b>3 592 295</b>
<b>Interest expenses recognised at amortized cost</b>			
Interest on debt to credit institutions	65 574	52 725	265 007
Interest on issued securities	745 940	629 259	2 701 022
Other interest expenses	2 274	2 629	11 021
Total interest expenses recognised at amortized cost	813 788	684 613	2 977 049
<b>Total interest expenses</b>	<b>813 788</b>	<b>684 613</b>	<b>2 977 049</b>
<b>Net interest income</b>	<b>178 894</b>	<b>144 661</b>	<b>615 246</b>

## 3. Net income from financial instruments

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Profit (loss) and changes in value from certificates and bonds	-8 146	-2 019	-21 532
<b>Net income from certificates and bonds</b>	<b>-8 146</b>	<b>-2 019</b>	<b>-21 532</b>
Change in value fixed rate bonds - hedge accounting	1 037 773	-748 421	-1 878 854
Change in value derivatives fixed rate bonds - designated as hedging instruments	-1 042 495	750 259	1 877 401
<b>Net income hedging</b>	<b>-4 722</b>	<b>1 839</b>	<b>-1 453</b>
Whereof effects from basis swaps (1)	-	-	-
Profit (loss) buyback own bonds - amortised cost	242	-	-5 325
Currency gains (losses)	-	-	-
<b>Net other financial instruments and derivatives</b>	<b>242</b>	<b>-</b>	<b>-5 325</b>
<b>Net income from financial instruments</b>	<b>-12 626</b>	<b>-180</b>	<b>-28 310</b>

1) The company has issued covered bonds in Euro that have been hedged by using basis swaps. Changes in the value of the basis swaps as a result of changes in market conditions, are presented as hedging-inefficiency. This ineffective portion is recognized in the income statement.

Basis swaps are derivative contracts used to convert obligations in foreign currency into NOK. Basis swaps are used when the company has entered into long-term funding in international capital markets. These are hedging instruments, and assuming the underlying bond is held to maturity, the change in market value over the instrument's duration equals zero. Accounting effects are therefore reversed over time.

## 4. Debt to value of assets ratio (LTV)

	31.03.2025	31.03.2024	31.12.2024
Average debt to value of assets ratio in %	53.2 %	52.6 %	53.5 %
Portfolio divided into intervals of debt to value of assets ratio			
Less than or equal to 40 %	20.3 %	20.9 %	20.1 %
41 - 50 %	18.7 %	19.2 %	18.0 %
51 - 60 %	25.3 %	26.8 %	25.1 %
61 - 70 %	23.5 %	23.0 %	23.3 %
71 - 75 %	10.3 %	7.3 %	10.4 %
76 - 80 %	1.0 %	1.6 %	2.0 %
Above 80 %	1.0 %	1.2 %	1.2 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

## 5. Debt to credit institutions

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Credit facility with Sparebanken Sør	8 045 248	4 278 160	3 749 376
Received collaterals	1 760 819	1 473 197	2 781 117
<b>Total debt to credit institutions</b>	<b>9 806 067</b>	<b>5 751 357</b>	<b>6 530 493</b>

Sparebanken Sør Boligkreditt AS has entered into an agreement with Sparebanken Sør for a credit facility of NOK 8 500 million for operational purposes.

## 6. Capital adequacy

Sparebanken Sør Boligkreditt AS implements the standard method for credit and market risk and the basic method for operational risk to calculate capital adequacy in accordance with the current capital adequacy rules - Basel II.

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
<b>Equity capital</b>			
Share capital	3 475 000	2 475 000	3 475 000
Share premium reserve	500 000	500 000	500 000
Other equity capital	1 860 623	1 815 936	2 147 193
Deductions	-12 738	-4 530	-8 359
Deferred tax liabilities	-	-	-46 675
Dividend	-	-	-310 000
<b>Net subordinated capital (common equity tier 1)</b>	<b>5 822 885</b>	<b>4 786 406</b>	<b>5 757 159</b>
<b>Minimum requirements for equity capital</b>			
Credit risk	26 682 694	21 901 669	24 784 910
Market risk	-	-	-
Operational risk	919 929	868 489	919 929
CVA addition	-	543 131	-
Deductions	375 449	-	344 942
<b>Risk weighted balance (calculation basis)</b>	<b>27 978 072</b>	<b>23 313 289</b>	<b>26 049 781</b>
Common equity tier 1 capital ratio	20.8 %	20.5 %	22.1 %
Tier 1 capital ratio	20.8 %	20.5 %	22.1 %
Total capital ratio	20.8 %	20.5 %	22.1 %
Leverage Ratio	7.1 %	7.5 %	7.8 %

## Minimum capital requirements:

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Minimum Tier 1 capital requirements	4.50 %	4.50 %	4.50 %
Conservation buffer	2.50 %	2.50 %	2.50 %
Systemic risk buffer	4.50 %	4.50 %	4.50 %
Counter-cyclical buffer	2.50 %	2.50 %	2.50 %
CET1 requirements	14.00 %	14.00 %	14.00 %
Tier1 Capital requirements	15.50 %	15.50 %	15.50 %
Total capital requirements	17.50 %	17.50 %	17.50 %
CET1 requirements	3 916 930	3 263 860	3 646 969
Tier1 Capital requirements	4 336 601	3 613 560	4 037 716
Total capital requirements	4 896 163	4 079 826	4 558 712
Above CET1 requirements	1 905 955	1 522 545	2 110 190
Above Tier1 Capital requirements	1 486 284	1 172 846	1 719 443
Above total capital requirements	926 722	706 580	1 198 448

## 7. Loans to customers

Loans assessed to amortised cost (NOK Thousand)	31.03.2025	31.03.2024	31.12.2024
Flexi-loans	15 166 061	12 925 188	14 712 988
Loans with installments - floating interest	49 843 967	41 893 484	45 811 995
Loans with installments - fixed interest	-	-	-
<b>Gross loans</b>	<b>65 145 864</b>	<b>54 948 026</b>	<b>60 651 704</b>
Loss allowance	-27 628	-27 286	-26 863
<b>Net loans</b>	<b>65 118 236</b>	<b>54 920 741</b>	<b>60 624 841</b>
Undrawn credit on Flexi-loans	6 837 354	6 043 017	6 530 668

Loans broken down by sectors and industries	31.03.2025	31.03.2024	31.12.2024
Retail customers	65 012 095	54 820 725	60 527 118
Accrued interests	133 770	127 301	124 586
<b>Gross loans</b>	<b>65 145 864</b>	<b>54 948 026</b>	<b>60 651 704</b>
Loss allowance	-27 628	-27 286	-26 863
<b>Net loans</b>	<b>65 118 236</b>	<b>54 920 741</b>	<b>60 624 841</b>

Loans broken down by geographical areas (NOK Thousand)	31.03.2025		31.03.2024		31.12.2024	
Agder	40 871 688	62.9 %	35 258 521	64.2 %	38 355 854	63.4 %
Telemark	6 751 376	10.4 %	5 746 340	10.5 %	6 358 783	10.5 %
Vestfold	6 497 952	10.0 %	1 178 457	2.1 %	1 442 190	2.4 %
Oslo	3 290 306	5.1 %	5 329 212	9.7 %	5 858 029	9.7 %
Akershus	2 671 060	4.1 %	2 709 382	4.9 %	3 093 079	5.1 %
Rogaland	1 631 768	2.5 %	2 073 064	3.8 %	2 420 547	4.0 %
Other counties	3 404 086	5.1 %	2 625 765	4.8 %	3 096 359	5.0 %
<b>Total</b>	<b>65 118 236</b>	<b>100.0 %</b>	<b>54 920 741</b>	<b>100.0 %</b>	<b>60 624 841</b>	<b>100.0 %</b>



## 8. Non-performing loans

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
<b>Total non-performing loans (stage 3)</b>	<b>130 904</b>	<b>131 797</b>	<b>106 101</b>
Stage 3 impairment losses	3 897	4 134	3 890
<b>Net non-performing loans</b>	<b>127 007</b>	<b>127 663</b>	<b>102 211</b>
Provision ratio non-performing loans	2.98 %	3.14 %	3.67 %
<b>Total non-performing loans in % of gross loans</b>	<b>0.20 %</b>	<b>0.24 %</b>	<b>0.17 %</b>
<b>Gross loans</b>	<b>65 145 864</b>	<b>54 948 026</b>	<b>60 651 704</b>

### NON-PERFORMING LOANS:

All commitments in stage 3 are defined as non-performing. Non-performing loans are based on a minimum amount of NOK 1 000 for retail customers, and NOK 2 000 for corporate customers respectively. There is also introduced a relative limit of 1 percent of the customer's total commitment. Both claims must be met in order to a non-performing loan to occur.

In addition to the requirements mentioned above, a non-performing loan may occur as well if causes of objective nature, qualitative assessments and loss allowances are available.

The following may also lead to a non-performing loan:

Forbearance – a combination of financial problems and concessions from the bank

Unlikelihood to pay – breach of covenants or other information relevant to non-performing assessments

There are also introduced rules related to infections and quarantine, which implies an infected co-borrower if a loan is defaulted. A quarantine period of 3 to 12 months will be applied until the situation is clarified and the customer is declared performing.

## 9. Losses on loans and undrawn credit

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Changes in impairment losses for the period, stage 1	883	233	122
+ Changes in impairment losses for the period, stage 2	-87	2 906	2 796
+ Changes in impairments losses for the period, stage 3	6	646	410
<b>= Total losses for the period</b>	<b>802</b>	<b>3 785</b>	<b>3 328</b>

The sensitivity analyses presented below, are related to parameters that the company considers to have the most significant effect on LGD (loss given default) in the current situation

NOK Thousand	10 percent collateral decline	20 percent collateral decline	30 percent collateral decline	100 percent increase of PD	1 percent increase in unemployment
Loan loss provision	14 604	34 329	58 825	4 587	1 457
<b>Total</b>	<b>14 604</b>	<b>34 329</b>	<b>58 825</b>	<b>4 587</b>	<b>1 457</b>

NOK Thousand	Stage 1 Expected losses in the next 12 months	Stage 2 Lifetime expected credit losses	Stage 3 Lifetime expected credit losses	Total
<b>Loss provisions as at 01.01.2025</b>	<b>8 614</b>	<b>14 734</b>	<b>3 890</b>	<b>27 239</b>
<i>Transfers</i>				
Transferred to stage 1	1 954	-1 948	-7	-
Transferred to stage 2	-408	500	-92	-
Transferred to stage 3	-3	-152	155	-
Losses on new loans	2 585	730	-	3 314
Losses on deducted loans*	-603	-1 201	-219	-2 024
Losses on older loans and other changes	-2 642	1 985	169	-488
<b>Loss provisions as at 31.03.2025</b>	<b>9 497</b>	<b>14 647</b>	<b>3 897</b>	<b>28 041</b>
Loss provisions for loans	9 160	14 572	3 897	27 628
Loss provisions for undrawn credit	337	75	0	412
<b>Total loss provisions as at 31.03.2025</b>	<b>9 497</b>	<b>14 647</b>	<b>3 897</b>	<b>28 041</b>

NOK Thousand	Stage 1 Expected losses in the next 12 months	Stage 2 Lifetime expected credit losses	Stage 3 Lifetime expected credit losses	Total
<b>Loss provisions as at 01.01.2024</b>	<b>8 492</b>	<b>11 939</b>	<b>3 493</b>	<b>23 924</b>
<i>Transfers</i>				
Transferred to stage 1	2 901	-2 721	-180	0
Transferred to stage 2	-472	1 017	-545	-
Transferred to stage 3	-6	-151	157	-
Losses on new loans	597	311	-	908
Losses on deducted loans*	-606	-771	-283	-1 659
Losses on older loans and other changes	-2 180	5 220	1 491	4 531
<b>Loss provisions as at 31.03.2024</b>	<b>8 724</b>	<b>14 845</b>	<b>4 134</b>	<b>27 703</b>
Loss provisions for loans	8 402	14 753	4 131	27 286
Loss provisions for undrawn credit	322	92	3	417
<b>Total loss provisions as at 31.03.2024</b>	<b>8 724</b>	<b>14 845</b>	<b>4 134</b>	<b>27 703</b>

\* Losses on deducted loans are related to losses on fully repaid loans and loans transferred between the company and the parent bank.

## Changes in gross loans in the balance sheet

NOK Thousand Gross loans assessed at amortised cost	Stage 1	Stage 2	Stage 3	Total
Gross loans as at 01.01.2025 assessed at amortised cost	55 771 525	4 774 078	106 101	60 651 704
Transferred to stage 1	877 744	-876 237	-1 507	-0
Transferred to stage 2	-1 263 522	1 274 364	-10 842	0
Transferred to stage 3	-11 005	-35 928	46 933	-
Net change on present loans	-573 991	-26 811	11 787	-589 015
New loans	8 645 066	156 774	-	8 801 840
Derecognised loans	-3 306 235	-390 861	-21 568	-3 718 664
<b>Gross loans as at 31.03.2025 assessed at amortised cost</b>	<b>60 139 583</b>	<b>4 875 378</b>	<b>130 904</b>	<b>65 145 864</b>

NOK Thousand Gross loans assessed at amortised cost	Stage 1	Stage 2	Stage 3	Total
Gross loans as at 01.01.2024 assessed at amortised cost	51 986 809	3 677 988	166 712	55 831 510
Transferred to stage 1	977 105	-955 848	-21 257	0
Transferred to stage 2	-1 584 697	1 627 592	-42 895	0
Transferred to stage 3	-19 683	-24 088	43 772	0
Net change on present loans	-468 078	-18 298	-263	-486 639
New loans	2 571 279	63 238	-	2 634 517
Derecognised loans	-2 758 136	-258 798	-14 426	-3 031 361
<b>Gross loans as at 31.03.2024 assessed at amortised cost</b>	<b>50 704 599</b>	<b>4 111 786</b>	<b>131 642</b>	<b>54 948 027</b>

## 10. Bonds and certificates

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Short-term investments designated at fair value through profit			
Certificates and bonds issued by public sector	4 416 991	1 027 622	1 708 307
Certificates and bonds issued by others	6 182 096	1 790 234	3 862 968
Accrued interests	54 455	18 917	34 572
<b>Total</b>	<b>10 653 541</b>	<b>2 836 773</b>	<b>5 605 847</b>

## 11. Debt securities issued as at 31.03.2025

ISIN Number	Ticker	Currency	Nominal value	Interest	Due date	Book value	Fair value	
NO0010832637	SORB28	NOK	5 750 000	Floating	3M Nibor	24.09.2025	5 757 625	5 766 153
XS2555209381		EUR	500 000	Fixed	3.13%	14.11.2025	5 782 853	5 789 445
XS1947550403		EUR	500 000	Fixed	0.50%	06.02.2026	5 601 088	5 614 320
XS2069304033		EUR	500 000	Fixed	0.01%	26.10.2026	5 495 741	5 502 707
NO0012535824	SORB32	NOK	5 500 000	Floating	3M Nibor	31.05.2027	5 521 015	5 555 860
NO0011002529	SORB31	NOK	7 000 000	Floating	3M Nibor	20.09.2027	7 092 943	7 090 130
NO0010670409	SORB08	NOK	500 000	Fixed	4.00%	24.01.2028	492 901	495 190
XS2291901994		EUR	500 000	Fixed	0.01%	28.01.2028	5 353 311	5 324 930
XS2389362687		EUR	500 000	Fixed	0.01%	25.09.2028	5 269 250	5 227 564
NO0013214841	SORB33	NOK	6 000 000	Floating	3M Nibor	23.05.2029	6 024 986	6 047 892
NO0013388454	SORB34	NOK	6 000 000	Floating	3M Nibor	06.11.2029	6 039 167	6 042 030
XS3004243179		EUR	500 000	Fixed	2.63%	18.02.2031	5 657 690	5 679 971
TOTAL							64 088 570	64 136 191

## 12. Cover pool composition and OC

NOK Thousand	Nominal value		
	31.03.2025	31.03.2024	31.12.2024
Loans secured by mortgages on residential properties	65 012 095	54 820 725	60 527 118
Deductions on ineligible loans *	-196 578	-215 522	-173 278
<b>Pool of eligible loans</b>	<b>64 815 517</b>	<b>54 605 203</b>	<b>60 353 840</b>
Certificates and bonds	9 514 000	1 850 000	4 500 000
<b>Total cover pool</b>	<b>74 329 517</b>	<b>56 455 203</b>	<b>64 853 840</b>
Debt incurred due to issuance of securities	61 892 250	48 396 750	56 346 750
<b>Total</b>	<b>61 892 250</b>	<b>48 396 750</b>	<b>56 346 750</b>
<b>Collateralisation ratio (OC)</b>	<b>20.1 %</b>	<b>16.7 %</b>	<b>15.1 %</b>

NOK Thousand	Fair value		
	31.03.2025	31.03.2024	31.12.2024
Loans secured by mortgages on residential properties	65 118 236	54 920 741	60 624 841
Deductions on ineligible loans *	-196 578	-215 522	-173 278
<b>Pool of eligible loans</b>	<b>64 921 659</b>	<b>54 705 219</b>	<b>60 451 563</b>
Certificates and bonds	9 607 745	1 884 730	4 558 879
Financial derivatives (assets)	-	-	-
<b>Total cover pool</b>	<b>74 529 404</b>	<b>56 589 948</b>	<b>65 010 442</b>
Debt incurred due to issuance of securities	64 136 191	50 468 345	59 524 292
Financial derivatives (debt)	-1 736 571	-1 671 337	-2 752 872
<b>Total</b>	<b>62 399 620</b>	<b>48 797 008</b>	<b>56 771 421</b>
<b>Collateralisation ratio (OC)</b>	<b>19.4 %</b>	<b>16.0 %</b>	<b>14.5 %</b>

\* Loans above 80 % LTV and loans in default.

## 13. Related parties

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
<b>Income statement</b>			
Interest income from Sparebanken Sør on deposits	6 764	3 997	22 095
Interest expenses/commission from Sparebanken Sør on loans/credit	65 574	52 725	265 007
Interest expenses on bond debts to Sparebanken Sør	2 753	-	1 987
Paid administration fees to Sparebanken Sør	29 834	25 894	109 832
<b>Balance sheet</b>			
Bank deposit with Sparebanken Sør	2 357 269	1 996 966	3 308 675
Covered bonds owned by Sparebanken Sør	-	-	251 987
Loans/credit with Sparebanken Sør	8 045 248	4 278 160	3 749 376
Dividend payment to Sparebanken Sør	310 000	250 000	250 000

## Quarterly profit trend

NOK Thousand	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	178 894	161 949	150 758	157 878	144 661
Net other operating income	-12 619	-15 541	-2 981	-9 501	-141
Operating expenses	32 769	31 015	28 214	30 205	27 382
<b>Profit before losses on loans</b>	<b>133 506</b>	<b>115 394</b>	<b>119 563</b>	<b>118 172</b>	<b>117 138</b>
Losses on loans and undrawn credits	802	3 145	-4 032	430	3 785
<b>Profit before taxes</b>	<b>132 704</b>	<b>112 249</b>	<b>123 595</b>	<b>117 742</b>	<b>113 352</b>
Tax expenses	29 200	24 627	27 863	26 432	25 680
<b>Profit for the period</b>	<b>103 504</b>	<b>87 622</b>	<b>95 732</b>	<b>91 309</b>	<b>87 673</b>
Liquidity coverage ratio (LCR)	287.2 %	287.3 %	342.3 %	348.3 %	318.7 %
Net stable funding ratio (NSFR)	117.8 %	120.8 %	123.2 %	123.4 %	122.6 %
Total capital ratio	20.8 %	22.1 %	19.8 %	19.3 %	20.5 %
Leverage Ratio	7.1 %	7.8 %	6.9 %	7.0 %	7.5 %