

Q1 2025

Unaudited



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Board of Director's report

General

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

Statement of other comprehensive income

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

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
TOTAL ASSETS		80 112 425	61 499 079	72 358 429
LIABILITIES AND EQUITY				
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
TOTAL LIABILITIES		74 173 297	56 620 470	66 236 236
EQUITY				
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
TOTAL EQUITY CAPITAL	<u>6</u>	5 939 128	4 878 609	6 122 193
TOTAL LIABILITIES AND EQUITY CAPITAL		80 112 425	61 499 079	72 358 429

Kristiansand, 28 April 2025

The Board of Directors for Sparebanken Sør Boligkreditt AS



Geir Bergskaug
Chairman



Seunn Smith-Tønnesen
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
Net cash flow from operating activities	-4 442 152	1 220 186	-4 408 767
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
Net cash flow from current financing activities	-1 732 304	-346 393	-2 338 409
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
Net cash flow from long-term financing activities	5 223 050	150 000	9 082 675
Net change in liquid funds	-951 406	1 023 792	2 335 498
Liquid funds as at 01.01.	3 308 704	973 207	973 207
Liquid funds at the end of the period	2 357 299	1 996 999	3 308 704

Statement of changes in Equity

NOK Thousand	Share capital	Share premium reserve	Retained earnings	Total
Balance 31.12.2023	2 075 000	500 000	2 084 807	4 659 807
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
Balance 31.03.2024	2 475 000	500 000	1 903 609	4 878 609
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
Balance 31.12.2024	3 475 000	500 000	2 147 193	6 122 193
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
Balance 31.03.2025	3 475 000	500 000	1 964 128	5 939 128

Notes

1. Accounting policies

The quarterly financial statements have been kept in accordance with IFRS Accounting Standards ("IFRS"), including IAS 34. Sparebanken Sør Boligkredit 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
<i>Interest income recognised at amortized cost</i>			
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
Interest income effective interest method	895 238	802 887	3 402 933
<i>Interest income recognised at fair value</i>			
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
Other interest income	97 444	26 387	189 362
Total interest income	992 682	829 274	3 592 295
<i>Interest expenses recognised at amortized cost</i>			
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
Total interest expenses	813 788	684 613	2 977 049
Net interest income	178 894	144 661	615 246

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
Net income from certificates and bonds	-8 146	-2 019	-21 532
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
Net income hedging	-4 722	1 839	-1 453
<i>Whereof effects from basis swaps (1)</i>	-	-	-
Profit (loss) buyback own bonds - amortised cost	242	-	-5 325
Currency gains (losses)	-	-	-
Net other financial instruments and derivatives	242	-	-5 325
Net income from financial instruments	-12 626	-180	-28 310

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 %
Total	100.0 %	100.0 %	100.0 %

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
Total debt to credit institutions	9 806 067	5 751 357	6 530 493

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
Equity capital			
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
Net subordinated capital (common equity tier 1)	5 822 885	4 786 406	5 757 159
Minimum requirements for equity capital			
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
Risk weighted balance (calculation basis)	27 978 072	23 313 289	26 049 781
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	-	-	-
Gross loans	65 145 864	54 948 026	60 651 704
Loss allowance	-27 628	-27 286	-26 863
Net loans	65 118 236	54 920 741	60 624 841
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
Gross loans	65 145 864	54 948 026	60 651 704
Loss allowance	-27 628	-27 286	-26 863
Net loans	65 118 236	54 920 741	60 624 841

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
Telemark	6 751 376	10.4 %	5 746 340
Vestfold	6 497 952	10.0 %	1 178 457
Oslo	3 290 306	5.1 %	5 329 212
Akershus	2 671 060	4.1 %	2 709 382
Rogaland	1 631 768	2.5 %	2 073 064
Other counties	3 404 086	5.1 %	2 625 765
Total	65 118 236	100.0 %	54 920 741
			100.0 %
			60 624 841
			100.0 %

8. Non-performing loans

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

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

Unlikeliness 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
= Total losses for the period	802	3 785	3 328

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
Total	14 604	34 329	58 825	4 587	1 457

NOK Thousand	Stage 1		Stage 2		Stage 3	Total
	Expected losses in the next 12 months	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	
Loss provisions as at 01.01.2025	8 614		14 734		3 890	27 239
Transfers						
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
Loss provisions as at 31.03.2025	9 497		14 647		3 897	28 041
Loss provisions for loans	9 160		14 572		3 897	27 628
Loss provisions for undrawn credit	337		75		0	412
Total loss provisions as at 31.03.2025	9 497		14 647		3 897	28 041

NOK Thousand	Stage 1	Stage 2	Stage 3	Total
	Expected losses in the next 12 months	Lifetime expected credit losses	Lifetime expected credit losses	
Loss provisions as at 01.01.2024	8 492	11 939	3 493	23 924
<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
Loss provisions as at 31.03.2024	8 724	14 845	4 134	27 703
Loss provisions for loans	8 402	14 753	4 131	27 286
Loss provisions for undrawn credit	322	92	3	417
Total loss provisions as at 31.03.2024	8 724	14 845	4 134	27 703

* 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	Stage 1	Stage 2	Stage 3	Total
Gross loans assessed at amortised cost				
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 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
Gross loans as at 31.03.2025 assessed at amortised cost	60 139 583	4 875 378	130 904	65 145 864

NOK Thousand	Stage 1	Stage 2	Stage 3	Total
Gross loans assessed at amortised cost				
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
Gross loans as at 31.03.2024 assessed at amortised cost	50 704 599	4 111 786	131 642	54 948 027

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
Total	10 653 541	2 836 773	5 605 847

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
NO0011100259	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
Pool of eligible loans	64 815 517	54 605 203	60 353 840
Certificates and bonds	9 514 000	1 850 000	4 500 000
Total cover pool	74 329 517	56 455 203	64 853 840
Debt incurred due to issuance of securities	61 892 250	48 396 750	56 346 750
Total	61 892 250	48 396 750	56 346 750
Collateralisation ratio (OC)	20.1 %	16.7 %	15.1 %

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
Pool of eligible loans	64 921 659	54 705 219	60 451 563
Certificates and bonds	9 607 745	1 884 730	4 558 879
Financial derivatives (assets)	-	-	-
Total cover pool	74 529 404	56 589 948	65 010 442
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
Total	62 399 620	48 797 008	56 771 421
Collateralisation ratio (OC)	19.4 %	16.0 %	14.5 %

* Loans above 80 % LTV and loans in default.

13. Related parties

NOK Thousand	31.03.2025	31.03.2024	31.12.2024
Income statement			
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
Balance sheet			
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
Profit before losses on loans	133 506	115 394	119 563	118 172	117 138
Losses on loans and undrawn credits	802	3 145	-4 032	430	3 785
Profit before taxes	132 704	112 249	123 595	117 742	113 352
Tax expenses	29 200	24 627	27 863	26 432	25 680
Profit for the period	103 504	87 622	95 732	91 309	87 673
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 %