



# Interim report

## Q1 2025

(unaudited)



*bustadkreditt  
sogn og fjordane*

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Front cover photo: Michaela Klouda

GRAPHIC DESIGN: SpareBank 1 Sogn og Fjordane

E. Natvik Prenteverk AS

ENGLISH TRANSLATION: Språkverkstaden AS

# Key figures

FIGURES IN 000S OF NOK

## INCOME STATEMENT

	31 March 2025/ Q1 2025	31 March 2024/ Q1 2024	31 Dec.2024/ Full-year 2024
Profit/loss after taxation	41 366	47 175	199 470
Net interest margin	0,99 %	1,00 %	1,00 %
Profit/loss after tax as a % of average total assets	0,60 %	0,72 %	0,74 %

## KEY BALANCE SHEET FIGURES

Gross loans to customers	24 314 226	25 695 007	26 057 654
Loss allowance	27 587	35 178	26 999
Equity	2 204 265	2 210 004	2 362 299
Total assets	26 389 375	26 306 156	27 897 754
Average total assets	27 411 617	26 055 185	26 847 733

## OTHER KEY FIGURES

Cost-to-income ratio	7,48 %	6,31 %	5,35 %
Impairment loss as a % of gross loans	0,00 %	– 0,01 %	– 0,04 %
Loss allowance as a % of gross loans	0,11 %	0,14 %	0,10 %
Return on equity after tax *)	7,14 %	8,36 %	8,70 %
Capital adequacy ratio	23,14 %	21,82 %	21,90 %
Liquidity Coverage Ratio (LCR)	211 %	96 %	240 %
Net Stable Funding Ratio (NSFR)	125 %	114 %	109 %

## YEAR-ON-YEAR BALANCE SHEET GROWTH

Growth in total assets	0,32 %	1,93 %	8,10 %
Growth in customer lending	– 5,37 %	2,26 %	3,70 %

## INFORMATION ABOUT THE LOAN PORTFOLIO

Surplus value of cover pool (NOK millions)	3 172	2 815	3 890
Surplus value of cover pool (%)	15,3 %	12,6 %	18,0 %
Loan-to-value ratio, indexed	50,5 %	53,5 %	53,2 %
Loan-to-value ratio, not indexed	57,7 %	58,5 %	58,0 %
Face value of converted bonds issued (NOK millions)	20 729	22 410	21 617
Substitute assets other than loans (NOK millions)	139,8	147,7	112,2
Weighted average time since issued of loans (years)	4,3	3,8	4,02
Weighted average remaining term of loans (years)	18,8	19,3	19,20
Proportion of variable-rate loans	90,1 %	100,0 %	90,8 %
Proportion of fixed-rate loans	9,9 %	0,0 %	9,2 %
Proportion of flexible mortgages	14,6 %	14,4 %	14,1 %
Average loan value (NOK millions)	1,69	1,62	1,71
Number of loans	14 364	15 861	15 231
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 earlier periods, return on equity was calculated based on opening equity adjusted for dividends paid.

# Interim report 31.03.2025

## Highlights

Bustadkreditt Sogn og Fjordane AS (BSF) is a wholly-owned subsidiary of SpareBank 1 Sogn og Fjordane, based at the bank's head office in Førde.

In November 2024, what was formerly Sparebanken Sogn og Fjordane became part of the SpareBank 1 alliance. Going forward, the parent company will use both SpareBank 1 Boligkreditt and Bustadkreditt Sogn og Fjordane to obtain external financing.

Bustadkreditt Sogn og Fjordane AS has given the SpareBank 1 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 SpareBank 1 Sogn og Fjordane.

At the end of March 2025, the Company had 14,364 mortgages with a total face value of NOK 24.3 billion. The loans in the cover pool were issued by SpareBank 1 Sogn og Fjordane and subsequently bought by Bustadkreditt Sogn og Fjordane AS. At the close of March, 90.1% of the loans were variable rate loans. 14.6% of the loan book was made up of flexible mortgages.

The weighted average loan-to-value ratio was 50.5%, the weighted average loan term was 18.8 years and the weighted average time since the loans were granted was 4.3 years. The average loan per customer was NOK 1.69 million. The volume of covered bonds issued by the Company was NOK 20.7 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 first quarter of 2025, 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 41.4 million (47.2 million)
- Net interest income of NOK 66.4 million (64.6 million)
- Operating expenses of NOK 4.3 million (4.0 million)
- Net change in the value of financial instruments of NOK -9.3 million (-2.1 million)
- Impairment loss of NOK 0.5 million (impairment gain of NOK 1.4 million)
- Annualised return on equity of 7.14% (8.36%) after tax
- Core Tier 1 capital adequacy ratio of 23,14% (21,82%)

## Profit

In the first quarter of 2025, the Company made a pre-tax profit of NOK 53.0 million. Profit after tax was NOK 41.4 million, giving an annualised return on equity of 7.14%. The equivalent figures for the previous year were NOK 60.5 million in pre-tax profit, NOK 47.2 million in profit after tax and return on equity of 8.36%. Profit after tax was equivalent to 0.60% of average total assets, compared with 0.72% in the year-earlier period.

## Net interest income

Net interest income totalled NOK 66.6 million. The net interest margin for the first quarter of 2025 was 0.99%. The equivalent figures for the year-earlier period were NOK 64.6 million and 1%.

## Operating expenses

Operating expenses were NOK 4.3 million, compared with NOK 4.0 million for the same period of 2024. The Company's biggest expense was the purchase of services from SpareBank 1 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 7.48%, down from 6.31% last year.



## Expected credit losses on loans, etc

The Company follows SpareBank 1 Sogn og Fjordane's guidelines for assessing expected credit losses on loans, guarantees and undrawn credit facilities. At 31 March 2025, the Company had 31 loans with a combined value of NOK 57.1 million that were more than 90 days past due. The Company has not realised any losses.

For the first quarter of 2025, a NOK 0.5 million impairment loss was recognised due to changes in expected credit losses. The total balance sheet allowance for ECLs was NOK 27.6 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

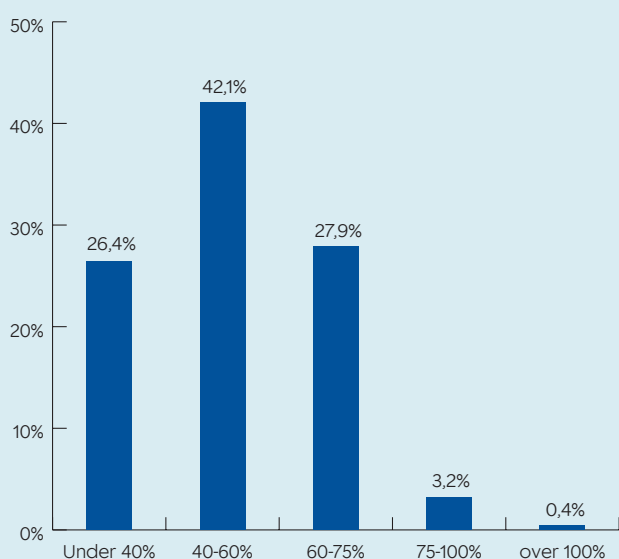
The Company had total assets of NOK 26.4 billion at 31 March 2025. This represented an increase of NOK 0.1 billion over the past 12 months (+0.3%).

## Customer loans and other substitute assets

In addition to the NOK 24.3 billion of mortgage loans, NOK 139.8 million of other substitute assets have been established. The total value of the cover pool is NOK 23.9 billion, which is 15.3% higher than the volume of covered bonds issued.

68.5% 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.

### Loans-to-value ratio



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

### 5 BIGGEST COUNTIES MEASURED BY LOAN VOLUME

County	Percentage
Vestland	73.5%
Oslo	10.5%
Akershus	7.0%
Møre og Romsdal	1.7%
Rogaland	1.4%
Rest of Norway	5.9%
<b>Total</b>	<b>100%</b>

### 5 BIGGEST MUNICIPALITIES MEASURED BY LOAN VOLUME

Municipality	Percentage
Bergen	17.3%
Sunnfjord	16.1%
Kinn	11.0%
Oslo	10.5%
Sogndal	6.4%
Rest of Norway	38.7%
<b>Total</b>	<b>100%</b>

### DISTRIBUTION BY LOAN VALUE

Loan value	Volume (NOK millions)
NOK 0–1 million	2,319
NOK 1–2 million	6,162
NOK 2–3 million	6,478
NOK 3–4 million	4,110
Over NOK 4 million	5,245
<b>Total</b>	<b>24,314</b>

## Shareholders' equity and capital adequacy

At 31 March 2025, Bustadkreditt Sogn og Fjordane AS had NOK 2,204 million of equity. The capital adequacy ratio was 23.14%. The equivalent figures for the previous year were NOK 2,210 million of equity and a capital adequacy ratio of 21.82%.

In the first quarter of 2025, the Company adopted a decision to pay NOK 199.4 million in dividends to the parent company.

## Liquidity

At the close of the first quarter, Bustadkreditt Sogn og Fjordane had NOK 139.8 million of substitute assets consisting of deposits held at SpareBank 1 Sogn og Fjordane. The Company also had bonds with a carrying amount of NOK 1,933.7 million. These bonds are not included as substitute assets. Bustadkreditt Sogn og Fjordane AS has excellent credit facilities with SpareBank 1 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

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 first quarter of 2025, the Company's weighted loan-to-value ratio was 50.5%, 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 SpareBank 1 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 first quarter of 2025. The Company generated NOK 66.4 million of net interest income, which was 3% more than in the first quarter of last year. Its return on equity was 7.14%. Loan growth is continuously adjusted in view of the cover pool needed. 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, 06 May 2025

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth  
Chair

Linda Vøllestad Westbye

Ole Aukland

Andrea Kvamsdal

Peter Midthun

Irene Flølo  
CEO

# Income statement

	Note	Q1 2025	Q1 2024	Year 2024
Interest income		375 763	372 402	1 541 307
Interest expenses		309 170	307 771	1 271 928
<b>Net interest income</b>		<b>66 593</b>	<b>64 631</b>	<b>269 379</b>
Commission income		532	555	2 208
<b>Net commission income</b>		<b>532</b>	<b>555</b>	<b>2 208</b>
Net gains/losses on financial instruments		– 9 268	– 2 133	– 11 601
<b>Total other operating income</b>		<b>– 9 268</b>	<b>– 2 133</b>	<b>– 11 601</b>
<b>Net other operating income</b>		<b>– 8 737</b>	<b>– 1 578</b>	<b>– 9 392</b>
<b>Total operating income</b>		<b>57 856</b>	<b>63 053</b>	<b>259 987</b>
Wages, salaries, etc.		0	0	51
Other operating expenses		4 328	3 981	13 864
<b>Total operating expenses</b>		<b>4 328</b>	<b>3 981</b>	<b>13 915</b>
<b>Operating profit/loss before impairment loss</b>		<b>53 528</b>	<b>59 071</b>	<b>246 072</b>
Impairment loss(+)/gain(-)	3, 4, 5	494	– 1 409	– 9 659
<b>Operating profit/loss</b>		<b>53 034</b>	<b>60 480</b>	<b>255 730</b>
Tax expense		11 668	13 305	56 261
<b>Profit/loss for the reporting period</b>		<b>41 366</b>	<b>47 175</b>	<b>199 470</b>
<b>COMPREHENSIVE INCOME</b>				
<b>Profit/loss for the reporting period</b>		<b>41 366</b>	<b>47 175</b>	<b>199 470</b>
Other comprehensive income		0	0	0
<b>Comprehensive income</b>		<b>41 366</b>	<b>47 175</b>	<b>199 470</b>

# Balance sheet

<b>ASSETS</b>	<b>Note</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Loans and advances to credit institutions		141 655	147 695	111 882
Loans to customers	3,4,5	24 238 137	25 659 828	26 030 655
Commercial paper and bonds		1 933 683	432 857	1 717 524
Financial assets		73 566	62 993	37 693
Other assets		2 334	2 782	0
<b>Total assets</b>		<b>26 389 375</b>	<b>26 306 156</b>	<b>27 897 754</b>
<b>DEBT AND EQUITY</b>				
<b>Liabilities</b>				
Debt to credit institutions		4 178 236	3 234 605	3 624 281
Debt securities in issue	6	19 464 059	20 256 077	21 347 794
Financial derivatives		492 682	417 754	498 767
Tax payable		41 248	36 007	59 160
Defferd tax		3 053	5 953	3 053
Other liabilities and provisions		5 833	145 756	2 399
<b>Total liabilities</b>		<b>24 185 110</b>	<b>24 096 151</b>	<b>25 535 455</b>
<b>Paid-up equity</b>				
Share capital		– 2 150 000	2 150 000	2 150 000
<b>Total paid-up equity</b>		<b>2 150 000</b>	<b>2 150 000</b>	<b>2 150 000</b>
<b>Retained earnings</b>				
Other equity	7	54 265	60 004	12 899
Allocated for dividends		0	0	199 400
<b>Total paid-up equity</b>		<b>54 265</b>	<b>60 004</b>	<b>212 299</b>
<b>Total equity</b>		<b>2 204 265</b>	<b>2 210 004</b>	<b>2 362 299</b>
<b>Total liabilities and equity</b>		<b>26 389 375</b>	<b>26 306 156</b>	<b>27 897 754</b>

Førde, 06 May 2025

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth  
Chair

Linda Vøllestad Westbye

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Peter Midthun

Irene Flølo  
CEO



# Cash flow statement

	31.03.2025	31.03.2024	31.12.2024
Profit/loss before taxation	53 034	60 480	255 730
Impairment loss	1 664	– 1 409	– 9 659
Tax paid	– 29 580	– 15 718	– 38 420
Reduction/increase (-) in loans and advances to customers	1 790 762	– 567 266	– 929 913
Other non-cash transactions	1 190	143 733	446
<b>A) Net cash flow from operating activities</b>	<b>1 817 071</b>	<b>– 380 179</b>	<b>– 721 814</b>
Reduction/increase (-) in investments in commercial paper/ bonds/derivatives	– 253 851	– 8 410	– 1 267 777
<b>B) Net cash flow from investment activities</b>	<b>– 253 851</b>	<b>– 8 410</b>	<b>– 1 267 777</b>
Increase/reduction (-) in loans from credit institutions	553 954	628 154	1 017 831
Increase/reduction (-) in debt securities/derivatives	– 1 889 821	– 174 892	997 839
Increase/reduction in paid-up share capital	0	0	0
Dividends	– 199 400	– 143 000	– 143 000
<b>C) Net cash flow from financing activities</b>	<b>– 1 535 266</b>	<b>310 262</b>	<b>1 872 669</b>
<b>D) Net cash flow during the year (A+B+C)</b>	<b>27 954</b>	<b>– 78 327</b>	<b>– 116 922</b>
Opening balance of cash and cash equivalents	111 882	228 804	228 804
<b>Closing balance of cash and cash equivalents</b>	<b>139 835</b>	<b>147 695</b>	<b>111 882</b>
<b>Breakdown of cash and cash equivalents</b>			
Deposits at other financial institutions	139 835	147 695	111 882
<b>Total</b>	<b>139 835</b>	<b>147 695</b>	<b>111 882</b>

# Equity statement

	PAID-UP EQUITY Share capital	RETAINED EARNINGS Other equity	TOTAL EQUITY
<b>Opening balance 01.01.24</b>	<b>2 150 000</b>	<b>155 829</b>	<b>2 305 829</b>
Dividends paid	0	– 143 000	– 143 000
Profit/loss for the reporting period	0	199 470	199 470
<b>Closing balance 31.12.24</b>	<b>2 150 000</b>	<b>212 299</b>	<b>2 362 299</b>
<b>Opening balance 01.01.25</b>	<b>2 150 000</b>	<b>212 299</b>	<b>2 362 299</b>
Dividends paid	0	– 199 400	– 199 400
Profit/loss for the reporting period	0	41 366	41 366
<b>Closing balance 31.03.25</b>	<b>2 150 000</b>	<b>54 265</b>	<b>2 204 265</b>

# 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 2024 annual report. See: [www.ssf.no](http://www.ssf.no).

### CHANGES TO ACCOUNTING STANDARDS

There were no changes to accounting standards or interpretations that were implemented by the Company in the first quarter of 2025.

## 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 SpareBank 1 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

	Q1 2025	Q1 2024	Full-year 2024
Increase/reduction in individually assessed allowances	0	0	0
Increase/reduction in expected credit losses (model-based)	494	- 1 409	- 9 659
Losses realised during period for which a loss allowance had previously been made	0	0	0
Losses realised during the period for which a loss allowance had not previously been made	0	0	0
Recoveries against previous years' realised losses	0	0	0
<b>Impairment loss for the period</b>	<b>494</b>	<b>- 1 409</b>	<b>- 9 659</b>

## 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.

2025	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for loans at amortised cost at 01.01.25</b>	<b>4 812</b>	<b>9 771</b>	<b>11 046</b>	<b>25 630</b>
Transferred to Stage 1	72	– 863	– 25	– 816
Transferred to Stage 2	– 192	1 812	– 62	1 558
Transferred to Stage 3	– 10	– 399	823	414
New financial assets issued or acquired	0	0	0	0
Derecognised financial assets	– 267	– 549	– 202	– 1 017
Changes to model/macroeconomic parameters	701	5 254	– 2 398	3 557
Actual losses covered by previous provisions	0	0	0	0
Other changes	– 366	– 600	– 773	– 1 739
<b>Loss allowance for loans at amortised cost at 31.03.25</b>	<b>4 750</b>	<b>14 427</b>	<b>8 410</b>	<b>27 587</b>
<b>Loss allowance for loans at fair value at 31.03.25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 171</b>
<b>Total loss allowance for loans at 31.03.25</b>	<b>4 750</b>	<b>14 427</b>	<b>8 410</b>	<b>28 758</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.25</b>	<b>161</b>	<b>61</b>	<b>0</b>	<b>222</b>
Changes in the period	41	55	– 1	95
<b>Loss allowance for undrawn credit facilities and guarantees at 31.03.25</b>	<b>120</b>	<b>6</b>	<b>1</b>	<b>128</b>
	Stage 1	Stage 2	Stage 3	Total
<b>2024</b>	<b>6 948</b>	<b>16 904</b>	<b>12 735</b>	<b>36 588</b>
<b>Opening loss allowance for loans at amortised cost at 01.01.24</b>	<b>6 948</b>	<b>16 904</b>	<b>12 735</b>	<b>36 588</b>
Transferred to Stage 1	419	– 2 506	– 100	– 2 187
Transferred to Stage 2	– 473	2 918	– 364	2 082
Transferred to Stage 3	0	– 328	771	444
New financial assets issued or acquired	746	589	0	1 335
Derecognised financial assets	– 668	– 2 289	– 2 247	– 5 204
Changes to model/macroeconomic parameters	– 82	– 542	– 288	– 913
Actual losses covered by previous provisions	0	0	0	0
Other changes	– 228	562	2 700	3 033
<b>Loss allowance for loans at amortised cost at 31.03.24</b>	<b>6 661</b>	<b>15 309</b>	<b>13 208</b>	<b>35 178</b>
<b>Loss allowance for loans at fair value at 31.03.24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total loss allowance for loans at 31.03.24</b>	<b>6 661</b>	<b>15 309</b>	<b>13 208</b>	<b>35 178</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.24</b>	<b>198</b>	<b>94</b>	<b>0</b>	<b>292</b>
Changes in the period	5	– 4	0	1
<b>Loss allowance for undrawn credit facilities and guarantees at 31.03.24</b>	<b>203</b>	<b>90</b>	<b>0</b>	<b>293</b>

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

### 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. Future default levels are predicted based on expected development in money market interest rates and unemployment. Future loss levels are simulated based on collateral values and expectations for price developments. Qualitative assessments have been made of expected developments in default levels and house prices 5 years ahead, based on the outlook in Norges Bank's Monetary Policy Report, Financial Stability and Financial outlook.

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 31.03.25	Probability of default starting from 31.03.25					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	1,19	1,11	1,02	0,95	0,82	5,8 %	80 %
Scenario 2: Downside scenario for retail market	1,95	2,11	1,84	1,58	0,82	- 1,5 %	10 %
Scenario 3: Upside scenario for retail market	0,81	0,56	0,56	0,67	0,83	6,5 %	10 %

## Note 5 Assets classified by IFRS 9 stage

2025	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.25</b>	<b>21 006 447</b>	<b>2 506 036</b>	<b>155 722</b>	<b>23 668 206</b>
Transferred to Stage 1	100 121	- 100 588	- 488	- 956
Transferred to Stage 2	- 154 930	156 402	- 2 003	- 532
Transferred to Stage 3	- 730	- 16 123	16 825	- 28
New financial assets issued or acquired	3 290	0	0	3 290
Derecognised financial assets	- 969 774	- 54 246	- 64 523	- 1 088 544
Other changes	547 468	- 1 278 681	43 346	- 687 868
<b>Gross loans at amortised cost at 31.03.25</b>	<b>20 531 892</b>	<b>1 212 799</b>	<b>148 879</b>	<b>21 893 570</b>
Loss allowance for loans at amortised cost at 31.03.25	4 750	14 427	8 410	27 587
<b>Net loans at amortised cost at 31.03.25</b>	<b>20 527 142</b>	<b>1 198 372</b>	<b>140 468</b>	<b>21 865 982</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.03.25</b>	<b>2 281 976</b>	<b>135 997</b>	<b>2 683</b>	<b>2 420 656</b>
Loss allowance for loans at fair value at 31.03.25	0	0	0	1 171
<b>Net loans at fair value at 31.03.25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 419 486</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Total gross loans at 31.03.25</b>	<b>22 816 804</b>	<b>1 349 989</b>	<b>147 434</b>	<b>24 314 226</b>
Loss allowance for loans at amortised cost at 31.03.25	4 750	14 427	8 410	27 587
Loss allowance for loans at fair value at 31.03.25	0	0	0	1 171
Value adjustment fixed-rate lending	0	0	0	47 331
<b>Total net loans at 31.03.25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24 238 137</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Guarantees and undrawn credit facilities at 31.03.25</b>	<b>2 296 602</b>	<b>4 208</b>	<b>79</b>	<b>2 300 889</b>
Loss allowance for guarantees and undrawn credit facilities at 31.03.25	120	6	1	128
<b>Net exposure to guarantees and undrawn credit facilities at 31.03.25</b>	<b>2 296 481</b>	<b>4 202</b>	<b>78</b>	<b>2 300 761</b>



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

2024	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.24</b>	<b>21 833 253</b>	<b>3 056 419</b>	<b>238 068</b>	<b>25 127 741</b>
Transferred to Stage 1	652 186	– 648 680	– 3 506	0
Transferred to Stage 2	– 624 612	634 648	– 10 036	0
Transferred to Stage 3	0	– 26 101	26 101	0
New financial assets issued or acquired	2 510 018	207 546	0	2 717 564
Derecognised financial assets	– 1 537 916	– 281 361	– 64 886	– 1 884 163
Other changes	– 247 002	– 19 011	– 122	– 266 136
<b>Gross loans at amortised cost at 31.03.24</b>	<b>22 585 926</b>	<b>2 923 461</b>	<b>185 620</b>	<b>25 695 007</b>
Loss allowance for loans at amortised cost at 31.03.24	6 661	15 309	13 208	35 178
<b>Net loans at amortised cost at 31.03.24</b>	<b>22 579 265</b>	<b>2 908 152</b>	<b>172 412</b>	<b>25 659 828</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.03.24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loss allowance for loans at fair value at 31.03.24	0	0	0	0
<b>Net loans at fair value at 31.03.24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Total gross loans at 31.03.24</b>	<b>22 585 926</b>	<b>2 923 461</b>	<b>185 620</b>	<b>25 695 007</b>
Total loss allowance for loans at 31.03.24	6 661	15 309	13 208	35 178
<b>Total net loans at 31.03.24</b>	<b>22 579 265</b>	<b>2 908 152</b>	<b>172 412</b>	<b>25 659 828</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Guarantees and undrawn credit facilities at 31.03.24</b>	<b>2 206 627</b>	<b>63 301</b>	<b>0</b>	<b>2 269 928</b>
Loss allowance for guarantees and undrawn credit facilities at 31.03.24	203	90	0	293
<b>Net exposure to guarantees and undrawn credit facilities at 31.03.24</b>	<b>2 206 424</b>	<b>63 212</b>	<b>0</b>	<b>2 269 635</b>

## Note 6 Debt securities in issue

	31.03.25	31.03.24	31.12.24
<b>Face value:</b>			
Commercial paper and other short-term borrowings	0	0	0
Bonds in issue at amortised cost	15 704 000	17 385 000	16 592 000
Own unamortised commercial paper/bonds, at amortised cost	– 1 000 000	– 2 000 000	0
Bonds in issue at fair value	5 025 000	5 025 000	5 025 000
<b>Total debt securities in issue</b>	<b>19 729 000</b>	<b>20 410 000</b>	<b>21 617 000</b>
<b>Term to maturity</b>			
Remaining term to maturity (net face value)			
2024	0	1 485 000	0
2025	2 982 000	5 000 000	7 692 000
2026	4 000 000	4 000 000	4 000 000
2027	4 722 000	4 900 000	4 900 000
2029	1 000 000	1 000 000	1 000 000
2030	4 000 000	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
<b>Total</b>	<b>19 729 000</b>	<b>20 410 000</b>	<b>21 617 000</b>
New borrowings in 2025	<b>3 000 000</b>		
Net repayments during the reporting period	<b>3 909 426</b>		

ISIN NUMBER	Face value	Interest rate	Coupon margin	Maturity date *)	Carrying amount 31.03.25
NO0010843311	982 000	3 MTH NIBOR	0,49	23.04.25	991 348
NO0013181529	2 000 000	3 MTH NIBOR	0,23	15.10.25	2 020 014
NO0010881048	4 000 000	3 MTH NIBOR	0,49	18.06.26	4 011 366
NO0011008377	4 000 000	3 MTH NIBOR	0,75	27.05.27	4 055 037
NO0010895329	722 000	3 MTH NIBOR	0,40	12.10.27	729 995
NO0013465393	3 000 000	3 MTH NIBOR	0,44	24.01.30	3 024 868
NO0012713553	1 000 000	Fixed-rate	4,14	04.10.29	998 660
NO0010871643	1 000 000	Fixed-rate	2,30	19.06.30	920 218
NO0012767963	525 000	Fixed-rate	3,80	30.08.32	511 375
NO0010830524	1 000 000	Fixed-rate	2,68	31.08.33	893 136
NO0010863772	1 000 000	Fixed-rate	2,04	20.09.34	831 963
NO0012654476	500 000	Fixed-rate	3,72	31.08.37	476 077
<b>Total debt securities in issue</b>	<b>19 729 000</b>				<b>19 464 059</b>

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

<b>EQUITY AND SUBORDINATED DEBT</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Share capital and share premium account	2 150 000	2 150 000	2 150 000
Other equity	12 899	12 829	12 899
<b>Equity</b>	<b>2 162 899</b>	<b>2 162 829</b>	<b>2 162 899</b>
<b>Other core capital</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deductions:</b>			
Valuation adjustment (prudent valuation rules)	– 4 479	– 596	– 4 209
Deferred tax assets	0	0	0
Other deductions	0	0	– 1 841
<b>Net core capital</b>	<b>2 158 420</b>	<b>2 162 233</b>	<b>2 156 849</b>
<b>Core Tier 1 capital</b>	<b>2 158 420</b>	<b>2 162 233</b>	<b>2 156 849</b>
<b>Net supplementary capital</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net equity and subordinated debt</b>	<b>2 158 420</b>	<b>2 162 233</b>	<b>2 156 849</b>
<b>BASIS FOR CALCULATION</b>			
<b>Credit risk</b>			
Institutions	54 005	55 948	48 983
Retail loans	148 482	156 886	124 025
Residential mortgage loans	8 342 861	8 824 679	8 981 972
Overdue advances	148 628	176 089	145 687
Covered bonds	162 007	25 719	114 587
Other advances	64 609	61 727	28 879
<b>Total calculation basis for credit risk</b>	<b>8 920 592</b>	<b>9 301 047</b>	<b>9 444 132</b>
Operational risk	406 399	398 898	406 399
CVA	0	208 769	0
<b>Total calculation basis</b>	<b>9 326 991</b>	<b>9 908 714</b>	<b>9 850 531</b>
<b>Excess equity and subordinated debt</b>	<b>1 412 261</b>	<b>1 369 536</b>	<b>1 368 807</b>
<b>CAPITAL ADEQUACY</b>			
Capital adequacy ratio	23,14 %	21,82 %	21,90 %
Core capital adequacy ratio	23,14 %	21,82 %	21,90 %
Core Tier 1 capital adequacy ratio	23,14 %	21,82 %	21,90 %
Unweighted core capital ratio	8,07 %	8,11 %	7,64 %

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

	31.03.25	31.03.24	31.12.24
Interest received from SpareBank 1 Sogn og Fjordane	5 527	3 828	17 146
Interest paid to SpareBank 1 Sogn og Fjordane	40 780	40 498	159 900
Interest paid to SpareBank 1 Sogn og Fjordane on covered bonds	1 541	0	30 970
Services bought from SpareBank 1 Sogn og Fjordane	1 915	1 884	7 665
Deposits at SpareBank 1 Sogn og Fjordane	139 835	147 695	111 882
Liabilities to SpareBank 1 Sogn og Fjordane	4 178 236	3 234 605	3 624 281
Covered bonds held by SpareBank 1 Sogn og Fjordane	0	0	0

Bustadkreditt Sogn og Fjordane AS has no employees. An agreement has been signed with SpareBank 1 Sogn og Fjordane on the supply of loan servicing and administrative services. All of the Company's loans have been acquired from SpareBank 1 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 SpareBank 1 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 SpareBank 1 Sogn og Fjordane (SSF):

- A NOK 1,600 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 31.03.2025 the credit facility was fully drawn.
- A credit facility that can be used to finance advances to customers with available credit within their flexible mortgages. At 31.03.2025, the limit on the facility was NOK 2 301 million.
- 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 31.03.2025, the limit on the facility was NOK 1 658 million, but this limit depends on the volume of covered bonds issued at any given time.
- A long-term credit facility. The limit on the facility is NOK 1,000 million, which was fully drawn at 31.03.2025.

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

	31.03.25	31.03.24	31.12.24
Deposits at the parent company	139 835	147 695	112 198
Government-guaranteed commercial paper	0	0	0
Other commercial paper and bonds	0	0	0
<b>Total substitute assets</b>	<b>139 835</b>	<b>147 695</b>	<b>112 198</b>

## Note 10 Fair value of financial instruments

### Fair value of financial instruments measured at amortised cost

	31.03.25		31.03.24		31.12.24	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<i>Financial assets</i>						
Loans and advances to credit institutions	139 835	139 835	147 695	147 695	111 882	111 882
Loans to customers (gross)	21 893 570	21 893 570	25 695 007	25 695 007	23 668 206	23 668 206
<b>Total financial assets measured at amortised cost</b>	<b>22 033 405</b>	<b>22 033 405</b>	<b>25 842 702</b>	<b>25 842 702</b>	<b>23 780 088</b>	<b>23 780 088</b>
<i>Financial liabilities</i>						
Debt to credit institutions	4 178 236	4 178 236	3 234 605	3 234 605	3 624 281	3 624 281
Securities in issue (covered bonds)	14 832 629	14 851 671	15 548 888	15 574 520	16 755 734	16 654 934
<b>Total financial liabilities measured at amortised cost</b>	<b>19 010 865</b>	<b>19 029 907</b>	<b>18 783 493</b>	<b>18 809 124</b>	<b>20 380 016</b>	<b>20 279 215</b>

### Financial assets measured at fair value

	Level 1	Level 2	Level 3	TOTAL AT 31.03.25
<i>Financial assets at fair value through profit or loss</i>				
Loans and advances to customers at fair value	0	0	2 372 155	<b>2 372 155</b>
Commercial paper and bonds measured at fair value	313 609	1 620 074	0	<b>1 933 683</b>
Derivatives, trading portfolio	0	73 566	0	<b>73 566</b>
<i>Financial liabilities at fair value through profit or loss (gross)</i>				
Securities in issue (covered bonds)	0	4 631 430	0	<b>4 631 430</b>
Derivatives, trading portfolio	0	492 682	0	<b>492 682</b>

### 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

## BOARD OF DIRECTORS

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

## CONTACT PERSON

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