



Quarterly report 2025

**Q1**

SR-Boligkreditt

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## **Statement of the Board of Directors**

SR-Boligkredit AS is a wholly owned subsidiary of SpareBank 1 Sør-Norge ("the Bank"). The company issues covered bonds backed by home mortgages acquired from the Bank. Moody's rates SR-Boligkredit AS's covered bond programme Aaa.

## **Income statement as of 31 March 2025**

Net income totalled NOK 340.1 million as of 31 March 2025.

(Amounts in NOK millions)	01.01.25 - 31.03.25	01.01.24 - 31.03.24
Total income	340,1	181,7
Net interest income	238,7	227,7
Net commission cost	17,0	15,3
Net income on financial investments	118,4	-30,7

Operating expenses are kept low due to effective operation and synergies with the Bank. Net income on financial investments is volatile due to changes in value of basis swaps.

## **Balance sheet**

At end of March 2025, total assets stood at NOK 119.3 billion. SR-Boligkredit AS has issued covered bonds amounting to NOK 105.3 billion.

## **Risk**

SR-Boligkredit AS has established guidelines and limits for management and control of the different types of risk. Currency and interest rate risk is eliminated using derivatives. Liquidity risk is managed in accordance with regulatory requirements and limits approved by the board. The company's overall financial risk is low. The servicing agreement with the Bank comprises administration, bank production, IT operations, and financial and liquidity management. Operational risk is assessed as low. Negative developments in the housing market will affect the company. A decline in house prices will reduce the value of the company's cover pool relative to the statutory asset coverage requirement. Quarterly stress tests are carried out to estimate effects of a negative development in house prices. One short-term measure to meet a significant fall in house prices would be to supply SR-Boligkredit with home mortgages from the Bank. The board considers the company's total risk

exposure to be low. At the end of March 2025, the company's equity totalled NOK 7.6 billion. The capital adequacy ratio was 24,72%.

## **Outlook**

Norges Bank is expected to cut its policy rate during 2025 from today's 4.50 per cent. Low unemployment rate and growth in real wages will support the Norwegian economy and lead to moderate to high growth in house prices.

SR-Boligkredit will continue to build the company's funding curve and to provide funding diversification for the parent bank. The volume of covered bond issues in 2025 is expected to be approximately NOK 20 billion, and to provide a sound basis for lending activities. Defaults are expected to be low and SR-Boligkredit AS's activities are expected to generate satisfactory profitability in 2025.

The board would like to emphasise that there is considerable uncertainty associated with all assessments of future conditions.

## **Statement pursuant to the Securities Trading Act**

Statement pursuant to Section 5-6 of the Securities Trading Act.

These interim financial statements for SR-Boligkredit AS cover the period 1 January - 31 March 2025. The financial statements were prepared in accordance with IAS 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken. To the best of our knowledge, the third quarter report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the financial statements
- description of the principal risks and uncertainties facing the company over the next accounting period
- description of major transactions with related parties
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Stavanger, 7 Mai 2025

The Board of Directors of SR-Boligkredit AS

## Income statement

NOK 1 000	Note	01.01.25 - 31.03.25	01.01.24 - 31.03.24	2024
Interest income effective interest method		1.591.610	1.491.175	6.100.423
Other interest income		24.855	28.144	113.316
Interest expense		1.377.757	1.291.585	5.313.825
<b>Net interest income</b>		<b>238.709</b>	<b>227.735</b>	<b>899.914</b>
Commission and fee expenses		17.049	15.331	66.338
<b>Net commission expense</b>		<b>17.049</b>	<b>15.331</b>	<b>66.338</b>
Net gains/losses on financial instruments	8	118.409	-30.744	-429.018
<b>Net income on financial investments</b>		<b>118.409</b>	<b>-30.744</b>	<b>-429.018</b>
<b>Total net income</b>		<b>340.068</b>	<b>181.660</b>	<b>404.558</b>
Other operating expense		666	911	3.891
<b>Total operating expense before impairment losses on loans</b>		<b>911</b>	<b>666</b>	<b>911</b>
<b>Operating profit before impairment losses on loans</b>		<b>339.402</b>	<b>180.749</b>	<b>400.667</b>
Impairment losses on loans and guarantees	2	-11.994	3.480	12.157
<b>Pre-tax profit</b>		<b>351.396</b>	<b>177.269</b>	<b>388.510</b>
Tax expenses		77.307	38.999	85.493
<b>Profit after tax</b>		<b>274.089</b>	<b>138.270</b>	<b>303.017</b>
<b>Other comprehensive income</b>				
Adjustments		0	0	0
<b>Comprehensive Income</b>		<b>274.089</b>	<b>138.270</b>	<b>303.017</b>

## Balance sheet

NOK 1 000	Note	31.03.25	31.03.24	31.12.24
<b>Assets</b>				
Balances with credit institutions		1.052.398	275.731	32.293
Loans to customers	2, 3	106.949.020	109.431.162	106.483.616
Bonds		2.249.190	2.458.666	2.452.728
Financial derivatives	7	8.872.201	11.911.225	11.624.675
Deferred tax assets		117.311	67.598	117.311
Other assets		10.767	11.871	-0
<b>Total assets</b>		<b>119.250.887</b>	<b>124.156.252</b>	<b>120.710.623</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Listed debt securities	5	105.259.480	98.118.644	104.117.572
Balances with credit institutions		710.241	11.875.911	4.557.851
Financial derivatives	7	5.556.060	7.766.290	5.584.929
Taxes payable		142.419	113.703	135.206
Deferred tax		0	0	0
Other liabilities		4.576	4.429	11.042
<b>Total liabilities</b>		<b>111.672.776</b>	<b>117.878.978</b>	<b>114.406.601</b>
<b>Equity</b>				
Share capital		7.000.000	6.000.000	6.000.000
Premium reserve		150	150	150
Retained earnings		577.961	277.125	303.872
<b>Total equity</b>		<b>7.578.111</b>	<b>6.277.275</b>	<b>6.304.022</b>
<b>Total liabilities and equity</b>		<b>119.250.887</b>	<b>124.156.252</b>	<b>120.710.623</b>

## Statement of changes in equity

NOK 1 000	Share capital	Premium reserve	Other equity	Total equity
<b>Equity as of 31 December 2023</b>	<b>6.000.000</b>	<b>150</b>	<b>138.855</b>	<b>6.139.005</b>
Dividend 2023, resolved in 2024				0
Profit for the period			138.270	138.270
<b>Equity as of 31 March 2024</b>	<b>6.000.000</b>	<b>150</b>	<b>277.125</b>	<b>6.277.275</b>
<b>Equity as of 31 December 2024</b>	<b>6.000.000</b>	<b>150</b>	<b>303.872</b>	<b>6.304.022</b>
Dividend 2024, resolved in 2025				0
Share issue	1.000.000			1.000.000
Profit for the period			274.089	274.089
<b>Equity as of 31 March 2025</b>	<b>7.000.000</b>	<b>150</b>	<b>577.961</b>	<b>7.578.111</b>

## Cash flow statement

NOK 1 000	31.03.25	31.03.24	31.12.24
Interest receipts from lending to customers	1.606.660	1.479.665	6.220.683
Provisions to SpareBank 1 Sør-Norge	-17.049	-15.331	-66.338
Payments for operations	-16.762	-12.347	1.742
Taxes paid	-70.095	-65.485	-140.189
<b>Net cash flow relating to operations</b>	<b>1.502.754</b>	1.386.501	6.015.898
Net purchase of loan portfolio	-444.744	-9.171.518	-6.277.803
Net payments on the acquisition of bonds	207.877	-96.638	-93.824
<b>Net cash flow relating to investments</b>	<b>-236.867</b>	-9.268.157	-6.371.627
Debt raised by issuance of securities	9.991.880	11.636.350	19.946.520
Redemption of issued securities	-6.000.000	0	-5.886.250
Net change in loans from credit institutions	-3.847.610	-2.643.917	-9.961.977
Paid in capital equity	1.000.000	0	0
Interest payments on debt raised by issuance of securities	-1.390.052	-1.206.694	-5.189.218
Proceeds from settlement of other securities	0	0	1.245.300
Dividend paid	0	0	-138.000
<b>Net cash flow relating to funding activities</b>	<b>-245.782</b>	7.785.740	16.376
<b>Net cash flow during the period</b>	<b>1.020.105</b>	-95.916	-339.353
Balance of cash and cash equivalents start of period	32.293	371.646	371.646
Balance of cash and cash equivalents end of period	1.052.398	275.731	32.293

# Notes to The Financial statements

## Note 1 Accounting policies

### 1.1. Basis of preparation

These interim financial statements for SR-Boligkredit AS cover the period 1 January – 31 March 2025. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements were also prepared in accordance with the applicable IFRS standards and IFRIC interpretations. The interim financial statements are unaudited. All amounts are stated in NOK thousands unless stated otherwise.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual accounts for 2024.

#### New Standards that have not yet been adopted

There are no new standards or interpretations that are not currently in effect and could be expected to have a material effect on the financial statements.

#### New Standards that have been adopted

There are no new standards or interpretations as of 31 March 2025.

### 1.2. Critical accounting estimates and judgements

The preparation of financial information pursuant to IFRS entails the executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognized as assets, liabilities, income, and costs. Note 3 of the annual accounts for 2024 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

#### Losses on loans and guarantees

There has not been any significant increase in credit losses during the year. Measurement of expected credit losses is described in Note 2 in the Annual Report 2024 and Note 2 and 3 in the interim report.

## Note 2 Amounts arising from ECL

The following table show reconciliations from the opening to the closing balance of the loss allowance. Explanation of the terms 12-month ECL and lifetime ECL (stage 1-3) are included in note 2 in the annual account 2024.

NOK 1 000

ECL on loans and advances to customers at amortized cost	Stage 1	Stage 2	Stage 3	Total
<b>Balance 1 January 2025</b>	9.713	42.373	0	52.086
Transfer from stage 1	-212	212	0	0
Transfer from stage 2	5.672	-5.672	0	0
Transfer from stage 3	0	0	0	0
Net remeasurement of loss allowance	-6.761	-864	0	-7.625
New financial assets originated or purchased	1.112	1.973	0	3.085
Change due to reduced portfolio	-900	-6.560	0	-7.460
Change in models/ risk parameters	0	0	0	0
Other movements	0	0	0	0
<b>Balance 31 March 2025</b>	8.625	31.462	0	40.087

NOK 1 000

ECL on remaining credit lines (flexible loans)	Stage 1	Stage 2	Stage 3	Total
<b>Balance 1 January 2025</b>	283	81	0	364
Transfer from stage 1	-2	2	0	0
Transfer from stage 2	28	-28	0	0
Transfer from stage 3	0	0	0	0
Net remeasurement of loss allowance	-14	28	0	14
New financial assets originated or purchased	6	0	0	6
Change due to reduced portfolio	-13	-1	0	-14
Change in models/ risk parameters	0	0	0	0
Other movements	0	0	0	0
<b>Balance 31 March 2025</b>	288	82	0	370

## Note 3 Lending to customers

Lending to customers are residential mortgages only. The mortgages generally have a low loan-to-value and losses have been very low. The total amount of lending to customers at the end of the period were NOK 107.0 billion. All mortgages carry a variable interest rate.

NOK 1 000	31.03.25	31.03.24	31.12.24
Flexible loans - retail market	21.970.525	23.631.200	23.196.786
Amortising loans - retail market	84.799.831	85.587.766	83.129.972
Accrued interest	218.750	255.543	208.944
<b>Gross loans</b>	<b>106.989.106</b>	109.474.508	106.535.703
Impairment provisions	-40.087	-43.346	-52.086
<b>Loans to customers</b>	<b>106.949.020</b>	109.431.162	106.483.616

<b>Liability</b>			
Remaining credit lines (flexible loans)	10.302.485	9.821.938	10.084.060
<b>Total</b>	<b>10.302.485</b>	9.821.938	10.084.060
<b>Expected credit loss on remaining credit lines (flexible loans)</b>	-370	-428	-364

<b>Gross loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance 1 January 2025</b>	100.278.806	6.256.896	0	106.535.702
Transfer from stage 1	-1.106.245	1.106.245	0	0
Transfer from stage 2	950.572	-950.572	0	0
Transfer from stage 3	0	0	0	0
Net increase/decrease balance existing loans	1.617.762	98.798	0	1.716.560
Originated or purchased during the period	10.153.383	333.465	0	10.486.848
Loans that have been derecognised	-10.796.722	-953.283	0	-11.750.005
<b>Balance 31 March 2025</b>	<b>101.097.556</b>	<b>5.891.550</b>	<b>0</b>	<b>106.989.106</b>

## Note 4 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/ CRR).

SR-Boligkredit AS has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the company to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

SR-Boligkredit shall at all times maintain a capital adequacy ratio equal to the minimum regulatory requirement, with a buffer of 50 - 100 basis points.

<b>NOK 1 000</b>	<b>31.03.25</b>	<b>31.03.24</b>	<b>31.12.24</b>
Share capital	7.000.000	6.000.000	6.000.000
Premium reserve	150	150	150
Other equity	577.961	277.125	303.872
<b>Total equity</b>	<b>7.578.111</b>	<b>6.277.275</b>	<b>6.304.022</b>
<b>Deductions</b>			
Proposed dividend	-303.000	-138.000	-303.000
IRB shortfall of credit risk adjustments to expected losses	-143.015	-137.886	-131.650
Profit for the period that cannot be included in total Tier 1 capital	-274.089	-138.270	
Value adjustment due to requirements concerning proper valuation	-2.435	-2.353	-2.732
<b>Common equity Tier 1 capital</b>	<b>6.855.572</b>	<b>5.860.766</b>	<b>5.866.640</b>
Other paid in capital	0	0	0
<b>Net primary capital</b>	<b>6.855.572</b>	<b>5.860.766</b>	<b>5.866.640</b>

<b>Credit risk Basel II</b>				
Corporates - SME	8.740	11.086	9.162	
Corporates - Specialised Lending	15.755	14.995	16.604	
Retail - Secured by real estate SME	478.223	470.445	477.061	
Retail - Secured by real estate non-SME	21.087.488	21.367.081	21.205.430	
Retail - Other	69.884	83.252	51.246	
<b>Total credit risk, IRB approach</b>	<b>21.660.090</b>	<b>21.946.859</b>	<b>21.759.502</b>	
Institutions	2.380.522	2.650.161	2.177.183	
Corporates	162.216	0	12.485	
Covered bonds	142.883	136.244	132.984	
Other assets	413.882	309.140	398.161	
<b>Total credit risk, standardised approach</b>	<b>3.099.503</b>	<b>3.095.545</b>	<b>2.720.813</b>	
Operational risk	1.253.324	1.299.605	1.253.324	
Other risk exposure *	1.717.359	1.860.773	1.515.465	
<b>Total risk exposure amount</b>	<b>27.730.276</b>	<b>28.202.782</b>	<b>27.249.104</b>	
Minimum requirement for CET 1 capital ratio 4,5 %	1.247.862	1.269.125	1.226.210	
Buffer requirements:				
Capital conservation buffer 2,5 %	693.257	705.070	681.228	
Systemic risk buffer 4,5 %	1.247.862	1.269.125	1.226.210	
Countercyclical capital buffer 2,5 %	693.257	705.070	681.228	
Total buffer requirement to CET 1 capital ratio	2.634.376	2.679.264	2.588.665	
Available CET 1 capital ratio after buffer requirement	2.973.333	1.912.377	2.051.766	
Capital ratio	24,72 %	20,78 %	21,53 %	
Tier 1 Capital ratio	24,72 %	20,78 %	21,53 %	
CET 1 capital ratio	24,72 %	20,78 %	21,53 %	
Leverage ratio	5,60 %	4,64 %	4,85 %	

\* Risk weights for residential mortgages are subject to a regulatory floor of 20%. Without this floor, the risk weight for residential mortgages would have been 18,5 % as of 31 March.2025

## Note 5 Debt securities issued

NOK 1 000	Total	NOK	Currency
Covered bonds	108.930.460	32.868.626	76.061.833
Value adjustments	-4.122.803	-365.840	-3.756.963
Accrued interests	451.823	259.981	191.842
<b>Total securities issued</b>	<b>105.259.480</b>	<b>32.762.767</b>	<b>72.496.713</b>

#### Securities issued by maturity date

Public covered bonds	Total	NOK	Currency
2025	9.045.462	0	9.045.462
2026	5.527.720	0	5.527.720
2027	21.241.455	12.053.967	9.187.488
2028	16.499.816	0	16.499.816
2029	26.002.446	17.630.610	8.371.836
2030	5.081.952	0	5.081.952
2031	9.996.923	0	9.996.923
2032	8.885.573	3.078.190	5.807.382
2038	2.794.833	0	2.794.833
2041	183.301	0	183.301
<b>Total debt</b>	<b>105.259.480</b>	32.762.767	72.496.713

#### Change in debt raised through issuance of securities

	Balance 31.03.25	Issued 2025	Matured/ redeemed 2025	Exchange rate and other changes 2025	Balance 31.12.24
Covered bonds	108.930.460	9.991.880	-6.000.000	-2.407.039	107.345.618
Adjustments	-4.122.803			-227.150	-3.895.653
Accrued interests	451.823			-215.783	667.606
<b>Total debt raised through issuance of securities</b>	<b>105.259.480</b>	<b>9.991.880</b>	<b>-6.000.000</b>	<b>-2.849.972</b>	<b>104.117.572</b>

#### Note 6 Asset coverage

Asset coverage is calculated according to the Act on Financial Institutions, section 11-11. There is a discrepancy between the balance sheet amounts, partly because lending will be reduced due to non-performing loans (no occurrences of non-performance as of 31 March 2025), loans with a loan-to-value ratio in excess of 80 percent (60 percent for holiday homes) and the use of market values.

NOK 1 000	31.03.25	31.03.24	31.12.24
Covered bonds	100.770.655	93.344.375	96.203.425
<b>Total covered bonds</b>	<b>100.770.655</b>	<b>93.344.375</b>	<b>96.203.425</b>
Loans to customers	106.418.844	108.915.583	106.166.255
Substitute collateral	3.272.398	2.695.731	2.452.293
<b>Total cover pool</b>	<b>109.691.242</b>	<b>111.611.314</b>	<b>108.618.548</b>
<b>Asset coverage</b>	<b>108,9 %</b>	<b>119,6 %</b>	<b>112,9 %</b>

## Note 7 Financial derivatives

At fair value through profit and loss NOK 1 000	Contract amount 31.03.25	Fair value at 31.03.25	
		Assets	Liabilities
<b>Hedging / Interest and exchange rate instruments</b>			
Interest rate swaps (including cross currency)	156.102.185	8.995.304	5.495.686
<b>Total hedging / Interest and exchange rate instruments</b>	<b>156.102.185</b>	8.995.304	5.495.686
<b>Total currency and interest rate instruments</b>			
Total interest and exchange rate instruments	156.102.185	8.995.304	5.495.686
Total accrued interests		-123.103	60.374
<b>Total financial derivatives</b>	<b>156.102.185</b>	8.872.201	5.556.060

SR-Boligkreditt AS has an ISDA agreement with a CSA supplement with the counterparty for derivatives. The agreement is one-way, which means only the counterparty must pledge security when the market value of derivatives fluctuates.

## Note 8 Net income from financial instruments

NOK 1 000	31.03.25	31.03.24	31.12.24
Net gains for bonds and certificates	665	544	-2.801
Net change in value, basis swap spread	97.611	-26.237	-408.659
Net change in value, other financial investments	20.132	-5.050	-17.557
Net change in value, currency effect	0	0	0
<b>Net income from financial instruments</b>	<b>118.409</b>	-30.744	-429.018

## *Note 9 Events after the balance sheet date*

No material events that affect the prepared interim financial statements have been recorded after 31 March 2025.

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