



Quarterly report 2025

Q2

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 30 June 2025**

Net income totalled NOK 557.3 million as of 30 June 2025.

(Amounts in NOK millions)	01.01.25 -	01.01.24 -
	30.06.25	30.06.24
Total income	557,3	235,4
Net interest income	477,9	458,2
Net commission cost	34,3	32,6
Net income on financial investments	113,6	-190,2

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 June 2025, total assets stood at NOK 134.3 billion. SR-Boligkredit AS has issued covered bonds amounting to NOK 116.9 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 June 2025, the

company's equity totalled NOK 7.6 billion. The capital adequacy ratio was 24,72%.

### **Outlook**

Norges Bank reduced the policy rate from 4.50 per cent to 4.25 per cent in June. Norges Bank is expected to cut the policy rate further during 2025. 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 – 30 June 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, 6 August 2025

The Board of Directors of SR-Boligkredit AS

## Income statement

NOK 1 000	Note	Q2 2025	Q2 2024	01.01.25 - 30.06.25	01.01.24 - 30.06.24	2024
Interest income effective interest method		1.593.012	1.532.186	3.184.622	3.023.361	6.100.423
Other interest income		24.490	28.178	49.346	56.322	113.316
Interest expense		1.378.302	1.329.850	2.756.059	2.621.435	5.313.825
<b>Net interest income</b>		<b>239.200</b>	<b>230.513</b>	<b>477.909</b>	<b>458.248</b>	<b>899.914</b>
Commission and fee expenses		17.202	17.310	34.251	32.642	66.338
<b>Net commission expense</b>		<b>17.202</b>	<b>17.310</b>	<b>34.251</b>	<b>32.642</b>	<b>66.338</b>
Net gains/losses on financial instruments	8	-4.785	-159.492	113.624	-190.236	-429.018
<b>Net income on financial investments</b>		<b>-4.785</b>	<b>-159.492</b>	<b>113.624</b>	<b>-190.236</b>	<b>-429.018</b>
<b>Total net income</b>		<b>217.213</b>	<b>53.711</b>	<b>557.281</b>	<b>235.371</b>	<b>404.558</b>
Other operating expense		2.266	909	2.932	1.820	3.891
<b>Total operating expense before impairment losses on loans</b>		<b>909</b>	<b>2.266</b>	<b>909</b>	<b>2.932</b>	<b>1.820</b>
<b>Operating profit before impairment losses on loans</b>		<b>214.946</b>	<b>52.802</b>	<b>554.349</b>	<b>233.551</b>	<b>400.667</b>
Impairment losses on loans and guarantees	2	-5.904	3.319	-17.898	6.799	12.157
<b>Pre-tax profit</b>		<b>220.851</b>	<b>49.483</b>	<b>572.247</b>	<b>226.752</b>	<b>388.510</b>
Tax expenses		48.587	10.886	125.894	49.885	85.493
<b>Profit after tax</b>		<b>172.263</b>	<b>38.596</b>	<b>446.353</b>	<b>176.866</b>	<b>303.017</b>
<b>Other comprehensive income</b>						
Adjustments		0	0	0	0	0
<b>Comprehensive Income</b>		<b>172.263</b>	<b>38.596</b>	<b>446.353</b>	<b>176.866</b>	<b>303.017</b>

## Balance sheet

NOK 1 000	Note	30.06.25	30.06.24	31.12.24
<b>Assets</b>				
Balances with credit institutions		691.681	50.595	32.293
Loans to customers	2, 3	119.488.558	108.440.642	106.483.616
Bonds		2.249.539	2.459.634	2.452.728
Financial derivatives	7	11.781.783	9.785.210	11.624.675
Deferred tax assets		117.311	67.598	117.311
Other assets		7.343	8.107	-0
<b>Total assets</b>		<b>134.336.215</b>	<b>120.811.786</b>	<b>120.710.623</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Listed debt securities	5	116.923.931	96.006.145	104.117.572
Balances with credit institutions		4.822.918	10.656.303	4.557.851
Financial derivatives	7	5.011.403	7.907.476	5.584.929
Taxes payable		125.894	49.885	135.206
Deferred tax		0	0	0
Other liabilities		4.695	14.106	11.042
<b>Total liabilities</b>		<b>126.888.840</b>	<b>114.633.914</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		447.225	177.721	303.872
<b>Total equity</b>		<b>7.447.375</b>	<b>6.177.871</b>	<b>6.304.022</b>
<b>Total liabilities and equity</b>		<b>134.336.215</b>	<b>120.811.786</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			-138.000	-138.000
Profit for the period			176.866	176.866
<b>Equity as of 30 June 2024</b>	<b>6.000.000</b>	<b>150</b>	<b>177.721</b>	<b>6.177.871</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			-303.000	-303.000
Share issue	1.000.000			1.000.000
Profit for the period			446.353	446.353
<b>Equity as of 30 June 2025</b>	<b>7.000.000</b>	<b>150</b>	<b>447.225</b>	<b>7.447.375</b>

## Cash flow statement

NOK 1 000	30.06.25	30.06.24	31.12.24
Interest receipts from lending to customers	3.222.173	3.066.964	6.220.683
Provisions to SpareBank 1 Sør-Norge	-34.251	-32.642	-66.338
Payments for operations	-15.558	-4.506	1.742
Taxes paid	-135.206	-140.189	-140.189
<b>Net cash flow relating to operations</b>	<b>3.037.158</b>	2.889.628	6.015.898
Net purchase of loan portfolio	-12.976.297	-8.206.566	-6.277.803
Net payments on the acquisition of bonds	208.713	-95.802	-93.824
<b>Net cash flow relating to investments</b>	<b>-12.767.584</b>	-8.302.368	-6.371.627
Debt raised by issuance of securities	18.611.335	11.636.350	19.946.520
Redemption of issued securities	-6.533.421	0	-5.886.250
Net change in loans from credit institutions	265.066	-3.863.526	-9.961.977
Paid in capital equity	1.000.000	0	0
Interest payments on debt raised by issuance of securities	-2.650.167	-2.543.136	-5.189.218
Proceeds from settlement of other securities	0	0	1.245.300
Dividend paid	-303.000	-138.000	-138.000
<b>Net cash flow relating to funding activities</b>	<b>10.389.813</b>	5.091.689	16.376
<b>Net cash flow during the period</b>	<b>659.388</b>	-321.052	-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	691.681	50.595	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 – 30 June 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 30 June 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	-307	307	0	0
Transfer from stage 2	8.573	-8.573	0	0
Transfer from stage 3	0	0	0	0
Net remeasurement of loss allowance	-9.332	2.002	0	-7.330
New financial assets originated or purchased	1.425	2.460	0	3.885
Change due to reduced portfolio	-1.818	-12.647	0	-14.465
Change in models/ risk parameters	0	0	0	0
Other movements	0	0	0	0
<b>Balance 30 June 2025</b>	8.255	25.921	0	34.177

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	-3	3	0	0
Transfer from stage 2	27	-27	0	0
Transfer from stage 3	0	0	0	0
Net remeasurement of loss allowance	-20	13	0	-7
New financial assets originated or purchased	44	4	0	48
Change due to reduced portfolio	-22	-8	0	-30
Change in models/ risk parameters	0	0	0	0
Other movements	0	0	0	0
<b>Balance 30 June 2025</b>	309	67	0	376

## 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	30.06.25	30.06.24	31.12.24
Flexible loans - retail market	28.421.701	23.530.083	23.196.786
Amortising loans - retail market	90.880.294	84.728.591	83.129.972
Accrued interest	220.739	228.607	208.944
<b>Gross loans</b>	<b>119.522.734</b>	108.487.281	106.535.703
Impairment provisions	-34.177	-46.639	-52.086
<b>Loans to customers</b>	<b>119.488.558</b>	108.440.642	106.483.616

<b>Liability</b>			
Remaining credit lines (flexible loans)	12.285.027	9.821.938	10.084.060
<b>Total</b>	<b>12.285.027</b>	9.821.938	10.084.060
<b>Expected credit loss on remaining credit lines (flexible loans)</b>	-370	-376	-454

<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	-1.694.145	1.694.145	0	0
Transfer from stage 2	1.534.901	-1.534.901	0	0
Transfer from stage 3	0	0	0	0
Net increase/decrease balance existing loans	5.145.440	143.928	0	5.289.369
Originated or purchased during the period	31.345.007	531.422	0	31.876.430
Loans that have been derecognised	-22.453.180	-1.725.586	0	-24.178.766
<b>Balance 30 June 2025</b>	<b>114.156.829</b>	<b>5.365.905</b>	<b>0</b>	<b>119.522.734</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>30.06.25</b>	<b>30.06.24</b>	<b>31.12.24</b>
Share capital	7.000.000	6.000.000	6.000.000
Premium reserve	150	150	150
Other equity	447.225	177.721	303.872
<b>Total equity</b>	<b>7.447.375</b>	<b>6.177.871</b>	<b>6.304.022</b>
<b>Deductions</b>			
Proposed dividend	0	0	-303.000
IRB shortfall of credit risk adjustments to expected losses	-82.187	-134.711	-131.650
Profit for the period that cannot be included in total Tier 1 capital	-446.353	-176.866	
Value adjustment due to requirements concerning proper valuation	-2.422	-2.518	-2.732
<b>Common equity Tier 1 capital</b>	<b>6.916.414</b>	<b>5.863.776</b>	<b>5.866.640</b>
Other paid in capital	0	0	0
<b>Net primary capital</b>	<b>6.916.414</b>	<b>5.863.776</b>	<b>5.866.640</b>

Credit risk, IRB approach	13.609.083	21.681.664	21.759.502
Credit risk, standardised approach	3.959.548	2.332.316	2.720.813
Operational risk	1.804.499	1.299.605	1.253.324
Other risk exposure *	12.741.498	1.966.320	1.515.465
<b>Total risk exposure amount</b>	<b>32.114.628</b>	<b>27.279.906</b>	<b>27.249.104</b>
Minimum requirement for CET 1 capital ratio 4,5 %	1.445.158	1.227.596	1.226.210
Buffer requirements:			
Capital conservation buffer 2,5 %	802.866	681.998	681.228
Systemic risk buffer 4,5 %	1.445.158	1.227.596	1.226.210
Countercyclical capital buffer 2,5 %	802.866	681.998	681.228
Total buffer requirement to CET 1 capital ratio	3.050.890	2.591.591	2.588.665
Available CET 1 capital ratio after buffer requirement	2.420.366	2.044.589	2.051.766
Capital ratio	21,54 %	21,49 %	21,53 %
Tier 1 Capital ratio	21,54 %	21,49 %	21,53 %
CET 1 capital ratio	21,54 %	21,49 %	21,53 %
Leverage ratio	4,93 %	4,82 %	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 10,3 % as of 30 June.2025.

## Note 5 Debt securities issued

NOK 1 000	Total	NOK	Currency
Covered bonds	119.927.497	32.874.839	87.052.659
Value adjustments	-3.540.125	-278.992	-3.261.134
Accrued interests	536.559	286.343	250.216
<b>Total securities issued</b>	<b>116.923.931</b>	<b>32.882.190</b>	<b>84.041.741</b>

#### Securities issued by maturity date

Public covered bonds		Total	NOK	Currency
	2025	8.890.861	0	8.890.861
	2026	5.773.068	0	5.773.068
	2027	21.658.906	12.059.281	9.599.625
	2028	17.261.394	0	17.261.394
	2029	26.312.317	17.634.146	8.678.172
	2030	14.179.450	0	14.179.450
	2031	10.482.250	0	10.482.250
	2032	9.281.750	3.188.763	6.092.987
	2038	2.893.813	0	2.893.813
	2041	190.121	0	190.121
<b>Total debt</b>		<b>116.923.931</b>	32.882.190	84.041.741

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

	Balance 30.06.25	Issued 2025	Matured/ redeemed 2025	Exchange rate and other changes 2025	Balance 31.12.24
Covered bonds	119.927.497	18.611.335	-6.533.421	503.965	107.345.618
Adjustments	-3.540.125			355.527	-3.895.653
Accrued interests	536.559			-131.048	667.606
<b>Total debt raised through issuance of securities</b>	<b>116.923.931</b>	<b>18.611.335</b>	<b>-6.533.421</b>	<b>728.445</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 30 June 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	30.06.25	30.06.24	31.12.24
Covered bonds	108.937.295	93.344.375	96.203.425
<b>Total covered bonds</b>	<b>108.937.295</b>	<b>93.344.375</b>	<b>96.203.425</b>
Loans to customers	119.028.260	107.958.612	106.166.255
Substitute collateral	2.911.681	2.609.816	2.452.293
<b>Total cover pool</b>	<b>121.939.941</b>	<b>110.568.428</b>	<b>108.618.548</b>
<b>Asset coverage</b>	<b>111,9 %</b>	<b>118,5 %</b>	<b>112,9 %</b>

## Note 7 Financial derivatives

At fair value through profit and loss NOK 1 000	Contract amount 30.06.25	Fair value at 30.06.25	
		Assets	Liabilities
<b>Hedging / Interest and exchange rate instruments</b>			
Interest rate swaps (including cross currency)	178.796.059	11.890.952	4.984.442
<b>Total hedging / Interest and exchange rate instruments</b>	<b>178.796.059</b>	11.890.952	4.984.442
<b>Total currency and interest rate instruments</b>			
Total interest and exchange rate instruments	178.796.059	11.890.952	4.984.442
Total accrued interests		-109.169	26.961
<b>Total financial derivatives</b>	<b>178.796.059</b>	11.781.783	5.011.403

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	30.06.25	30.06.24	31.12.24
Net gains for bonds and certificates	1.664	2.368	-2.801
Net change in value, basis swap spread	111.572	-189.872	-408.659
Net change in value, other financial investments	388	-2.731	-17.557
Net change in value, currency effect	0	0	0
<b>Net income from financial instruments</b>	<b>113.624</b>	-190.236	-429.018

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

No material events that affect the prepared interim financial statements have been recorded after 30 June 2025.

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