



*bustadkreditt
sogn og fjordane*



Interim report

Q1 2024 (unaudited)

Contents

3	Key figures
4	Interim report 31.03. 2024
7	Income statement
8	Balance sheet
9	Cash flow statement
10	Equity statement
11	Notes
20	Information about the company

Front cover photo: Lene Neverdal

GRAPHIC DESIGN: Sparebanken Sogn og Fjordane E. Natvik Prenteverk AS

ENGLISH TRANSLATION: Språkverkstaden AS

Key figures

FIGURES IN 000S OF NOK

INCOME STATEMENT

	31.03.24	31.03.23	31.12.23
Profit/loss after taxation	47 175	38 481	143 385
Net interest margin	1,00 %	0,82 %	0,76 %
Profit/loss after tax as a % of average total assets	0,72 %	0,54 %	0,52 %

KEY BALANCE SHEET FIGURES

Gross loans to customers	25 695 007	28 316 239	25 127 741
Loss allowance	35 178	34 175	36 588
Equity	2 210 004	2 200 925	2 305 829
Total assets	26 306 156	28 769 458	25 807 397
Average total assets	26 055 185	28 725 822	27 512 185

OTHER KEY FIGURES

Cost-to-income ratio	6,31 %	5,73 %	6,83 %
Impairment loss as a % of gross loans	- 0,01 %	0,04 %	0,06 %
Loss allowance as a % of gross loans	0,14 %	0,12 %	0,15 %
Return on equity after tax *)	8,36 %	6,78 %	6,55 %
Capital adequacy ratio	21,82 %	20,21 %	22,22 %
Liquidity Coverage Ratio (LCR)	96 %	429 %	705 %
Net Stable Funding Ratio (NSFR)	114 %	106 %	103 %

YEAR-ON-YEAR BALANCE SHEET GROWTH

Growth in total assets	1,93 %	14,09 %	- 8,90 %
Growth in customer lending	2,26 %	14,01 %	- 10,06 %

INFORMATION ABOUT THE LOAN PORTFOLIO

Surplus value of cover pool (NOK millions)	2 815	6 645	3 778
Surplus value of cover pool (%)	12,6 %	31,0 %	18,2 %
Loan-to-value ratio, indexed	53,5 %	55,0 %	56,7 %
Loan-to-value ratio, not indexed	58,5 %	60,5 %	59,1 %
Face value of converted bonds issued (NOK millions)	22 410	21 436	20 942
Substitute assets other than loans (NOK millions)	147,7	146,1	228,8
Weighted average time since issued of loans (years)	3,8	3,4	3,8
Weighted average remaining term of loans (years)	19,3	19,9	19,3
Proportion of variable-rate loans	100,0 %	99,0 %	100,0 %
Proportion of fixed-rate loans	0,0 %	1,0 %	0,0 %
Proportion of flexible mortgages	14,4 %	12,5 %	14,3 %
Average loan value (NOK millions)	1,62	1,59	1,59
Number of loans	15 861	17 737	15 787
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 per 31.03.24
In previous periods, return on equity has been calculated from the opening equity balance adjusted for dividend payments.

Interim report 31.03.2024

Highlights

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of Sparebanken Sogn og Fjordane, with its head office in Førde.

Bustadkreditt Sogn og Fjordane AS has given the Sparebanken 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 Sparebanken Sogn og Fjordane.

At the start of the second quarter of 2023, it was announced that Sparebanken Sogn og Fjordane will become part of the SpareBank 1 alliance. This will also lead to a strategic change of direction for Bustadkreditt Sogn og Fjordane. In the future, the parent company will transfer loans to the jointly owned company SpareBank 1 Boligkreditt, and consequently gradually reduce its use of Bustadkreditt Sogn og Fjordane. The Company will continue to fulfil all of its ongoing obligations.

At the end of March 2024, the Company had 15,861 mortgages with a total face value of NOK 25.7 billion. The loans in the cover pool were issued by Sparebanken Sogn og Fjordane and subsequently bought by Bustadkreditt Sogn og Fjordane AS. At the close of March, of the loans were subject to variable interest rates. 14.4% of the loan book was made up of flexible mortgages.

The weighted average loan-to-value ratio was 53.5%, the weighted average loan term was 19.3 years and the weighted average time since the loans were granted was 3.8 years. The average loan per customer was NOK 1.62 million. The Company's total loan portfolio fell by NOK 2.6 billion over the past year, which reflects the fact that the Sparebanken Sogn og Fjordane Group is becoming part of the SpareBank 1 alliance.

The volume of covered bonds issued by the Company was NOK 22.4 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 2024, 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 47.2 million (38.5 million)
- Net interest income of NOK 64.6 million (58.2 million)
- Operating expenses of NOK 4 million (3.8 million)
- Net change in the value of financial instruments of NOK -2.1 million (-7.1 million)
- Impairment gain of NOK 1.4 million (12.7 million)
- Annualised return on equity of 8.36% (6.78%) after tax
- Core Tier 1 capital adequacy ratio of 21.82% (20.21 %)

Profit

In the first quarter of 2024, the Company made a pre-tax profit of NOK 60.5 million. Profit after tax was NOK 47.2 million, giving an annualised return on equity of 8.36%. The equivalent figures for the previous year were NOK 49.3 million in pre-tax profit, NOK 38.5 million in profit after tax and return on equity of 6.78%. Profit after tax was equivalent to 0.72% of average total assets, compared with 0.54% in the year-earlier period.

Net interest income

Net interest income totalled NOK 64.6 million. The net interest margin for the first quarter was 1%. The equivalent figures for the year-earlier period were NOK 58.2 million and 0.82%.

Operating expenses

Operating expenses were NOK 4 million, compared with NOK 3.8 million for the same period of 2023. The Company's biggest expense was the purchase of services from Sparebanken 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 6.31%, up from 5.73% last year.

Expected credit losses on loans, etc.

The Company follows Sparebanken Sogn og Fjordane's guidelines for assessing expected credit losses on loans, guarantees and undrawn credit facilities. At 31 March 2024, the Company had 23 loans with a combined value of NOK 28.1 million that were more than 90 days past due. The Company has not realised any losses.

For the first quarter of 2024, a NOK 1.4 million impairment gain was recognised due to changes in expected credit losses. The total balance sheet allowance for expected credit losses (ECLs) was NOK 35.2 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

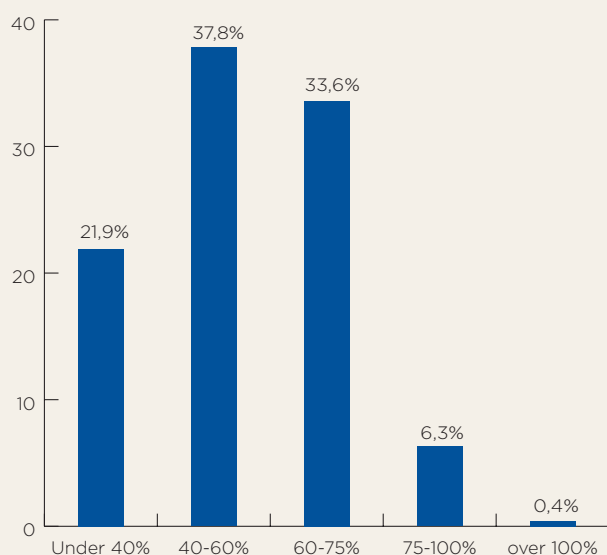
The Company had total assets of NOK 26.3 billion at 31 March 2024. This represented a decline of NOK 2.5 billion (8.6%) over the past 12 months.

Customer loans and other substitute assets

In addition to the NOK 25.7 billion of mortgage loans, NOK 147.7 million of other substitute assets have been established. The total value of the cover pool is NOK 25.6 billion, which is 12.6% higher than the volume of covered bonds issued.

59.8% 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	72,8 %
Oslo	11,0 %
Viken	9,0 %
Møre og Romsdal	1,7 %
Rogaland	1,4 %
Rest of Norway	4,1 %
Total	100 %

5 BIGGEST MUNICIPALITIES MEASURED BY LOAN VOLUME

Municipality	Percentage
Bergen	17,5 %
Sunnfjord	15,7 %
Kinn	11,4 %
Oslo	11,0 %
Lunner	9,0 %
Rest of Norway	35,4 %
Total	100 %

DISTRIBUTION BY LOAN VALUE

Loan value	Volume (NOK millions)
NOK 0-1 million	2.714
NOK 1-2 million	6.779
NOK 2-3 million	6.908
NOK 3-4 million	4.282
Over NOK 4 million	5.012
Total	25.696

Shareholders' equity and capital adequacy

At 31 March 2024, Bustadkreditt Sogn og Fjordane AS had NOK 2,210 million of equity. The capital adequacy ratio was 21.82%. The equivalent figures for the previous year were NOK 2,201 million of equity and a capital adequacy ratio of 20.21%.

In the first quarter of 2024, the Company adopted a decision to pay NOK 143 million in dividends to the parent company.

Liquidity

At the close of the first quarter, Bustadkreditt Sogn og Fjordane had NOK 147.7 million of substitute assets consisting of deposits held at Sparebanken Sogn og Fjordane. The Company also had bonds with a carrying amount of NOK 432.9 million. These bonds are not included as substitute assets. At the end of the quarter, the company had a regulatory breach of LCR. The indicator is at 96% and is due to an operational error. The error was corrected on 08.04.24.

Bustadkreditt Sogn og Fjordane AS has excellent credit facilities with Sparebanken 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

Under its licence as a credit provider, 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 2024, the Company's weighted loan-to-value ratio was 53.5%, 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 Sparebanken 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 2024. The Company generated NOK 64.6 million of net interest income, which was 11.1% more than in the first quarter of last year. Its return on equity was 8.36%. Gross loans have been falling over the past year. This reflects the fact that the Sparebanken Sogn og Fjordane Group is becoming part of the SpareBank 1 alliance. 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, 25 April 2024

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth
Chair

Ole Aukland

Andrea Kvamsdal

Peter Midthun

Linda Vøllestad Westbye

Irene Flølo
CEO

Income statement

	Note	Q1 2024	Q1 2023	Year 2023
Interest income		372 402	309 646	1 326 221
Interest expenses		307 771	251 492	1 117 738
Net interest income		64 631	58 153	208 483
Commission income		555	564	2 231
Net commission income		555	564	2 231
Net gains/losses on financial instruments		- 2 133	7 122	2 860
Total other operating income		- 2 133	7 122	2 860
Net other operating income		- 1 578	7 686	5 091
Total operating income		63 053	65 840	213 574
Wages, salaries, etc.		0	0	46
Other operating expenses		3 981	3 770	14 550
Total operating expenses		3 981	3 770	14 596
Operating profit/loss before impairment loss		59 071	62 070	198 978
Impairment loss(+)/gain (-)	3, 4, 5	- 1 409	12 735	15 151
Operating profit/loss		60 480	49 335	183 827
Tax expence		13 305	10 854	40 442
Profit/loss for the reporting period		47 175	38 481	143 385
COMPREHENSIVE INCOME				
Profit/loss for the reporting period		47 175	38 481	143 385
Other comprehensive income		0	0	0
Comprehensive income		47 175	38 481	143 385

Balance sheet

ASSETS	Note	31.03.24	31.03.23	31.12.23
Loans and advances to credit institutions		147 695	146 080	228 804
Loans to customers	3,4,5	25 659 828	28 282 064	25 091 153
Commercial paper and bonds		432 857	206 959	433 079
Financial assets		62 993	131 526	54 361
Other assets		2 782	2 829	0
Total assets		26 306 156	28 769 458	25 807 397
DEBT AND EQUITY				
Liabilities				
Debt to credit institutions		3 234 605	5 011 340	2 606 451
Debt securities in issue	6	20 256 077	21 226 032	20 521 113
Financial derivatives		417 754	307 072	327 609
Tax payable		36 007	10 854	38 420
Defferd tax		5 953	3 930	5 953
Other liabilities and provisions		145 756	9 305	2 022
Total liabilities		24 096 151	26 568 533	23 501 568
Paid-up equity				
Share capital		2 150 000	2 150 000	2 150 000
Total paid-up equity		2 150 000	2 150 000	2 150 000
Retained earnings				
Other equity	7	60 004	50 925	12 829
Allocated for dividends		0	0	143 000
Total paid-up equity		60 004	50 925	155 829
Total equity		2 210 004	2 200 925	2 305 829
Total liabilities and equity		26 306 156	28 769 458	25 807 397

Førde, 25 April 2024

The Board of Directors of Bustadkreditt Sogn og Fjordane AS

Frode Vasseth
Chair

Ole Aukland

Andrea Kvamsdal

Peter Midthun

Linda Vøllestad Westbye

Irene Flølo
CEO

Cash flow statement

	31.03.24	31.03.23	31.12.23
Profit/loss before taxation	60 480	49 335	183 827
Impairment loss	- 1 409	12 735	15 151
Tax paid	- 15 718	- 23 936	- 31 436
Reduction/increase (-) in loans and advances to customers	- 567 266	- 378 136	2 810 362
Other non-cash transactions	143 733	- 2 273	771
A) Net cash flow from operating activities	- 380 179	- 342 275	2 978 675
Reduction/increas (-) in investments in commercial paper/bonds/derivatives	- 8 410	- 62 473	- 211 428
B) Net cash flow from in	- 8 410	- 62 473	- 211 428
Increase/reduction(-) in loans from credit institutions	628 154	692 820	- 1 712 069
Increase/reduction (-) in debt securities/derivatives	- 174 892	- 160 098	- 844 480
Increase/reduction in paid-up share capital	0	0	0
Dividends	- 143 000	- 118 000	- 118 000
C) Net cash flow from financing activities	310 262	414 722	- 2 674 549
D) Net cash flow during the year (A + B + C)	- 78 327	9 975	92 699
Opening balance of cash and cash equivalents	228 804	136 106	136 106
Closing balance of cash and cash equivalents	147 695	146 080	228 804
Breakdown of cash and cash equivalents			
Deposits at ofther financial institutions	147 695	146 080	228 804
Total	147 695	146 080	228 804

Equity statement

	PAID-UP EQUITY	RETAINED EARNINGS	TOTAL EQUITY
	Share capital	Other equity	
Opening balance at 01.01.23	2 150 000	130 444	2 280 444
Dividends paid	0	- 118 000	- 118 000
Profit/loss for the reporting period	0	143 385	143 385
Closing balance at 31.12.23	2 150 000	155 829	2 305 829
Opening balance at 01.01.24	2 150 000	155 829	2 305 829
Dividends paid	0	- 143 000	- 143 000
Profit/loff for the reporting period	0	47 175	47 175
Closing balance at 31.03.24	2 150 000	60 004	2 210 004

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 2023 annual report. See: 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 2024.

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 Sparebanken 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

	31.03.24	31.03.23	31.12.23
Increase/reduction in individually assessed allowances	0	0	0
Increase/reduction in expected credit losses (model-based)	- 1 409	12 735	15 151
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
Impairment loss for the period	- 1 409	12 735	15 151

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.

2024	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.24	6 948	16 904	12 735	36 588
Transferred to Stage 1	419	- 2506	- 100	- 2 187
Transferred to Stage 2	- 473	2918	- 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
Loss allowance for loans at amortised cost at 31.03.24	6 661	15 309	13 208	35 178
Loss allowance for loans at fair value at 31.03.24	0	0	0	0
Total loss allowance for loans at 31.03.24	6 661	15 309	13 208	35 178

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.24	198	94	0	292
Transferred to Stage 1	3	- 10	0	- 7
Transferred to Stage 2	- 3	17	0	14
Transferred to Stage 3	0	0	0	0
New financial assets issued or acquired	8	3	0	11
Derecognised financial assets	- 3	- 3	0	- 6
Changes to model/macroeconomic parameters	- 3	- 3	0	- 6
Actual losses covered by previous provisions	0	0	0	0
Other changes	3	- 8	0	- 5
Loss allowance for undrawn credit facilities and guarantees at 31.03.24	203	90	0	293

Note 4 Loss allowances classified by IFRS 9 stage, cont.

2023	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.2023	5 479	11 381	4 726	21 587
Transferred to Stage 1	1 028	- 3 176	- 31	- 2 179
Transferred to Stage 2	- 276	2 265	- 184	1 806
Transferred to Stage 3	- 2	- 800	1 186	384
New financial assets issued or acquired	1 275	1 414	187	2 876
Derecognised financial assets	- 508	- 886	- 1 257	- 2 651
Changes to model/macro-economic parameters	2 856	4 915	4 683	12 454
Actual losses covered by previous provisions	0	0	0	0
Other changes	109	- 139	- 260	- 289
Loss allowance for loans at amortised cost at 31.03.2023	9 962	14 975	9 051	33 988
Loss allowance for loans at fair value at 31.03.2023	75	112	0	187
Total loss allowance for loans at 31.03.2023	10 037	15 087	9 051	34 175
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2023	105	36	2	142
Changes during the period	105	36	5	147
Loss allowance for undrawn credit facilities and guarantees at 31.03.2023	210	73	7	289

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. In 2018 and 2019, the bank used a statistical model to estimate how expected changes in macro-economic parameters will affect the future probability of default amongst the bank's customers. During the Covid-19 pandemic and subsequently, there have been such great fluctuations in the macro-economic variables used as independent variables in the model that the model is no longer suitable for predicting future defaults. We have therefore performed a qualitative assessment of what is likely to happen to the probability of default and house prices over the coming five years, based on the impacts of past crises, long-term expectations prior to the Covid crisis and the outlook in Norges Bank's monetary policy report. 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 31.03.2024	Probability of default starting from 31 March 2024					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	1,65	1,50	1,35	1,20	1,00	5,2 %	25 %
Scenario 2: Base scenario for retail market	2,20	2,00	1,80	1,60	1,40	4,2 %	50 %
Scenario 3: Pessimistic scenario for retail market	2,97	2,70	2,43	2,16	1,89	1,4 %	25 %

Note 5 Assets classified by IFRS 9 stage

2024	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.24	21 833 253	3 056 419	238 068	25 127 741
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
Gross loans at amortised cost at 31.03.24	22 585 926	2 923 461	185 620	25 695 007
Loss allowance for loans at amortised cost at 31.03.24	6 661	15 309	13 208	35 178
Net loans at amortised cost at 31.03.24	22 579 265	2 908 152	172 412	25 659 828
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.03.24	0	0	0	0
Loss allowance for loans at fair value at 31.03.24	0	0	0	0
Net loans at fair value at 31.03.24	0	0	0	0
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 31.03.24	22 585 926	2 923 461	185 620	25 695 007
Total loss allowance for loans at 31.03.24	6 661	15 309	13 208	35 178
Total net loans at 31.03.24	22 579 265	2 908 152	172 412	25 659 828
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 31.03.24	2 206 627	63 301	0	2 269 928
Loss allowance for guarantees and undrawn credit facilities at 31.03.24	203	90	0	293
Net exposure to guarantees and undrawn credit facilities at 31.03.24	2 206 424	63 212	0	2 269 635

Note 5 Assets classified by IFRS 9 stage, cont.

2023	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.23	25 544 763	2 263 849	129 491	27 938 103
Transferred to Stage 1	747 612	- 743 411	- 4 201	0
Transferred to Stage 2	- 1 833 287	1 841 069	- 7 781	0
Transferred to Stage 3	- 1 099	- 42 265	43 364	0
New financial assets issued or acquired	2 270 222	192 871	4 215	2 467 307
Derecognised financial assets	- 1 811 476	- 193 218	- 18 810	- 2 023 503
Other changes	- 315 810	- 19 385	- 490	- 335 685
Gross loans at amortised cost at 31.03.23	24 600 924	3 299 511	145 786	28 046 221
Loss allowance for loans at amortised cost at 31.03.23	9 962	14 975	9 051	33 988
Net loans at amortised cost at 31.03.23	24 590 962	3 284 535	136 736	28 012 233
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.03.23	241 768	28 250	0	270 018
Loss allowance for loans at fair value at 31.03.23	75	112	0	187
Net loans at fair value at 31.03.23	241 693	28 138	0	269 831
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 31.03.23	24 842 692	3 327 760	145 786	28 316 239
Total loss allowance for loans at 31.03.23	10 037	15 087	9 051	34 175
Total net loans at 31.03.23	24 832 655	3 312 673	136 736	28 282 064
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 31.03.23	2 071 247	48 438	381	2 120 066
Loss allowance for guarantees and undrawn credit facilities at 31.03.23	210	73	7	289
Net exposure to guarantees and undrawn credit facilities at 31.03.23	2 071 037	48 366	374	2 119 777

Note 6 Debt securities in issue

	31.03.24	31.03.23	31.12.23
Face value:			
Commercial paper and other short-term borrowings	0	0	0
Bonds in issue at amortised cost	17 385 000	16 411 000	15 917 000
Own unamortised commercial paper/bonds, at amortised cost	- 2 000 000	- 209 000	- 354 000
Bonds in issue at fair value	5 025 000	5 025 000	5 025 000
Total debt securities in issue	20 410 000	21 227 000	20 588 000

Term to maturity

Remaining term to maturity (net face value)

2023	0	1 802 000	0
2024	1 485 000	2 500 000	1 663 000
2025	5 000 000	3 000 000	5 000 000
2026	4 000 000	4 000 000	4 000 000
2027	4 900 000	4 900 000	4 900 000
2029	1 000 000	1 000 000	1 000 000
2030	1 000 000	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
Total	20 410 000	21 227 000	20 588 000

New borrowings in 2024

2 000 000

Net repayments during the reporting period

536 549

ISIN NUMMER	Face value	Interest rate	Coupon margin	Maturity date *)	Carrying amount 31.03.24
NO0010819170	1 485 000	3 MTH NIBOR	0,42	15.04.24	1 501 072
NO0010843311	3 000 000	3 MTH NIBOR	0,49	23.04.25	3 029 431
NO0010881048	4 000 000	3 MTH NIBOR	0,49	18.06.26	4 015 009
NO0010895329	900 000	3 MTH NIBOR	0,40	12.10.27	910 345
NO0011008377	4 000 000	3 MTH NIBOR	0,75	27.05.27	4 073 233
NO0012916818	2 000 000	3 MTH NIBOR	0,21	15.01.25	2 019 797
NO0013181529	2 000 000	3 MTH NIBOR	0,23	15.10.25	2 000 000
NO0012713553	1 000 000	Fixed-rate	4,14	04.10.29	1 009 568
NO0010830524	1 000 000	Fixed-rate	2,68	31.08.33	909 534
NO0010863772	1 000 000	Fixed-rate	2,04	20.09.34	848 437
NO0010871643	1 000 000	Fixed-rate	2,30	19.06.30	920 995
NO0012654476	500 000	Fixed-rate	3,72	31.08.37	496 830
NO0012767963	525 000	Fixed-rate	3,80	30.08.32	521 824
Total debt securities in issue	22 410 000				20 258 077

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

EQUITY AND SUBORDINATED DEBT	31.03.24	31.03.23	31.12.23
Share capital and share premium account	2 150 000	2 150 000	2 150 000
Other equity	12 829	12 444	12 829
Equity	2 162 829	2 162 444	2 162 829
Other core capital	0	0	0
Deductions:			
Valuation adjustment (prudent valuation rules)	- 596	- 765	- 577
Deferred tax assets	0	0	0
Net core capital	2 162 233	2 161 679	2 162 252
Core Tier 1 capital	2 162 233	2 161 679	2 162 252
Net supplementary capital	0	0	0
Net equity and subordinated debt	2 162 233	2 161 679	2 162 252
BASIS FOR CALCULATION			
Credit risk			
Institutions	55 948	58 597	72 350
Retail loans	156 886	301 229	146 172
Residential mortgage loans	8 824 679	9 684 638	8 610 539
Overdue advances	176 089	139 416	228 364
Covered bonds	25 719	10 124	25 701
Other advances	61 727	63 734	27 233
Total calculation basis for credit risk	9 301 047	10 257 738	9 110 360
Operational risk	398 898	389 812	398 898
CVA	208 769	50 829	219 732
Total calculation basis	9 908 714	10 698 379	9 728 990
Excess equity and subordinated debt	1 369 536	1 305 809	1 383 933
CAPITAL ADEQUACY			
Capital adequacy ratio	21,82 %	20,21 %	22,22 %
Core capital adequacy ratio	21,82 %	20,21 %	22,22 %
Core Tier 1 capital adequacy ratio	21,82 %	20,21 %	22,22 %
Unweighted core capital ratio	8,11 %	7,44 %	8,27 %

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

	31.03.24	31.03.23	31.12.23
Interest received from Sparebanken Sogn og Fjordane	3 828	2 280	14 755
Interest paid to Sparebanken Sogn og Fjordane	40 498	50 906	180 085
Interest paid to Sparebanken Sogn og Fjordane on covered bonds	0	0	205
Services bought from Sparebanken Sogn og Fjordane	1 884	2 144	8 321
Deposits at Sparebanken Sogn og Fjordane	147 695	146 080	228 804
Liabilities to Sparebanken Sogn og Fjordane	3 234 605	5 011 340	2 606 451
Covered bonds held by Sparebanken Sogn og Fjordane	0	0	0

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

- a) A NOK 1,200 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 31.03.2024, the amount drawn against the facility was NOK 646 million.
- b) A credit facility that can be used to finance advances to customers with available credit within their flexible mortgages. At 31.03.2024, the limit on the facility was NOK 2 670 million.
- c) 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 31.03.2024, the limit on the facility was NOK 1 793 million, but this limit depends on the volume of covered bonds issued at any given time.
- d) A long-term credit facility. The limit on the facility is NOK 1,000 million, which was fully drawn at 31.03.2024.

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

	31.03.24	31.03.23	31.12.23
Deposits at the parent company	147 695	146 080	228 804
Government-guaranteed commercial paper	0	0	0
Other commercial paper and bonds	0	0	0
Total substitute assets	147 695	244 367	228 804

Note 10 Fair value of financial instruments

Fair value of financial instruments measured at amortised cost

	31.03.24		31.03.23		31.12.23	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<i>Financial assets</i>						
Loans and advances to credit institutions	147 695	147 695	146 080	146 080	228 804	228 804
Loans to customers (gross)	25 695 007	25 695 007	28 046 221	28 046 221	25 127 741	25 127 741
Total financial assets measured at amortised cost	25 842 702	25 842 702	28 192 302	28 192 302	25 356 545	25 356 545
<i>Financial liabilities</i>						
Debt to credit institutions	3 234 605	3 234 605	5 011 340	5 011 340	2 606 451	2 606 451
Securities in issue (covered bonds)	15 548 888	15 574 520	16 351 696	16 332 735	15 734 362	15 744 626
Total financial liabilities measured at amortised cost	18 783 493	18 809 124	21 363 036	21 344 075	18 340 813	18 351 076

Financial assets measured at fair value

<i>Financial assets at fair value through profit or loss</i>				TOTAL AT
	Level 1	Level 2	Level 3	31.03.24
Loans and advances to customers at fair value	0	0	0	0
Commercial paper and bonds measured at fair value	0	432 857	0	432 857
Derivatives, trading portfolio		62 993	0	62 993
<i>Financial liabilities at fair value through profit or loss (gross)</i>				
Securities in issue (covered bonds)	0	4 707 189	0	4 707 189
Derivatives, trading portfolio	0	417 754	0	417 754

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

ADDRESS:

Bustadkreditt Sogn og Fjordane AS
Langebruvegen 12
6800 Førde

TEL. NO. +47 57 82 97 00

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

Irene Flølo, CEO
Tel. no.: +47 97 66 76 15