



*bustadkreditt
sogn og fjordane*



Interim report

Q2 2024 (unaudited)

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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

	30 June 2024/ H1 2024	30 June 2023/ H1 2023	31 Dec.2023/ Full-year 2023
Profit/loss after taxation	103 914	71 534	143 385
Net interest margin	1,03 %	0,78 %	0,76 %
Profit/loss after tax as a % of average total assets	0,78 %	0,51 %	0,52 %

KEY BALANCE SHEET FIGURES

Gross loans to customers	26 214 293	25 737 964	25 127 741
Loss allowance	32 932	32 980	36 588
Equity	2 266 743	2 233 978	2 305 829
Total assets	26 978 385	26 538 095	25 807 397
Average total assets	26 508 418	28 325 090	27 512 185

OTHER KEY FIGURES

Cost-to-income ratio	5,51 %	6,75 %	6,83 %
Impairment loss as a % of gross loans	- 0,01 %	0,04 %	0,06 %
Loss allowance as a % of gross loans	0,13 %	0,13 %	0,15 %
Return on equity after tax *)	9,19 %	6,46 %	6,55 %
Capital adequacy ratio	21,44%	21,70 %	22,22 %
Liquidity Coverage Ratio (LCR)	882 %	972 %	705 %
Net Stable Funding Ratio (NSFR)	119 %	108 %	103 %

YEAR-ON-YEAR BALANCE SHEET GROWTH

Growth in total assets	1,66 %	1,41 %	- 8,90 %
Growth in customer lending	1,85 %	0,82 %	- 10,06 %

INFORMATION ABOUT THE LOAN PORTFOLIO

Surplus value of cover pool (NOK millions)	3 776	4 341	3 778
Surplus value of cover pool (%)	17,2 %	20,7 %	18,2 %
Loan-to-value ratio, indexed	51,9 %	53,9 %	56,7 %
Loan-to-value ratio, not indexed	58,4 %	60,1 %	59,1 %
Face value of converted bonds issued (NOK millions)	21 925	20 938	20 942
Substitute assets other than loans (NOK millions)	143,3	246,9	228,8
Weighted average time since issued of loans (years)	3,8	3,7	3,8
Weighted average remaining term of loans (years)	19,4	19,5	19,3
Proportion of variable-rate loans	100,0 %	99,8 %	100,0 %
Proportion of fixed-rate loans	0,0 %	0,2 %	0,0 %
Proportion of flexible mortgages	14,4 %	13,4 %	14,3 %
Average loan value (NOK millions)	1,66	1,57	1,59
Number of loans	15 723	16 356	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 putgoing equity from 31.03.24. In previous periods, return on equity has been calculated from the opening equity balance adjusted for dividend payments.

Interim report 30 June 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.

By the end of this year, Sparebanken Sogn og Fjordane will become part of the SpareBank 1 alliance. 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 June 2024, the Company had 15,723 mortgages with a total face value of NOK 26.2 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 end of June, all of the loans were variable rate loans. 14.4% of the loan book was made up of flexible mortgages.

The weighted average loan-to-value ratio was 51.9%, the weighted average loan term was 19.4 years and the weighted average time since the loans were granted was 3.8 years. The average loan per customer was NOK 1.66 million. The Company's total loan portfolio grew by just NOK 0.5 billion over the past year.

The volume of covered bonds issued by the Company was NOK 21.9 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 second 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 103.9 million (71.5 million)
- Net interest income of NOK 135.8 million (110.1 million)
- Operating expenses of NOK 7.6 million (7.5 million)
- Net change in the value of financial instruments of NOK 0.2 million (-0.4 million)
- Impairment gain of NOK 3.7 million (against loss of NOK 11.6 million)
- Annualised return on equity of 9.19% (6.46%) after tax
- Core Tier 1 capital adequacy ratio of 21.44% (21.70%)

Profit

In the first six months of 2024, the Company made a pre-tax profit of NOK 133.2 million. Profit after tax was NOK 103.9 million, giving an annualised return on equity of 9.19%. The equivalent figures for the first six months of 2023 were NOK 91.7 million in pre-tax profit, NOK 71.5 million in profit after tax and return on equity of 6.46%. Profit after tax was equivalent to 0.78% of average total assets, compared with 0.51% in the year-earlier period.

Net interest income

Net interest income totalled NOK 135.8 million. The net interest margin for the first six months of the year was 1.03%. The equivalent figures for the year-earlier period were NOK 110.1 million and 0.78%.

Operating expenses

Operating expenses were NOK 7.6 million, compared with NOK 7.5 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 5.51%, down from 6.75% 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 30 June 2024, the Company had 28 loans with a combined value of NOK 48.6 million that were more than 90 days past due. The Company has not realised any losses.

For the first six months of 2024, a NOK 3.7 million impairment gain was recognised for changes in expected credit losses (ECLs). The total balance sheet allowance for ECLs was NOK 33.0 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

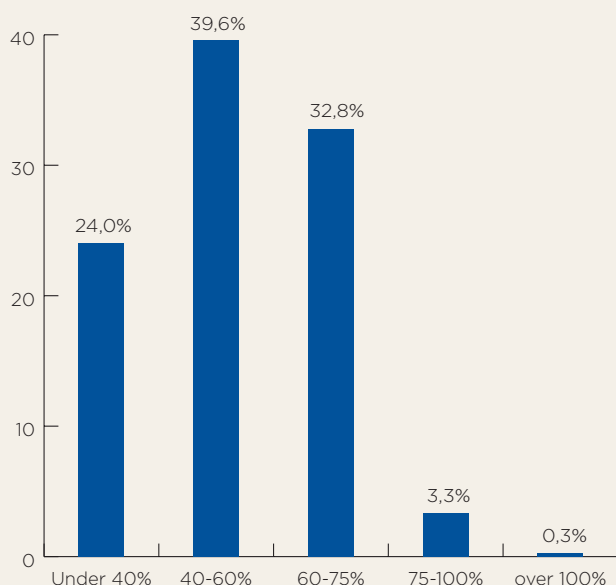
The Company had total assets of NOK 27.0 billion at 30 June 2024. This represented an increase of NOK 0.4 billion (1.7%) over the past 12 months.

Customer loans and other substitute assets

The total cover pool amounts to NOK 25.7 billion, which is 17.2% higher than the volume of issued covered bonds. Of this, substitute assets totaling NOK 143.3 million have been established.

63.6% 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.

Loan-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	10.8%
Akershus	7.3%
Møre og Romsdal	1.7%
Rogaland	1.4%
Rest of Norway	6.0%
Total	100%

5 BIGGEST MUNICIPALITIES MEASURED BY LOAN VOLUME

Municipality	Percentage
Bergen	17.3%
Sunnfjord	15.8%
Kinn	11.2%
Oslo	10.8%
Sogndal	6.2%
Rest of Norway	38.7%
Total	100%

DISTRIBUTION BY LOAN VALUE

Loan value	Volume (NOK millions)
NOK 0-1 million	2.627
NOK 1-2 million	6.680
NOK 2-3 million	7.026
NOK 3-4 million	4.392
Over NOK 4 million	5.489
Total	26.214

Shareholders' equity and capital adequacy

At 30 June 2024, Bustadkreditt Sogn og Fjordane AS had NOK 2,267 million of equity. Its capital adequacy ratio was 21.44%. The equivalent figures for the previous year were NOK 2,234 million of equity and a capital adequacy ratio of 21.70%.

In the first quarter of 2024, the Company paid NOK 143.0 million in dividends to the parent company.

Liquidity

At the close of the second quarter, Bustadkreditt Sogn og Fjordane had NOK 143.3 million of substitute assets consisting of deposits held at Sparebanken Sogn og Fjordane. The Company also had bonds with a carrying amount of NOK 574.2 million. These bonds are not included as substitute assets.

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 second quarter of 2024, the Company's weighted loan-to-value ratio was 51.9%, 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 can report strong figures and stable operations in the first half of 2024. The company achieved a net interest income of NOK 135.8 million, an increase of 23.4% compared to the first half of last year. The return on equity is 9.19%. The growth in loan volume is continuously adjusted to meet the need for substitute assets as we transition to the use of the jointly owned Sparebank 1 Boligkreditt. The company has solid capital adequacy, good cost control, and no confirmed losses, and it will maintain all of its ongoing obligations in the time ahead.

Førde, 13 August 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	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Interest income		388 499	315 729	760 900	625 375	1 326 221
Interest expenses		317 334	263 827	625 105	515 319	1 117 738
Net interest income		71 165	51 902	135 796	110 056	208 483
Commission income		556	557	1 111	1 121	2 231
Net commission income		556	557	1 111	1 121	2 231
Net gains/losses on financial instruments		2 340	- 7 558	206	- 436	2 860
Total other operating income		2 340	- 7 558	206	- 436	2 860
Net other operating income		2 895	- 7 001	1 317	685	5 091
Total operating income		74 060	44 901	137 113	110 741	213 574
Wages, salaries, etc.		0	0	0	0	46
Other operating expenses		3 578	3 707	7 559	7 476	14 550
Total operating expenses		3 578	3 707	7 559	7 476	14 596
Operating profit/loss before impairment loss		70 482	41 194	129 554	103 264	198 978
Impairment loss(+)/gain (-)	3, 4, 5	- 2 260	- 1 180	- 3 669	11 555	15 151
Operating profit/loss		72 742	42 374	133 223	91 709	183 827
Tax expence		16 004	9 321	29 309	20 175	40 442
Profit/loss for the reporting period		56 738	33 053	103 914	71 534	143 385
COMPREHENSIVE INCOME						
Profit/loss for the reporting period		56 738	33 053	103 914	71 534	143 385
Other comprehensive income		0	0	0	0	0
Comprehensive income		56 738	33 053	103 914	71 534	143 385

Balance sheet

ASSETS	Note	30.06.24	30.06.23	31.12.23
Loans and advances to credit institutions		143 318	246 862	228 804
Loans to customers	3,4,5	26 181 361	25 704 985	25 091 153
Commercial paper and bonds		574 237	507 742	433 079
Financial assets		77 614	76 620	54 361
Other assets		1 855	1 886	0
Total assets		26 978 385	26 538 095	25 807 397
DEBT AND EQUITY				
Liabilities				
Debt to credit institutions		2 972 232	3 150 790	2 606 451
Debt securities in issue	6	21 262 294	20 618 489	20 521 113
Financial derivatives		438 123	506 457	327 609
Tax payable		29 309	20 175	38 420
Defferd tax		5 953	3 930	5 953
Other liabilities and provisions		3 731	4 275	2 022
Total liabilities		24 711 642	24 304 117	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	116 743	83 978	12 829
Allocated for dividends		0	0	143 000
Total paid-up equity		116 743	83 978	155 829
Total equity		2 266 743	2 233 978	2 305 829
Total liabilities and equity		26 978 385	26 538 095	25 807 397

Førde, 13 August 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

	30.06.24	30.06.23	31.12.23
Profit/loss before taxation	133 223	91 709	183 827
Impairment loss	- 3 669	11 555	15 151
Tax paid	- 38 420	- 31 436	- 31 436
Reduction/increase (-) in loans and advances to customers	- 1 086 552	2 200 138	2 810 362
Other non-cash transactions	- 133	1 125	771
A) Net cash flow from operating activities	- 995 551	2 273 091	2 978 675
Reduction/increas (-) in investments in commercial paper/bonds/derivatives	- 164 411	- 308 350	- 211 428
B) Net cash flow from investment activities	- 164 411	- 308 350	- 211 428
Increase/reduction(-) in loans from credit institutions	365 781	- 1 167 729	- 1 712 069
Increase/reduction (-) in debt securities/derivatives	851 695	- 568 256	- 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	1 074 476	- 1 853 985	- 2 674 549
D) Net cash flow during the year (A + B + C)	- 85 486	110 756	92 699
Opening balance of cash and cash equivalents	228 804	136 106	136 106
Closing balance of cash and cash equivalents	143 318	246 862	228 804
Breakdown of cash and cash equivalents			
Deposits at ofther financial institutions	143 318	246 862	228 804
Total	143 318	246 862	228 804

Equity statement

	PAID-UP EQUITY Share capital	RETAINED EARNINGS Other equity	TOTAL EQUITY
Opening balance 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 31.12.23	2 150 000	155 829	2 305 829
Opening balance 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	103 914	103 914
Closing balance 30.06.24	2 150 000	116 743	2 266 743

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 second 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

	Q2 2024	Q2 2023	H1 2024	H1 2023	Full-year 2023
Increase/reduction in individually assessed allowances	0	0	0	0	0
Increase/reduction in expected credit losses (model-based)	- 2 260	- 1 180	- 3 669	11 555	15 151
Losses realised during period for which a loss allowance had previously been made	0	0	0	0	0
Losses realised during the period for which a loss allowance had not previously been made	0	0	0	0	0
Recoveries against previous years' realised losses	0	0	0	0	0
Impairment loss for the period	- 2 260	- 1 180	- 3 669	11 555	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	492	- 3139	- 241	- 2 888
Transferred to Stage 2	- 484	3307	- 918	1 905
Transferred to Stage 3	- 7	- 570	1989	1 412
New financial assets issued or acquired	1 630	1 344	0	2 974
Derecognised financial assets	- 1 234	- 3 360	- 2 817	- 7 412
Changes to model/macroeconomic parameters	- 143	- 869	- 377	- 1 389
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 153	325	1 570	1 742
Loss allowance for loans at amortised cost at 30.06.24	7 049	13 942	11 941	32 932
Loss allowance for loans at fair value at 30.06.24	0	0	0	0
Total loss allowance for loans at 30.06.24	7 049	13 942	11 941	32 932

	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	4	- 17	0	- 13
Transferred to Stage 2	- 4	23	0	19
Transferred to Stage 3	0	0	0	0
New financial assets issued or acquired	12	3	0	15
Derecognised financial assets	- 5	- 10	0	- 15
Changes to model/macroeconomic parameters	- 5	- 4	0	- 9
Actual losses covered by previous provisions	0	0	0	0
Other changes	5	- 15	0	- 10
Loss allowance for undrawn credit facilities and guarantees at 30.06.24	204	75	0	279

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 01.01.23	5 479	11 381	4 726	21 587
Transferred to Stage 1	207	- 1 835	- 49	- 1 677
Transferred to Stage 2	- 679	3 503	- 406	2 418
Transferred to Stage 3	- 5	- 860	1 534	669
New financial assets issued or acquired	689	1 902	460	3 051
Derecognised financial assets	- 978	- 1 796	- 1 327	- 4 101
Changes to model/macroeconomic parameters	2 523	5 851	4 961	13 335
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 561	- 1 568	- 219	- 2 348
Loss allowance for loans at amortised cost at 30.06.23	6 675	16 579	9 681	32 935
Loss allowance for loans at fair value at 30.06.23	8	37	0	45
Total loss allowance for loans at 30.06.23	6 683	16 616	9 681	32 980
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.23	105	36	2	142
Transferred to Stage 1	0	- 3	0	- 3
Transferred to Stage 2	- 10	25	0	15
Transferred to Stage 3	0	0	0	0
New financial assets issued or acquired	5	6	0	11
Derecognised financial assets	0	0	0	0
Changes to model/macroeconomic parameters	84	63	3	151
Actual losses covered by previous provisions	0	0	0	0
Other changes	- 3	- 9	0	- 11
Loss allowance for undrawn credit facilities and guarantees at 30.06.23	182	118	5	305

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 macroeconomic 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 30.06.2024	Probability of default starting from 30 June 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	0,06	0,25
Scenario 2: Base scenario for retail market	2,20	2,00	1,80	1,60	1,40	0,05	0,50
Scenario 3: Pessimistic scenario for retail market	2,97	2,70	2,43	2,16	1,89	0,03	0,25

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	761 800	- 754 013	- 7 787	0
Transferred to Stage 2	- 701 657	716 241	- 14 585	0
Transferred to Stage 3	- 7 382	- 55 371	62 754	0
New financial assets issued or acquired	4 707 547	425 877	0	5 133 424
Derecognised financial assets	- 3 022 410	- 502 712	- 76 704	- 3 601 825
Other changes	- 414 988	- 28 211	- 1 847	- 445 046
Gross loans at amortised cost at 30.06.24	23 156 163	2 858 231	199 899	26 214 293
Loss allowance for loans at amortised cost at 30.06.24	7 049	13 942	11 941	32 932
Net loans at amortised cost at 30.06.24	23 149 114	2 844 290	187 957	26 181 361
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.24	0	0	0	0
Loss allowance for loans at fair value at 30.06.24	0	0	0	0
Net loans at fair value at 30.06.24	0	0	0	0
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.06.24	23 156 163	2 858 231	199 899	26 214 293
Total loss allowance for loans at 30.06.24	7 049	13 942	11 941	32 932
Total net loans at 30.06.24	23 149 114	2 844 290	187 957	26 181 361
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 30.06.24	2 231 651	60 109	0	2 291 760
Loss allowance for guarantees and undrawn credit facilities at 30.06.24	204	75	0	279
Net exposure to guarantees and undrawn credit facilities at 30.06.24	2 231 447	60 035	0	2 291 481

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	461 453	- 458 918	- 2 536	0
Transferred to Stage 2	- 1 483 373	1 501 296	- 17 923	0
Transferred to Stage 3	- 9 799	- 56 051	65 851	0
New financial assets issued or acquired	1 940 729	323 700	11 921	2 276 350
Derecognised financial assets	- 3 483 147	- 352 637	- 22 780	- 3 858 564
Other changes	- 597 696	- 55 584	- 4 177	- 657 457
Gross loans at amortised cost at 30.06.23	22 372 929	3 165 655	159 848	25 698 432
Loss allowance for loans at amortised cost at 30.06.23	6 675	16 579	9 681	32 935
Net loans at amortised cost at 30.06.23	22 366 253	3 149 076	150 167	25 665 497
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.2023	27 720	11 813	0	39 533
Loss allowance for loans at fair value at 30.06.23	8	37	0	45
Net loans at fair value at 30.06.23	27 712	11 776	0	39 488
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.06.23	22 400 649	3 177 468	159 848	25 737 964
Total loss allowance for loans at 30.06.23	6 683	16 616	9 681	32 980
Total net loans at 30.06.23	22 393 966	3 160 852	150 167	25 704 985
	Stage 1	Stage 2	Stage 3	Total
Guarantees and undrawn credit facilities at 30.06.23	2 070 750	57 433	367	2 128 550
Loss allowance for guarantees and undrawn credit facilities at 30.06.23	182	118	5	305
Net exposure to guarantees and undrawn credit facilities at 30.06.23	2 070 568	57 315	362	2 128 245

Note 6 Debt securities in issue

Face value:	30.06.24	30.06.23	31.12.23
Commercial paper and other short-term borrowings	0	0	0
Bonds in issue at amortised cost	16 900 000	15 917 000	15 917 000
Own unamortised commercial paper/bonds, at amortised cost	- 508 000	- 79 000	- 354 000
Bonds in issue at fair value	5 025 000	5 025 000	5 025 000
Total debt securities in issue	21 417 000	20 863 000	20 588 000

Term to maturity

Remaining term to maturity (net face value)			
2024	0	1 938 000	1 663 000
2025	7 492 000	5 000 000	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	21 417 000	20 863 000	20 588 000

New borrowings in 2024 **3 000 000**

Net repayments during the reporting period **2 040 805**

ISIN NUMBER	Face value	Interest rate	Coupon margin	Maturity date *)	Carrying amount 30.06.24
NO0010843311	3 000 000	3 MTH NIBOR	0,49	23.04.25	3 029 597
NO0010881048	4 000 000	3 MTH NIBOR	0,49	18.06.26	4 013 646
NO0010895329	900 000	3 MTH NIBOR	0,40	12.10.27	910 367
NO0011008377	4 000 000	3 MTH NIBOR	0,75	27.05.27	4 069 540
NO0012916818	2 000 000	3 MTH NIBOR	0,21	15.01.25	1 506 466
NO0013181529	3 000 000	3 MTH NIBOR	0,23	15.10.25	3 031 413
NO0012713553	1 000 000	Fixed-rate	4,14	04.10.29	1 016 308
NO0010830524	1 000 000	Fixed-rate	2,68	31.08.33	912 364
NO0010863772	1 000 000	Fixed-rate	2,04	20.09.34	849 629
NO0010871643	1 000 000	Fixed-rate	2,30	19.06.30	902 865
NO0012654476	500 000	Fixed-rate	3,72	31.08.37	495 804
NO0012767963	525 000	Fixed-rate	3,80	30.08.32	524 297
Total debt securities in issue	21 925 000				21 262 294

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	30.06.24	30.06.23	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)	- 766	- 733	- 577
Deferred tax assets	0	0	0
Net core capital	2 162 063	2 161 711	2 162 252
Core Tier 1 capital	2 162 063	2 161 711	2 162 252
Net supplementary capital	0	0	0
Net equity and subordinated debt	2 162 063	2 161 711	2 162 252
BASIS FOR CALCULATION			
Credit risk			
Institutions	54 150	77 828	72 350
Retail loans	106 771	133 520	146 172
Residential mortgage loans	9 024 995	8 858 104	8 610 539
Overdue advances	189 169	151 823	228 364
Covered bonds	36 090	33 072	25 701
Other advances	77 614	76 620	27 233
Total calculation basis for credit risk	9 488 789	9 330 967	9 110 360
Operational risk	398 898	389 812	398 898
CVA	198 023	242 550	219 732
Total calculation basis	10 085 710	9 963 329	9 728 990
Excess equity and subordinated debt	1 355 206	1 364 645	1 383 933
CAPITAL ADEQUACY			
Capital adequacy ratio	21,44 %	21,70 %	22,22 %
Core capital adequacy ratio	21,44 %	21,70 %	22,22 %
Core Tier 1 capital adequacy ratio	21,44 %	21,70 %	22,22 %
Unweighted core capital ratio	7,91 %	8,04 %	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

	30.06.24	30.06.23	31.12.23
Interest received from Sparebanken Sogn og Fjordane	8 122	6 818	14 755
Interest paid to Sparebanken Sogn og Fjordane	80 428	99 699	180 085
Interest paid to Sparebanken Sogn og Fjordane on covered bonds	15 707	205	205
Services bought from Sparebanken Sogn og Fjordane	3 803	4 261	8 321
Deposits at Sparebanken Sogn og Fjordane	143 318	246 862	228 804
Liabilities to Sparebanken Sogn og Fjordane	2 972 232	3 150 790	2 606 451
Covered bonds held by Sparebanken Sogn og Fjordane	1 516 755	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 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 30.06.2024, the amount drawn against the facility was NOK 402 million.
- A credit facility that can be used to finance advances to customers with available credit within their flexible mortgages. At 30.06.2024, the limit on the facility was NOK 2 292 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 30.06.2024, the limit on the facility was NOK 1 754 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 30.06.2024.

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

	30.06.24	30.06.23	31.12.23
Deposits at the parent company	143 272	246 862	228 804
Government-guaranteed commercial paper	0	0	0
Other commercial paper and bonds	0	0	0
Total substitute assets	143 272	246 862	228 804

Note 10 Fair value of financial instruments

Fair value of financial instruments measured at amortised cost

	30.06.24		30.06.23		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	143 318	143 318	246 862	246 862	228 804	228 804
Loans to customers (gross)	26 214 293	26 214 293	25 698 432	25 698 432	25 127 741	25 127 741
Total financial assets measured at amortised cost	26 357 611	26 357 611	25 945 293	25 945 293	25 356 545	25 356 545
<i>Financial liabilities</i>						
Debt to credit institutions	2 972 232	2 972 232	3 150 790	3 150 790	2 606 451	2 606 451
Securities in issue (covered bonds)	16 561 028	16 600 314	15 990 688	15 960 778	15 734 362	15 744 626
Total financial liabilities measured at amortised cost	19 533 260	19 572 546	19 141 478	19 111 569	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	30.06.24
Loans and advances to customers at fair value	0	0	0	0
Commercial paper and bonds measured at fair value	213 340	360 896	0	574 237
Derivatives, trading portfolio	0	77 614	0	77 614
<i>Financial liabilities at fair value through profit or loss (gross)</i>				
Securities in issue (covered bonds)	0	4 701 266	0	4 701 266
Derivatives, trading portfolio	0	438 123	0	438 123

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

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the interim financial statements for the end of the second quarter of 2024 have been prepared in accordance with current accounting standards, and that the information contained therein provides a true picture of the assets, liabilities, financial position and results of the Company. The Board believes that the interim report gives a true picture of the performance, results and financial position of the Company, and assesses the most important areas of uncertainty and potential risks it faces.

Førde, 13.08.2024

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

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

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