Annual Report 2024

SpareBank 1 Boligkreditt

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13 BANKS. HUNDREDS OF YEARS OF EXPERIENCE:

The SpareBank Alliance

Early in the 19th century the savings banks were started all across Norway, by the communities themselves, to have a savings vehicle and to help grow local economies and infrastructure.

The savings banks history begin in Norway in 1822 when the first savings bank opened in Christiania, today's Oslo. The following year, in 1823, the first banks, which are today part of the SpareBank 1 Alliance, were founded.

In 1996, The SpareBank 1 Alliance was formed. The goal was to make the banks stronger by working together. Later, several opportunities for offering the public other financial services than lending were integrated. At the same time the SpareBank 1 brand was born. Today it is a household brand name all over Norway. The number of savings banks in the Alliance has changed over time. Smaller units have merged, forming larger banks, and further banks have joined the Alliance because of the benefits the cooperation offers.

The Alliance strengthens each of today's 12 local bank's competitiveness and profitability and it ensures each bank's future independence and regional ties. The shares of SpareBank 1 banks listed on the Oslo stock exchange have provided strong investment returns since the Alliance was formed, through the financial crisis and the corona pandemic, as well as business cycles in between.

A key contributing reason is sound lending. Part of the core strategy for the banks is a regional banking principle, intimate knowledge of the customer base and in the last couple of years a strong focus on sustainability.

SpareBank 1 is Norway's second largest finance group in terms of assets. It plays a key role in the country's residential mortgage market. At year-end 2024, the banks in the SpareBank 1 Alliance finance approximately 25 per cent of all residential mortgage loans in Norway.

Big or small, two hundred years old or established in the 21st century: All the banks in the SpareBank 1 Alliance have made a difference for Norwegians and their daily lives, businesses and local initiatives all over the country – and they still do. Today the one-time traditional saving account and lending banking concept of the 19th century is, as a SpareBank 1 Alliance member, a fully-fledged universal bank which shares a part of its profits with the society in which it operates.

When the covered bond legislation was enacted in Norway in 2007 (and since updated in 2022), the SpareBank 1 banks' joint subsidiary SpareBank 1 Boligkreditt (SpaBol) stood ready to fund residential mortgages with covered bonds on behalf of the SpareBank 1 banks. SpaBol has been a regular EUR benchmark issuer in since and has become an established name in the covered bond market. SpaBol comes regularly to both the EUR and NOK covered bond markets in public benchmark format, and issues in other currencies as well.

Even though a successful alliance always is dependent on its members, we would like to give one of our banks some extra attention in this report: SpareBank 1 Nordmøre – a savings bank in a truly unique and iconic coastal region far up the long Norwegian coast. SpareBank 1 Nordmøre is a recent bank in the sense that it was created by a merger of two banks in 2021. But the roots of the bank is of course appropriately old, and its original starting point lies in the year 1835, making the bank 190 years old in 2025. Even though this report contains the Boligkreditt story and numbers of 2024, we will also present SpareBank 1 Nordmøre as a valued Alliance member bank.

The banks in the SpareBank 1 Alliance have made a difference for Norwegians and their daily lives, businesses and local initiatives all over the country – and they still do.

The Atlantic road

Annual Statement 2024 of the Board of Directors of SpareBank 1 Boligkreditt AS

SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt AS ('Boligkreditt', 'SpaBol', or 'The Company') is a specialized and regulated credit institution for the issuance of covered bonds[1].

The Company, which is based in Stavanger, Norway, is owned by the SpareBank 1 banks throughout Norway (the SpareBank 1 Alliance banks), and funds exclusively mortgage retail lending for these banks.

The sole purpose of the Company is to provide funding via covered bonds for the owner banks in the SpareBank 1 Alliance. To this purpose, the owner banks transfer qualifying mortgage loans with a loan-to-value ("LTV") of up to 75 per cent[2]. The Company is a highly integrated part of the financing operations of its owner banks. These banks transfer residential mortgages when covered bond funding is sought and pay in all equity capital to SpaBol. The banks then earn a net interest contribution from the Company for each mortgage transferred. All mortgage customer interactions remain with the originating bank.

The Company's issuances of covered bonds mainly take place under the EUR 35 billion Global Medium Term Covered Note Programme (GMTCN Programme). This Programme was last updated on March 26, 2024, and will be renewed around this date in 2025 for the following twelve months. The programme is available on the Company's home page: https://spabol.sparebank1.no/programme-documents. All covered bonds issued are designated EU Premium, i.e. all the requirements of the EUs CRR Art. 129 are fulfilled.

Moody's Ratings Service evaluate the credit quality of the issuances under the GMTCN Programme. The issued covered bonds are rated Aaa.

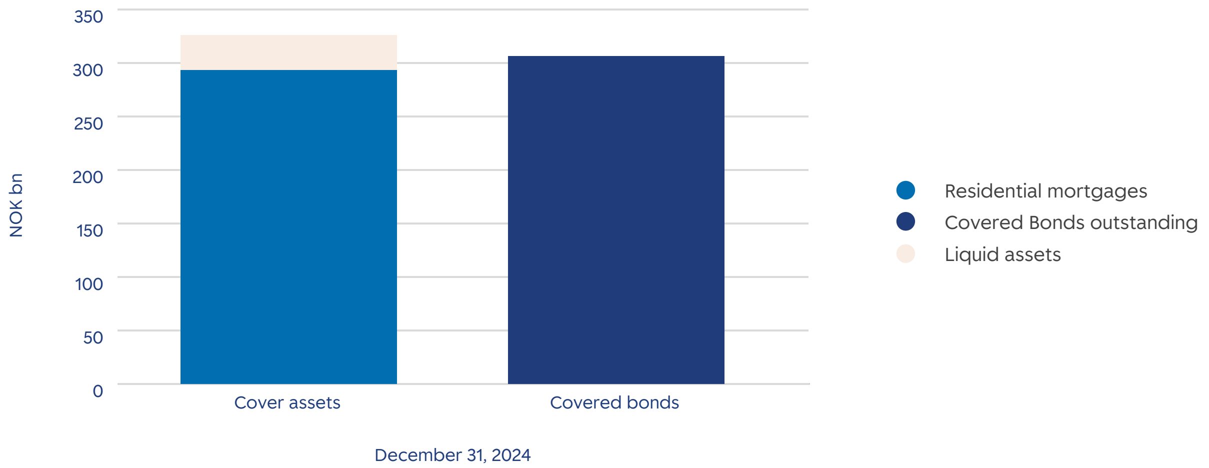
Cover pool and outstanding covered bonds[3]

SpareBank 1 Boligkreditt's cover pool consists of residential mortgages and liquid assets as well as derivatives hedging liabilities in a foreign currency and/or at fixed rates. The chart below illustrates the balances as of December 31, 2024. The balances are based on a nominal principle where bonds are presented at par. This means that derivatives hedging these instruments are effectively incorporated within the nominal values of the bonds in the illustration. A swap exactly converts each fixed coupon payment in any currency to a NOK 3-month floating rate basis over the tenor of a bond.

[1] The covered bond legislation in Norway was updated July 2022 and incorporates the Directive (EU) 2019/2162

[2] The legal limit is 80 per cent as in the EUs covered bond directive. SpaBol has chosen to remain at the previous LTV limit of 75 per cent. The limit for instalment mortgages is 75 per cent, while mortgages which have no scheduled repayment structure are limited to 60 per cent. There is a regulatory minimum amortization requirement of 2.5 per cent annually for new mortgages with a LTV at 60 per cent or above. Several other rules apply for mortgage lending and for qualifying existing mortgages for the SpaBol cover pool.

[3] The source is the cover pool asset liability test for overcollateralization as of March 31, 2024 (which is a note included in the financial statements).



The amount of **liquid assets** is minimum 180 days ahead of cash outflows[4]. Liquid assets are covered bonds with a triple-A rating, SSA or government bonds with a triple-A rating, or short-term cash deposits and repos (please see the cover pool statistical reports on spabol.no for exact details on the composition of liquid assets).

The table below provides an overview of the **residential mortgages** in the cover pool, as well as the over-collateralization. The current LTV reflects quarterly updated house prices as well as loan amortization, while the original LTV was as originated for the mortgages.

Residential mortgages key figures

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Weighted Average Current LTV (%)	53.4 %	52.4 %	53.5 %	54.8 %	53.3 %
Weighted Average Original LTV (%)	60.5 %	60.4 %	60.4 %	60.5 %	59.9 %
Average Loan Balance (NOK)	1,879,451	1,855,925	1,842,214	1,836,819	1,811,759
Number of Mortgages in Pool	155,888	152,615	152,401	152,327	152,420
Pct. of non first-lien mortgages	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Overcollateralization	6.3 %	5.7 %	5.8 %	5.8 %	5.3 %

[4]The 180 days rule is enshrined in the EUs Covered Bond Directive (2019/2162) Article 16. The option in Art. 16.5 of covering the liquidity requirement with the covered bond's soft bullet feature is against board approved liquidity policy at SpaBol, which holds a liquidity reserve as part of the cover pool. However, the 180 days liquidity requirement can reduce to 5 months at management's discretion.

Key developments in 2024

The Company issued two EUR 1 bn transactions, in May and in August. Total issuance across all currencies was NOK 48.5 bn for the year 2024, compared to NOK 54.9 bn for the year 2023.

The equity capital was increased in February and November 2024 from the SpareBank 1 owner banks, in the regular course of business due to the growth of Boligkreditt. AT1 and T2 issuances have been made in the domestic market in 2024. In late December, the Norwegian regulator increased the minimum risk-weighted floor for mortgages for IRB institutions such as SpaBol. This increase will take effect July 1, 2025 and is expected to lead to additional equity injections from the Company's owner banks.

The Norwegian market is still waiting for a new definition of the top 15 per cent energy efficient houses by the Norwegian government's agency responsible. The new definition will enable green bond issuers, such as SpaBol, to calibrate and then plan further green bond issuances. The new green bond framework for SpaBol was published in January 2024, and is available on the Company's home page, Spabol.no.

Three new Supervisory Board of Directors members have joined the Board from April 1st 2024, and these are replacing three outgoing Directors. The Board is presented on the Company's home page: https://spabol.sparebank1.no/about. The Board composition meets all legal requirements for representation, including minimum 40 per cent participation of both genders.

The company made an accounting change in the fourth quarter 2024, with restatements for 2024. Previous commissions paid to the Company's owner banks on a separate line below net interest income are now part of net interest income, and a deduction in the interest income received from mortgage loans. This change provides a better representation of this expense to the owner banks. The net interest income paid to the banks are transaction costs for the Company and part of the effective interest rate for the mortgages.

Mountains, Fjords, Weather and Wind

The Nordmøre region is the geographic region in the north of the Møre and Romsdal county (one of 15 Norwegian counties) reaching up to the southwestern part of the Trøndelag county. Nordmøre consists of beautiful nature with high peaks, green villages and a rich coastal archipelago with fresh sea air. Kristiansund is the northernmost amongst the three towns in the Møre and Romsdal county. The town is built around four islands in the coastal archipelago.

The Nordmøre region

Accounts as per 31.12.2024

The accounts have been prepared in accordance with the International Reporting Standards (IFRS) as adopted by the EU.

Numbers in brackets refer to the corresponding period last year for comparison.

The total balance sheet on December 31, 2024 amounted to 357 (320) billion kroner. The main reason behind this increase is the growth in the financed volume of mortgages of NOK 294 billion vs. NOK 277 billion a year earlier, as well as increases in the valuation of hedging derivatives (swaps) and associated collateral posting by counterparties. The pre-tax result for the year ended December 31, 2024 of 796 (619) million is driven by the following[5]:

- The Company had net interest income of NOK 858 (677) million, of which the main component is net interest income for the liquid assets portfolio. The mortgage volume grew 6.1 per cent during 2024, while the average margin also increased some. Net interest income from the mortgages is paid to the owner banks during the year, and deducted in the Company's net interest income, see note 2 for details.
- The net loss from financial instruments was NOK 12 (gain of 4) million. These stem largely from realized trading losses on liquid assets in 2024, as well as unrealized losses during the 4th quarter with bond spreads moving higher. Changing NIBOR rates can drive temporary valuation changes on the asset and debt side, which caused a small gain in 2023 from hedged issued bonds. Credit spread changes in liquid assets also drive valuations, which was largely the case in 2024. EUR-NOK basis swaps valuation changes are not accounted for in the Company's ordinary result, but are included in Other Comprehensive Income (OCI)
- The cost of operations for 2023 was NOK 47,2 (45,1) million. The majority of operating costs are for expenses related to the Company's bond issuances, IT operations as well as personnel related expense.
- IFRS 9 loan loss provisions increased by NOK 2,7 (increase of 16) million to NOK 50 million, or approximately 2 bps of lending. These are modelled losses under assumption about future developments. No actual loan losses have ever occurred in the Company's portfolio of mortgage assets.

Risk aspects

SpareBank 1 Boligkreditt, as a licensed and regulated covered bond issuer, is subject to strict rules regarding its exposure to credit, market, and liquidity risks. This fact, and the aim of the maintenance of the Moody's Aaa rating, means that the Company is subject to low levels of risk and places strong emphasis on risk control.

Credit Risk is defined as the risk that losses can occur as a consequence of that customers and others not having the ability or willingness to meet their obligations to SpareBank 1 Boligkreditt. Because the Company buys residential mortgages within 75% of the value of the objects on which the mortgages are secured, the Board of Directors concludes that the credit risk is lower than for Norwegian banks in general[6].

[6] The EU harmonized covered bond regulations, implemented in Norway, allow for LTV of up to 80 per cent. For mortgages in the cover pool. The Company has chosen to continue with a 75 per cent LTV maximum.

Market risk is defined as the risk of losses due to changes in market rates, ie. interest rates, exchange rates and the prices of financial instruments. SpareBank 1 Boligkreditt issues a materially larger share of covered bonds in currencies other than its operational currency NOK. However, all borrowing and investments in a foreign currency, as well as such with a fixed rate, have been hedged by financial currency- and/or interest rate swap agreements. Some natural hedging may occur with EUR assets matching EUR liabilities.
The collective cash flow therefore matches borrowing in Norwegian kroner with floating rate conditions (NIBOR 3 months). The Company receives cash collateral from its counterparties in derivative agreements.

The bonds held in the Company's liquidity portfolio are mainly Nordic covered bonds and German supra sovereign and agencies (agencies guaranteed by the German government) with a triple-A rating from Fitch, Moody's or S&P. These bonds are held on a 3-month basis either as FRNs or as swapped fixed rate bonds. Deposits are placed in banks with a minimum rating of A/A2. Cash is also placed in reverse repos with approved counterparty banks, with AAA rated securities as collateral.

The Company had as of December 31, 2024 only moderate interest rate risk, and small amounts of currency risk.

Liquidity risk is defined as the risk that the Company is not able to meet its obligations at maturity or to finance the purchase of loans at normal terms and conditions. Liquidity risk is managed in alignment with the EU Covered Bond Directive. The Company maintains a minimum 180 days outflow target for its liquidity portfolio, which is a part of the cover pool assets.

Operational risk is defined as risk of loss due to error or neglect in transaction execution, weakness in the internal control, or information technology systems breakdowns or malfunction. Reputational, legal, ethical and competency risks are also elements of operational risk. The risk is assessed by the Board of Directors to be low.

The Company spends much time identifying, measuring, managing, and following up on central areas of risk in such a way that this contributes to meeting its strategic goals. The risk notes in the annual reports provide further information.

Employees and the working environment

SpareBank 1 Boligkreditt had seven direct employees as of 31.12.2024, of which five are male and two female. The Company is serviced by a number of other functions in the SpareBank 1 Alliance. The Company has a Transfer and Servicing Agreement with each shareholder bank which is handling the customer contact and servicing the mortgage portfolio on behalf of the Company. In addition, the Company purchases a significant amount of its support functions from SpareBank 1 SMN, e.g. accounting, HR and finance related back-office functions. Boligkreditt is served by a central SpareBank 1 Alliance unit for IT specific needs and further operational activities.

The Company has moved into new offices in downtown Stavanger, Norway in early 2020. These are energy efficient with a BREEAM-NOR certification of very good. The EPC label is B, while energy use is 85 kWh/m2 and running Co2 emissions are 12.9 kg Co2/m2. The company provides no car parking spaces, only parking for bicycles. Employee absence recorded in 2024 due to sickness was 4.59 per cent. The relative high number is due to a long-term sickness case of one individual. No workplace accidents which might have resulted in property and/or damage to any persons have occurred or been reported during the year.

[5] The EU harmonized covered bond regulations, implemented in Norway, allow for LTV of up to 80 per cent. For mortgages in the cover pool. The Company has chosen to continue with a 75 per cent LTV maximum.

The covered bond issuer SpareBank 1 Naeringskreditt AS, which is smaller and finances commercial property lending, has identical staffing to Boligkreditt. Of the seven full time employees employed at year-end in both SpareBank 1 Boligkreditt and Naeringskreditt AS, 1.4 full time equivalents have been allocated to SpareBank 1 Naeringskreditt AS. The Boards of the two companies also have an identical composition at year-end 2024

Corporate Governance

SpareBank 1 Boligkreditt's principles for corporate governance are based on the Norwegian accounting law and regulations and the Norwegian practice for corporate governance. Through its financial accounting, Boligkreditt seeks to deliver relevant and timely information for its owner banks, regulatory authorities and participants in the capital markets. The Board evaluates and approves Management's proposed annual and quarterly financial accounts.

Boligkreditt maintains an administration which is suitable for the purposes, activities and extent of the business. The Management routinely evaluates risk factors to the business along with an evaluation of their probability and consequence. The Company aims to ensure that procedures and policies are in place to address these risks in an appropriate manner. Material breaches in the policy and procedures, and all breaches of financial risk limits or regulatory requirements, are reported to the Board of Directors.

The Company has insurance in place for professional responsibility for the Board of Directors and its employees, as well as insurance coverage regarding cyber related claims (hacking, ransom etc.) and for losses due to criminal acts towards the Company. All insurance policies are held jointly within the SpareBank 1 Alliance.

The Company has a code of conduct (ethical rule book). The rules provide guidelines for how to avoid conflicts of interest and unethical conduct towards customers, counterparties, and the society as a whole. The code of conduct is available on the Companys website www.spabol.no/esg

The Company publishes its Corporate Governance policies in a document available on the Company's website www.spabol.no/esg

The Company's assessments regarding the Transparency Act is published on its website spabol.no

Sustainability Report

SpareBank 1 Boligkreditt is, according to current Norwegian regulation, subjected to the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) from the year 2025 (reporting by the end of March 2026). However, at the time of writing, the EU commission has just proposed a postponement of CSRD reporting as well as a requirement for minimum 1 000 employees for companies in scope of CSRD in the future. With six full time employees, SpaBol will, if the proposal is approved, not be in scope under CSRD, and we expect that this will be reflected in Norwegian regulation in due course.

The limited nature of the Company's activities with six employees in one office in Norway means that pollution and emissions are low and limited without material negative consequences for the external environment.

Macroeconomic development and outlook

The cycle in Norway is now on an upward trajectory. GDP growth is expected at twice the growth rate in 2025, compared to the 2024 estimate. This happens as household consumption growth resumes and investments come back, albeit the latter is not expected to turn positive on a growth rate basis until 2026 because of still negative residential housing investments in 2025.

Housing investments have been particularly weak over 2023 and 2024, and are still expected to be negative in 2025, after increases in interest rates. However, real income for households were strong in 2024 and is expected so also in 2025. This, and the low level of new housing units produced, in addition to possible expectations of lower mortgage rates in 2025, have given house prices a boost, which grew 6.4 per cent in 2024.

Summarized for a few macroeconomic indicators, the recent data and forecast for the next period are as follows:

Recent data and forecast (per cent)	2022	2023	2024	2025	2026
Mainland GDP growth	4.3	0.6	0.9	1.8	2.3
Private consumption growth	7.8	-0.9	1.1	3.1	3.4
Investments growth	0.3	-0.5	-2.3	-0.9	1.3
Unemployment rate	3.2	3.6	4.0	4.1	4.1
CPI growth	5.8	5.5	3.2	2.7	2.5
Annual wage growth	4.3	5.2	5.3	4.3	3.8
Current account surplus to GDP	29.6	17.8	18.2	16.7	14.1

Source: Statistics Norway (SSB) December 13, 2024

From fisheries to oil and gas

The resources in our ocean, a good and natural harbour, together with several villages by the fjords towards the east are the reasons why the town of Kristiansund was established. Kristiansund grew based on lumber exports, fishing and dried fish production, but today industry is centred around the oil and gas exploration and production at the Haltenbanken sea area. These activities and development have provided the region with strong competitive advantages. At Nordmøre we find coastal areas such as Kvernes, Grip, Edøy and Aure, as well as the fjord villages in the inner areas such as Tingvoll, Surnadal and Stangvik.

Surnadal

Future prospects of the Company

The Company has a portfolio of residential mortgage loans with an average loan to value (LTV) around 50 per cent, and no loans are in default.

SpareBank 1 Boligkreditt's residential mortgage portfolio is well diversified, albeit weighted towards the eastern, central, and northern regions in Norway. Mortgage loans in the cover pool are very granular (average size of NOK 1.8 – 1.9 million). The banks in the SpareBank 1 Alliance are required to keep reserves of eligible (i.e. cover pool pre-qualified) mortgages in order to provide replacement assets should this become necessary (i.e. if residential price declines increase LTVs above the eligibility limit for mortgages in the pool). Such reserves in the banks are tested regularly to verify that a broad and general 30 per cent decline in real estate prices leaves each member bank with sufficient qualifying reserves for replenishing the cover pool.

The Board of Directors views Boligkreditt as sufficiently capitalized with a capital coverage ratio of 20.03 per cent against a total requirement, including all regulatory buffers, of 18.1 per cent plus a management buffer of 0.8 per cent. Additional capital is paid in by the shareholder banks when needed. The capital levels reflect the proposed dividend planned for 2024. The dividend is a residual amount and is normally the full net income after tax. It is residual because it should be seen in conjunction with the payment of running net interest on mortgages financed for the owner banks during the year.

The Board of Directors views prospects for the Company to continue to be good and stable, despite the changed macroeconomic forecasts towards lower growth and more uncertainty ahead. This is based on several elements; a strict qualifying process for loans to become part of the cover pool (both mortgage lending regulations and further cover pool qualification requirements), a high degree of diversification in the mortgage portfolio and granularity of the mortgages, as well as low unemployment and household real income growth. The Board also bases this conclusion on the low average LTV of the mortgage portfolio, no defaults or loans in arrears, and a strong history and institutional framework in Norway for mortgage loan performance.

* * *

The Board of Directors affirms its conviction that the financial accounts present a correct and complete picture of the Company's operations and financial position at the end of December 2024. The financial accounts including notes are produced under the assumption of a going concern.

Stavanger, March 25, 2025
The Board of Directors of SpareBank 1 Boligkreditt AS

/s/ Bengt Olsen
Chairman of the board

/s/ Geir-Egil Bolstad

/s/ Trond Søraas

/s/ Bjørn Rune Rindal

/s/ Heidi Aas Larsen

/s/ Inger Eriksen

/s/ Herborg Aanestad

SpareBank 1 Boligkreditt AS

- Statement of the members of the board and the chief executive officer

The Board and the chief executive officer have today reviewed and approved the financial accounts as of December 31, 2024 for SpareBank 1 Boligkreditt AS. The accounts have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU.

To the best knowledge of the Board and the chief executive officer, the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole as of December 31, 2024.

The Board of Directors and the chief executive officer declare to the best of their knowledge that the quarterly report gives a true and fair view of the development and performance of the business of the Company, as well as a description of the principal risks and uncertainties facing the Company.

Stavanger, March 25, 202
The Board of Directors of SpareBank 1 Boligkreditt AS

/s/ Bengt Olsen Chair	**/s/ Geir-Egil Bolstad**	**/s/ Trond Søraas**	**/s/ Heidi Aas Larsen**
/s/ Inger Eriksen	**/s/ Herborg Aanestad**	**/s/ Bjørn Rune Rindal**	**/s/ Arve Austestad** CEO

Kristiansund – home of the Bacalao

Kristiansund dominated the dried and salted cod industry for approximately 200 years. Bacalao is dried and salted cod, caught in Lofoten and Finnmark, and has been produced and exported as a delicatesse from Nordmøre to southern countries for centuries. The most important markets were Spain, Portugal, Italy and Central and South America. In return spices and a colourful culture arrived on the Norwegian north-western coast, and today the dish bacalao is one of the key hallmarks of Kristiansund. Probably no other single factor has meant as much for the development of Kristiansund and its surrounding. During the “Spanish times” from 1830 to 1880 the growth in this fish export was uninterrupted. Kristiansund grew to become the 3rd largest Norwegian export harbour measured in the value of its exports during this time.

Klippfisk

Management Statement Annual Report 2024

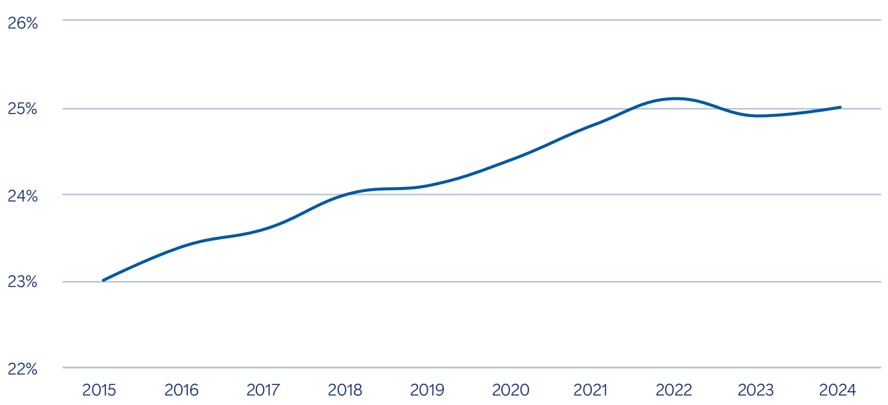
SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt (SpaBol, the Company or Issuer) is a Norwegian specialized issuer of covered bonds. The Company was set up in 2005 and issued an inaugural EUR denominated covered bond once the covered bond legislation was passed by parliament in 2007. SpaBol issues EU Covered Bonds (premium) in accordance with the EU's Covered Bond Directive 2019/2162 and the Capital Requirements Regulation (CRR) Art. 129. The cover pool lending assets are solely Norwegian residential mortgage collateral[1].

The uniqueness of SpaBol is that it is owned by the group of savings banks working closely together and organized under the SpareBank 1 Alliance and SpareBank 1 common branding. The Alliance consist of a group of 12 banks at the beginning of 2025. The banks operate in different regions of Norway with a high degree of operational integration. This is manifested in a common branding and strategy, co-owned broad financial product offerings to the Norwegian market (other than lending products) and also through a joint Company for operational solutions and technology, SpareBank 1 Utvikling (Development). The banks are together Norway's second largest financial institution by lending, and SpaBol is therefore an issuer of covered bonds of size and regularity in EUR and NOK.

The SpareBank 1 banks' market share in Norwegian residential mortgages is shown in the chart below. The source for the data is the real estate valuation firm Eiendomsverdi, which plays an important role in the automatic valuation of residential dwelling units for all lenders in Norway. The chart is based on the number of residential mortgages (rather than NOK volume) and shows an increasing SpareBank 1 market share over time, including a small drop in 2023. The combined Alliance is the largest lender in the Norwegian residential mortgage market[2].

Chart 1: Relative market share SpareBank 1 Alliance banks in the aggregate



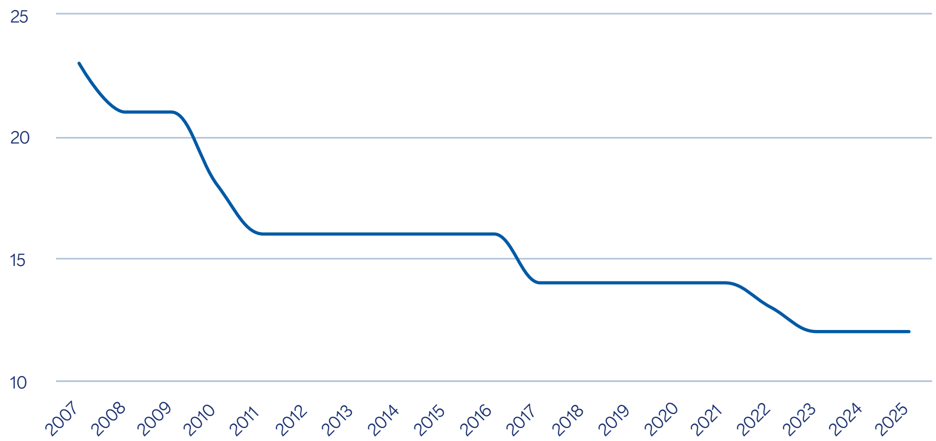
Source: Eiendomsverdi

[1] Liquidity is also part of cover assets
[2] The chart is pro forma for earlier periods for banks joining. SpareBank 1 Sør-Norge is part of the SpareBank 1 Alliance but does participate in SpareBank 1 Boligkreditt for covered bond funding

Consolidation

50 years ago there were 473 savings banks in Norway, and at the end of 2024 there were 80 according to Finance Norway, the banking industry's organization. The SpareBank 1 Alliance member banks, which in 2007 numbered 23 banks, are 12 banks in 2024. The line below charts the development of the number of SpareBank 1 Alliance banks. This includes banks which been merged in from outside the Alliance, as well as one small bank which left (because it was merged with a savings bank outside the Alliance). In 2024 SpareBank 1 SR-Bank and Sør-Øst merged, but SpareBank 1 Sogn and Fjordane joined, keeping the number of Alliance members stable at 12. SpareBank 1 Boligkreditt has been operating throughout this period in the chart, issuing a growing amount of covered bonds in several currencies from an Alliance consolidated cover pool.

Chart 2: Consolidation amongst the banks in the SpareBank 1 Alliance



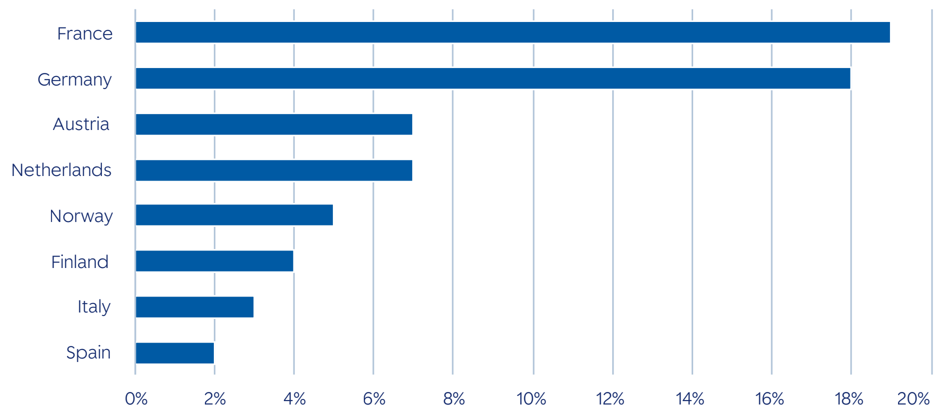
The Alliance, which was founded in 1996, benefitted each member bank's independence and regional anchoring. The close cooperation provided the banks with increased competitiveness, profitability, and solidity, as each bank was able to harness economies of scale and competency advantages through the Alliance. This work mainly took place through two jointly owned entities. The Alliance Group, which establish, consolidate, and run non-lending financial product companies, is one of the largest providers of such products in Norway. The Alliance Development Company coordinates and drive joint processes, especially technology, and project work, driving economies of scale for all member banks.

After the financial crisis in 2007-2008, increasing regulatory requirements and the need for increased digitalization, are two well-known factors influencing bank consolidation in many countries, and also among smaller banks in Norway. A bank's size drives costs efficiencies but is also a factor in achieving A-IRB status. These are reasons for the consolidation trend within the Alliance charted above, as well as within the broader landscape of savings banks in Norway.

Covered Bonds outstanding

Covered bonds are an important funding instrument for Norwegian banks. Norway has approximately 5.6 million inhabitants but is nevertheless in 5th place regarding overall EUR covered bond benchmark bonds outstanding, when comparing European countries. The countries with the largest shares of outstanding EUR denominated covered bonds, with mortgage collateral in the cover pool and launched between January 1 2020 and 31 December 2024 are:

Chart 3: Outstanding EUR denominated covered bonds, mortgage collateral, by country



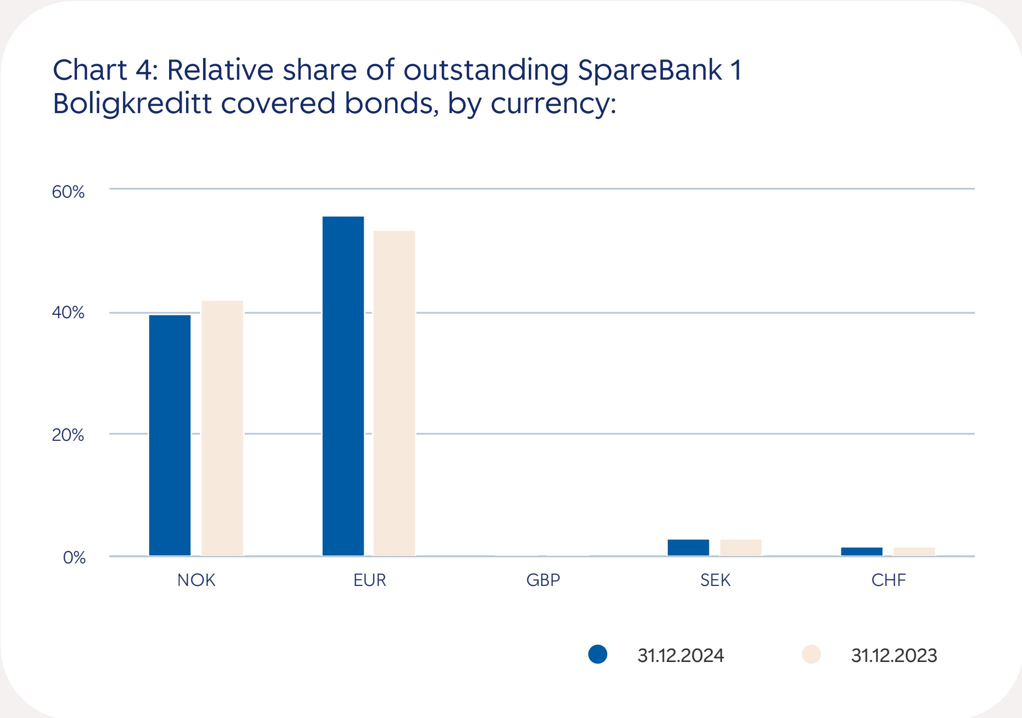
Source: The Covered Bond Report, February 2025

SpaBol EUR denominated bonds represent 31.1% of the total Norwegian issued volume in the 2020 through 2024 period.

Domestically the covered bond market bid has been strong and spreads competitive in the last several years. SpaBol has therefore used the domestic market to a higher degree in the last several year's period compared to earlier. Total issuance of EUR 10.25 billion were placed by SpaBol from 2020 through 2024, in addition to NOK 145 billion of covered bonds (approximately 12.5 bn EUR equivalent).

Closeness to the customer

A solid local savings bank with a high and integrated familiarity with the local business community and which can assist with financing, competencies and advice, is important for the further development of this community. In SpareBank 1 Nordmøre we have excellent advisors who have broad and complementary industry insights who deliver this.



The chart above shows the focus on EUR and NOK as funding currencies. Other currencies are used for diversification and when attractive on an all-in cost basis. Previous GBP issuances have been all repaid, and issuing in GBP has been less attractive due to relative higher funding costs, something which may be related to different regulation and treatment of covered bonds from the other jurisdiction between the EU and the United Kingdom. Previous USD issuance no longer plays a role for the same reasons. All foreign currency issuance is fully hedged to NOK with swaps, and swap counterparties are always external banks with a certain credit rating. Swaps are subject to collateral requirements in accordance with Moodys' criteria for such covered bond swaps. This is positive for investors as it represents a sound and full mitigation of both market and counterparty risk. It also explains the presence of collateral assets and swap valuation positions on the SpaBol's balance sheet.

Green bonds

Green bonds were issued first in 2018 and issuance has taken place in subsequent years, with the last green EUR denominated covered bond issued in May 2023.

The EU Taxonomy are now the definition of green mortgage collateral for SpaBol green covered bonds, after an update of the green bond framework in January 2024.

i. Buildings built ≥2021 : NZEB-10%
a. Selection criteria: all EPC A labels ; some EPC B labels (delivered energy below NZEB-10% kWh/m^2)

ii. Buildings built <2021 : Buildings within the top 15% low carbon buildings in Norway
a. Selection criteria: Buildings complying with the latest TEK10 & TEK17 building codes (built ≥2012) or, when applicable, new expected Kwh/m2 delivered energy limits when formulated by the Norwegian authorities

Green Asset Ratio

At the end of 2024, Boligkreditt's Green Asset Ratio (GAR) is 9.4 per cent. A GAR describes the share of all assets aligned with the EU Taxonomy, divided by all assets covered in Regulation EU 2021/2178.

Green collateral and the Covered Bond Label

SpaBol is a labelled covered bond issuer (the Covered Bond Bond Label by the ECBC) and published the HTT reporting regarding its cover pool on the Label's home page (coveredbondlabel.com) and its own website Spabol.no. The HTT sustainable lending section has been populated with data about green mortgages, as well as the estimated energy consumption of the overall mortgage portfolio. The EPC A and B energy certified buildings as well as buildings completed between 2012 and 2020 are the residential housing units defined as the top 15 per cent energy efficient houses. We are waiting for the Norwegian authorities to formulate a precise top 15 per cent energy efficient housing definition. While this has been outstanding for the market for quite some time, there are strong signs in the first quarter 2025 that this will be in place during the year. EPC A from 2021 and onwards meet the NZEB-10% criteria of the EU taxonomy. These mortgages make up 40.9 billion as of year-end 2024 (including grandfathered mortgages that were previously green). This figure is found in the HTT as 14 per cent of overall mortgage lending.

SpaBol has been in a dialogue with Eiendomsverdi (the real estate valuation company in the Norwegian market referenced elsewhere) about a new model that this Company has developed to estimate energy use in buildings, specifically in residential units based on specific information about each house or apartment. This information includes the building year and building energy efficiency requirement at that time, as well as any energy efficiency refurbishments that have been carried out since. Installation of heat pumps and remote heating systems and more will also influence the model's property specific conclusions. We are hopeful that the model can find application for estimating the energy use for every residential dwelling in the portfolio, allowing us to define all houses as in or out of the green part of the portfolio.

Regulations in the Norwegian mortgage and covered bond market

The mortgage market regulatory framework, in place for a number of years, is seen as one of the key reasons for overall relative price stability on the residential market. This includes less price growth during the low interest rate period and no steep declines with rate increases 2023-2024, despite the predominance of variable mortgage rates in Norway. These regulations include and prescribe a stress test, which means that each new mortgage applications is assessed by the lending bank based on the borrower's ability to service the mortgage in a scenario where interest rates rise 3 per centage points above the current offered rate.

The mortgage lending rules for a bank are:

- Loan to value: Maximum 90 per cent for all mortgages from January 2025 (previously 85 per cent), and maximum 60 per cent for loans without instalments (revolving credit line mortgage loans).
- Repayment: Minimum 2.5 per cent per annum for loan to value mortgages at or above 60 per cent LTV.
- ncome limitation: Total debt maximum is 5x a borrower's before-tax income.
- Stress test: Applications must now (from 2023) pass an affordability test of a 3 per cent increase in the offered mortgage rate (5 per cent prior to 2023).
- Flexibility: 10 per cent of each lender's mortgage lending contracts per quarter may be exempted

The Norwegian residential real estate market

Interest rates have increased to 4.5 per cent (the central bank's monetary policy rate) and average variable mortgage rate now fluctuates in the range of 5.5 to 6 per cent. In early 2025 it is believed by most observers that interest rates will start to decrease in March 2025, but there is uncertainty as to how much for the remainder of the year. Inflation is on a reducing trajectory, but certain elements like a weaker NOK and strong wage settlements in Norway as well as uncertain geopolitical and inflationary factors, may mean that interest rates stay higher for a time.

The charts below illustrate the house price development (index for all of Norway), including for the last twelve months from January 2024 through January 2025. The latest development as well as the outlook is influenced by continued economic growth and low unemployment, and strong general wage settlement in 2024, which is also expected for 2025. The level of new residential construction has been very low, compared to demand, also influencing prices upwards for existing homes.

Chart 5: Residential real estate nominal price index changes last twelve months

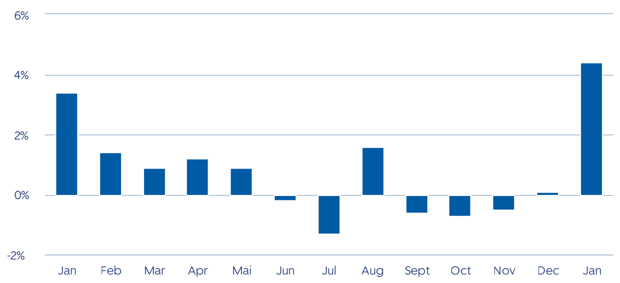
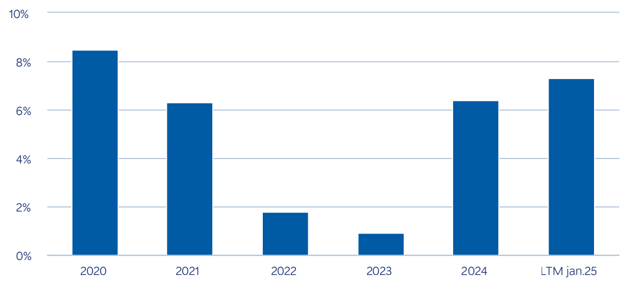
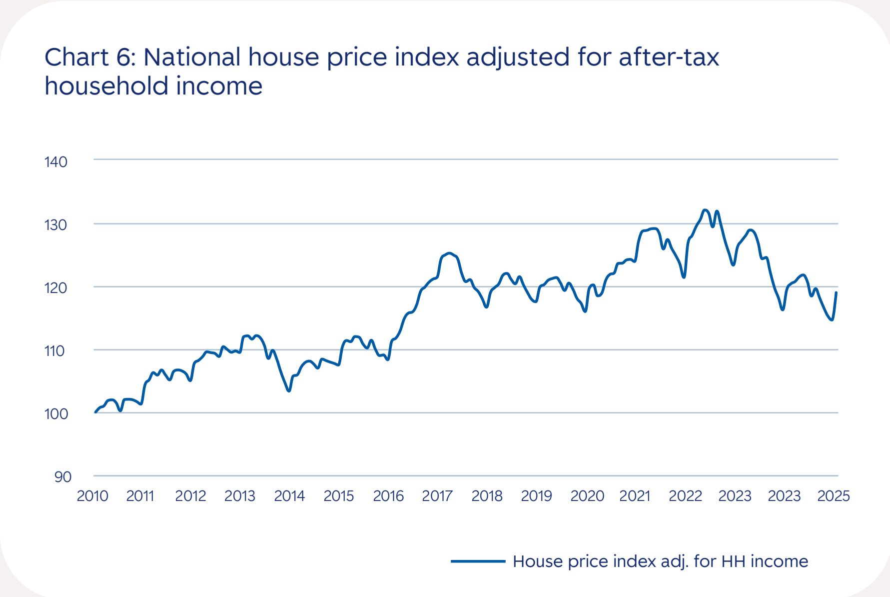


Chart 5: Residential real estate nominal price index changes last six years



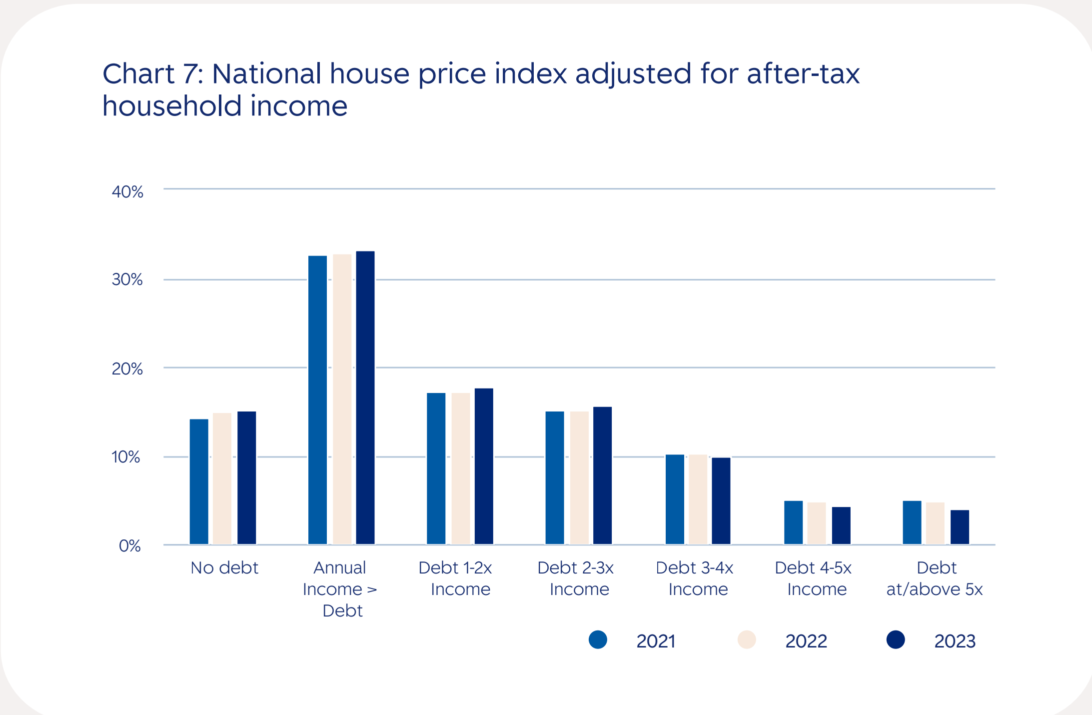
Source: SSB, Eiendomsverdi

An analysis of house price affordability, by looking at the relationship between house price development and family income, shows that there has been a flat development of this measure over several years and house prices are on average 19 per cent higher in real terms compared to 2010. The increase in 2016 into 2017 came from a steep increase in the capital of Oslo, which influenced the national index.



Source: SSB, Eiendomsverdi

Chart 7: National house price index adjusted for after-tax household income
Households have a large degree of variation in debt levels, which is mostly all mortgage debt, which means that 50 per cent of households either have no or debt less than annual income, while about 10 per cent of households are highly indebted at four times annual income and up to the regulatory maximum of 5 times and in some cases above. These households are often found in cities with the highest real estate prices (Oslo) and amongst higher income households. In the last years for which data exist there has been modest decline in the share of the highest indebted households. This can indicate debt repayment as interest rates increased.



Source: SSB,

Capital requirements

Norwegian bank capital requirements follow the EUs CRD and CRR, and Boligkreditt is capitalized at 20.03 per cent, above the regulatory requirements of 18.10 per cent at year-end 2024. This includes an expected dividend due to shareholders. Additional capital is paid in by the SpareBank 1 banks when required, typically due to growth in the financed mortgage volume. Minimum risk weights for A-IRB banks will increase for residential mortgages from 20 per cent to 25 per cent from July 2025, and this is expected to lead to an additional paid in equity in Boligkreditt. Boligkreditt's policy is to pay out the net interest margin per mortgage to the originating bank during the year, and any remaining surplus at year-end is distributed as dividends to the shareholding SpareBank 1 banks.

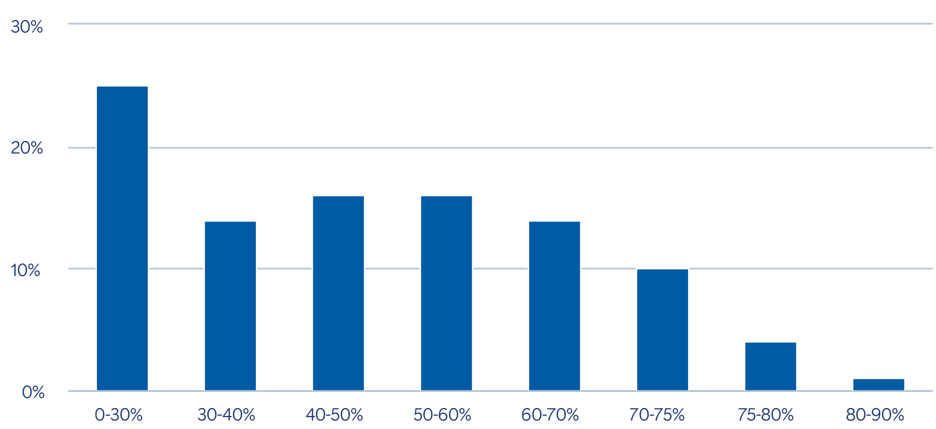
Specialized covered bond issuers in Norway are not subject to MREL requirements and have to meet a Leverage Ratio of 3 per cent, rather than 5 per cent for banks in general.

Cover Pool

The cover pool consists of residential mortgage loans which had a maximum 75 per cent loan to value at the time of transfer to the pool, as well as liquid, highly rated assets covering the 180-day minimum requirement in the covered bond regulation. Mortgages continue to exhibit a robust profile with an average weighted loan to value of 53.4 per cent as of December 31, 2024. LTV has been largely stable for the cover pool through the years, influenced by quarterly revaluations of all residential collateral, scheduled repayments of mortgages and the regular in- and outflow of the portfolio.

The real estate values are updated for the entire cover pool each quarter based on an automated valuation model (AVM) from the Norwegian company Eiendomsverdi, used by most Norwegian banks. The model is independently tested and validated, and has certain parameters built into its valuation settings which allow for a cautious treatment of potential upside valuation outcomes for individual houses. The chart below shows the mortgage loans in the cover pool by LTV interval at year-end 2024.

Chart 8: SpareBank 1 Boligkreditt cover pool: number of loans by LTV interval



Mortgage loans in the pool at over 75 per cent LTV (illustrated by the three columns to the right in Chart 8) means that negative price migration has taken place since the transfer of such mortgages to the cover pool. The parts of these loans representing higher than 75 per cent LTV cannot be counted as cover assets. SpareBank 1 Boligkreditt continues to have no arrears beyond 90 days in the cover pool, and has never had a realized credit loss. The mortgage portfolio is stress tested for sharp house price declines monthly, which provides comfort with regard to mortgage valuation reserves in each SpareBank 1 bank for the cover pool.

According to the IFRS 9 rules for mortgage loans, expected cumulative modelled losses in the SpaBol mortgage pool at year-end 2024 are approximately 50 million kroner. This is an increase from a year ago, a result of (a) pool growth (b) some strain on household finances reflected in the modelled PD and LGD, as well as (c) the macroeconomic assumptions over the following five years. Expected modelled losses represents a small amount as a share of the mortgage volume financed (less than 2 bps).

Funding and Outlook for 2025

The mortgage volume that Boligkreditt finances has increased over the last few years, including in 2024 by 6.1 per cent. The stability and growth of the housing market price index, mortgage market growth has been surprising given the rapid build up in interest rates over the period 2022-2023. Levels of mortgage loan arrears and defaults in the SpareBank 1 banks have been low. With the change in mortgage regulation, allowing for higher LTV (up to 90 per cent) from January 2025, and the expected interest decrease (albeit uncertain how much) is likely to lead to continued and perhaps strong house price appreciation.

SpaBol focuses on the domestic NOK currency and EUR for covered bond issuance. Typically two EUR benchmark bonds are issued annually, of EUR 1 bn each, and that is the expectation for 2025 as well. NOK issuances represent a growing share of overall funding. The SpaBol cover pool is both granular and geographically well diversified across the country, and the selection of mortgages for the pool follows strict criteria. The Norwegian economy remains strong, with continued low unemployment. This supports the quality of the mortgage pool.

Assisting ambitious local companies

The bank is concentrating efforts helping founders and new companies. This happens through, amongst other things, our accelerator programme “Zurf”, which we in 2024 offered and executed on for the 5th year running.
The programme is a joint effort between banks in the SpareBank 1 Alliance and the advisory and investment organization Agera.

Kristiansund

Financial statements 2024

Income Statement 2024

NOK 1 000	Note	2024	2023 restated*
Interest income effective interest method	5,33	15,041,083	12,055,751
Other interest income	5	1,969,762	1,231,720
Interest expenses	5	-16,152,972	-12,610,685
Net interest income		**857,873**	**676,786**
Net gains/losses from financial instruments	7	-11,833	3,636
Net other operating income		**-11,833**	**3,636**
Total operating income		**846,040**	**680,422**
Salaries and other ordinary personnel expenses	8,9,10	-16,340	-14,593
Other operating expenses	11	-30,901	-30,519
Total operating expenses		**-47,241**	**-45,112**
Operating result before loan loss provisions		798,799	635,309
Loan loss provisions	15	-2,672	-16,016
Pre-tax operating result		**796,127**	**619,294**
Taxes	**12**	**-182,093**	**-140,025**
Profit/(loss) for the period		**614,034**	**479,269**
Portion attributable to shareholders		542,671	416,476
Portion attributable to additional Tier 1 capital holders		71,363	62,793
Profit/(loss) for the period		**614,034**	**479,269**

* See note 33 for reference

Overview of Comprehensive Income

NOK 1 000	2024	2023
Profit/loss for the year	614,034	479,269
Items that will not be reclassified to profit/loss		
Actuarial gains and losses pensions	-223	-14,548
Tax effect	56	3,637
Items that may be reclassified to profit/loss later		
Basis swap valuation adjustment	-893,481	-728,680
Tax effect	223,370	182,170
Other comprehensive income for the period	-670,277	-557,421
Comprehensive income for the period	**-56,244**	**-78,152**

Important Contributor

The bank is an important contributor to the development in the Nordmøre region, as a co-owner, sponsor, advisor and partner to a range of companies and organizations which are important for the development of the region's industry and business community.

Advisors in the Corporate Division of SpareBank 1 Nordmøre

Balance sheet

NOK 1 000	Note	2024	2023
Assets			
Lending to and deposits with credit institutions	21,24	8,642,224	1,063,325
Certificates and bonds	21,22,24	35,875,763	33,094,399
Residential mortage loans	14,15,21,24	293,788,370	276,816,597
Financial derivatives	20,21,22,24	17,021,333	9,008,375
Deferred tax asset	12	479,959	420,076
Other assets	13,21,24	1,578,776	62,679
Total assets		**357,386,425**	**320,465,452**
Liabilities and equity			
Liabilities			
Debt incurred by issuing securities	17,19,21,22	323,351,080	296,226,162
Collateral received under derivatives contracts	19,20,21,24,32	13,023,648	4,896,717
Financial derivatives	19,20,21,22	3,293,482	3,841,473
Tax payable	12,21	48,631	269,808
Subordinated debt	18,19,21	1,743,676	1,485,180
Other Liabilities	10,21,23	1,142,244	1,068,669
Total Liabilities		**342,602,760**	**307,788,009**
Equity			
Share capital	9	9,297,349	7,797,215
Share premium		4,651,322	3,901,255
Declared dividends		542,543	416,371
Basis swap valuation reserve		-1,004,053	-333,942
Other equity		-3,496	-3,456
Hybrid capital	9,13	1,300,000	900,000
Total equity		**14,783,665**	**12,677,443**
Total liabilities and equity		**357,386,425**	**320,465,452**

Stavanger, March 25, 2025

/s/ Bengt Olsen Chair	**/s/ Geir-Egil Bolstad**	**/s/ Trond Søraas**	**/s/ Heidi Aas Larsen**
/s/ Inger Eriksen	**/s/ Herborg Aanestad**	**/s/ Bjørn Rune Rindal**	**/s/ Arve Austestad** CEO

Changes in Equity

NOK 1 000	Share capital	Share premium	Dividend	Basis swap valuation reserve	Other Equity	Hybrid capital	Total Equity
Balance as of 31 December, 2022	**7,797,215**	**3,901,255**	**-0**	**212,567**	**7,350**	**900,000**	**12,818,387**
Dividend 2021	-	-	-		-	-	-
Profit/(loss) for the period	-	-	416,371		62,898	-62,793	416,476
Paid interest on hybrid capital - directly against equity	-	-	-		-62,793	62,793	-
Basis swap valuation change, net	-	-	-	-546,510			-546,510
Actuarial gain/loss pension					-10,911		-10,911
Other	-	-	-				-
Balance as of 31 December, 2023	**7,797,215**	**3,901,255**	**416,371**	**-333,942**	**-3,456**	**900,000**	**12,677,443**
Change in presentation of interest on hybrid capital						400,000	400,000
Dividend 2023	-	-	-416,371		-		-416,371
Share increase	1,500,134	750,067					2,250,200
Profit/(loss) for the period	-	-	542,543		71,491	-71,363	542,671
Paid interest on hybrid capital - directly against equity	-	-	-		-71,363	71,363	0
Basis swap valuation change, net	-	-	-	-670,111			-670,111
Actuarial gain/loss pension					-167		-167
Other	-	-	-				-
Balance as of 31 December, 2024	**9,297,349**	**4,651,322**	**542,543**	**-1,004,053**	**-3,496**	**1,300,000**	**14,783,665**

Equity is paid in by the Company's parent banks when a requirement arises. The requirement arises regularly when the Company acquires larger portfolios of mortgage loans, and otherwise according to changes in capitalization rules because SpareBank 1 Boligkreditt is subject to the same capital adequacy rules under Pillar 1 as banks in general. Each parent bank has also signed a Shareholders agreement with the Company, which amongst other things stipulates when additional capital must be contributed.

Steady going for 190 years

On the 5th of April, 1835, Kristiansund savings bank was established. In total 14 local savings banks have merged over the course of the subsequent years to form today's SpareBank 1 Nordmøre. The last merger to take place was in May 2021 when Surnadal savings bank and SpareBank 1 Nordvest established SpareBank 1 Nordmøre. Nordvest had been a part of the SpareBank 1 Alliance since 2001, and the new bank became a larger Alliance bank. For 190 years the banks forming todays SpareBank 1 Nordmøre have been of great importance to their customers and their local communities. The core and lasting governing principle and aim of the bank is to create value and a sustainable development for its customers, owners and society. The bank wants to be an attractive employer and service provider for people who live and work in the Nordmøre region.

Cash Flow Statement

NOK 1 000	Note	2024	2023
Cash flow from operations			
Change in gross lending to customers	13	-16,973,853	-23,666,791
Interest receipts from lending to customers	5	15,061,402	11,830,857
Change in certificates and bonds		-3,898,903	-3,362,527
Interest receipts from certificates and bonds		1,745,541	1,008,508
Change in deposits with credit institutions		8,188,607	4,527,932
Interest on deposits with credit institutions		-162,728	-27,606
Realised gain/loss repurchased debt and liquid assets		-13,196,561	-362,664
Payment for bank resolution fund		-62,315	-51,583
Payments for operations	7,10	-49,818	-43,951
Other payments, net		57,846	16,505
Taxes paid	11	-239,727	-89,622
Net change in liquidity from operations		**-9,530,510**	**-10,220,944**
Cash flows from investments			
Net purchase of loan portfolio		0	0
Net payments on the acquisition of bonds		0	-202
Net cash flows relating to investments		**0**	**-202**
Cash flow from financing			
Debt raised by issuance of covered bonds	18	48,439,357	53,740,170
Repayment of issued covered bonds	18	-18,245,117	-33,027,164
Interest payment on covered bonds		-15,440,555	-11,635,176
Debt raised by issuance of sr. unsec. debt		50,000	950,000
Interest payment on sr. unsec. debt		2,418	8,892
Debt raised by issuance of subordinated debt	18	300,000	1,675,000
Repayments of issued subordinated debt	18	-41,500	-1,633,500
Interest payment on subordinated debt		-117,493	-80,566
Equity capital subscription		2,250,034	-10,911
Hybrid capital issued		750,000	0
Repayment of hybrid capital		-350,000	0
Interest payment on hybrid capital		-71,363	-62,793
Payment of dividend		-416,371	0
Net cash flow from financing		**17,109,408**	**9,923,951**
Net cash flow in the period		**7,578,898**	**-297,195**
Cash and cash equivalents at 1 January		**1,063,325**	**1,360,520**
Net receipt/payments on cash		7,578,898	-297,195
Cash and cash equivalents at the end of the period		**8,642,224**	**1,063,325**

Notes to the Accounts

Note 1 General information

SpareBank 1 Boligkreditt AS (the Company or Boligkreditt) is the SpareBank 1 Alliance's separate legal vehicle established according to the specialist banking principle within the Norwegian legislation for covered bonds. The Company's purpose is to acquire residential mortgages from its ownership banks organised in the SpareBank 1 Alliance and finance these by issuing covered bonds.

SpareBank1 Boligkreditt's office is located in Stavanger, Norway. Most of the supporting services and operations, such as trading back-office and settlement solutions, accounting and HR is located in SpareBank 1 SMN in Tronheim, Norway. All It services are located centrally within SpareBank 1 Group in Oslo, Norway

The financial statements of the Company have been prepared in accordance with the IFRS ® Accounting Standards as adopted by the EU, and published by "International Accounting Standards Board" (IASB).

The Financial Statements for 2024 is approved by the Board of Directors on March 25, 2025.

Note 2 Summary of significant accounting policies

Presentation Currency

The presentation currency is Norwegian Kroner (NOK), which is also the Company's functional currency. All amounts are given in NOK thousand unless otherwise stated.

Recognition and De-recognition of Assets and Liabilities on the Balance Sheet

Assets and liabilities are recognised on the balance sheet at the point in time when the Company establishes real control over the rights of ownership to assets and becomes effectively responsible for the discharge of liabilities.

Assets are de-recognised at the point in time when the real risk of the assets has been transferred and control over the rights to the assets has been terminated or expired. Liabilities are de-recognised when they have been effectively discharged.

Residential mortgage loans

Loans are measured at amortised cost. Amortised cost is the acquisition cost minus the principal payments, plus the cumulative amortisation using the effective interest rate method, adjusted for any loss allowance less write-off. Each of the Company’s mortgage loans is made at a variable rate, which may be changed by the Company at any time, with a regulatory mandated notification time of eight weeks before such changes can become effective. Fixed rate mortgage loans are originated by the SpareBank 1 banks and can also be transferred to the cover pool, though this has not happend to date. Expected credit loss (ECL) is calculated according to IFRS 9, which was implemented January 1, 2018 (see below for a description of the application of IFRS 9).

Expected credit loss on mortgage loans; evaluation of impairments (write downs)

IFRS 9 was implemented effective January 1, 2018 . Loans for which there have not been a significant increase in credit risk since initial recognition (loans in stage 1) ECL is measures as 12-month expected credit losses. Loans for which there have been a significant increase in credit risk since initial recognition (loans in stage 2 or 3) ECL is measured at lifetime expected credit losses. Loans in stage 3 are loans that are credit-impaired.

The limits which determine when a mortgage loan is moved from Stage 1 to Stage 2 are:

- Payment delayed by 30 days or more
- Probability of default has increased by 150% (or two classes in the internal model estimating PD)
- A minimum PD of above 0.6%

The Company has no mortgage loans in Stage 3, which contains loans in default (90 days or more of missed payments).

Model for loan loss provisioning

To consider the uncertainty of the future the model applied in estimating ECL develops three scenarios. A base scenario, an upside scenario and a downside scenario and these are intended to reflect different states of the economic cycle. The scenarios are weighted, with the most weight assigned to the base scenario. The base scenario input variables are mostly derived from forecasts from Statistics Norway, while the downside scenario input variables are sourced from, but may not exactly replicate, the Financial Supervisory Authority of Norway's stress case scenario included in its annual risk outlook reports.

Within IFRS 9 it is the point-in-time probability of default (PD) which is critical for the estimates. The cases will reflect as a starting point the actual observed PD. This may be the average seen over the last period, which may be several years if the data is stable. Each scenario then develops, based on the macroeconomic input considerations (unemployment rate and interest rate level), a point-in-time PD for each year over a five-year future period. From five-years and out to the end of the mortgage maturity date, a terminal value is calculated for the loan's expected cumulative loss (ECL), which is PD x LGD (loss given default). The LGD rates are produced in each scenario, under the scenario specific assumptions. As defined in IFRS 9, loans that remain in Stage 1 are not evaluated for an ECL beyond 12 months, while loans with an observed negative risk migration since origination enter Stage 2 or 3, and are then asessed for ECL based on their contractual maturities.

Historically there has not been any mortgages in default in the Company's portfolio. LGDs are set to reflect the fact that for a cover bond issuer the law stipulates a maximum loan to value criteria of 75 per cent. The low loan to value ratio results in low expected loan losses if loans where to default. ECLs are updated quarterly based on a rescoring of the entire mortgage portfolio. Changes in the ECL is a charge or an income in the income statement for that period and is reflected on the balance sheet against the portfolio of mortgage loans.

According to the Transfer and Servicing Agreement which the SpareBank 1 banks each have entered into with the Company, SpareBank 1 Boligkreditt has the right to off-set any losses incurred on individual mortgage loans against the commissions due to all banks for the remainder of the calendar year. The Company has not since the commencement of its operations had any instances of off-sets against the commissions due to its owner banks. Mortgage loans which are renegotiated, where the terms are materially changed, are always removed from the Company's cover pool and transferred back the originating lender. All renegotiation of loans is always outsourced to the originating bank.

Segment

Segments are organised by business activities and the Company has only one segment, mortgage lending to private individuals. All of the mortgages have been acquired from the SpareBank 1 Alliance banks. The Company's results therefore largely represent the result of the mortgage lending to private customers segment, in addition to the income effects from the liquidity portfolio. Nearly all of the net interest income margin (customer interest income less funding costs) for the mortgages are paid out to the SpareBank 1 Alliance banks. The net result of the Company is therefore small in comparison to the overall portfolio of mortgage loans.

Securities

Securities consists of certificates and bonds. These are carried at fair value. Securities will either be part of a liquidity portfolio with a narrow mandate (highly rated, highly liquid securities and cash, including repos) or a collateral portfolio, which reflect the funds received from counterparties in swaps. All securities classified and recorded at fair value will have changes in value from the opening balance recorded in the income statement as net gains/losses from financial instruments.

Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

Hedge Accounting

The company has implemented fair value hedge accounting for fixed rate bonds in NOK and in foreign currencies. These bonds are designated as hedged items in hedging relationships with individually tailored interest rate swaps and cross currency interest rate swaps. The company values and documents the hedge effectiveness of the hedge both at first entry and consecutively. The cash flow is known for the entire contractual duration after the hedging relationship has been established. During the hedge relationship the measurement of the hedged item is adjusted for the change in fair value of the hedged risk which at the same time is recognised in profit or loss. The derivative hedging instruments is measured at fair value with changes in fair value recognised in profit or loss except for the change in fair value of the currency basis spread, which is recognised in other comprehensive income.

All hedges are deployed to exactly offset a cash flow for the duration of the hedged instrument, thus bringing financial liabilities (bonds outstanding) in fixed rate and/or foreign currency into a NOK 3 month NIBOR basis, while financial assets at fixed rates and/or foreign currency are transformed to a floating rate 3 month NIBOR asset through the derivative. Derivatives used are swap contracts only.

Valuation of Derivatives and Other Financial Instruments

The Company uses financial derivatives to manage essentially all market risk on balance-sheet items. All fixed interest rate exposures are thereby covered to a 3 months NIBOR basis and currencies are covered to NOK using currency swaps. In some cases currencies are hedged using a naturally offsetting position on the opposite side of the balance sheet.

Liabilities:

- The Company applies fair value hedge accounting for fixed rate issued debt (covered bonds) utilizing derivatives (swaps) which hedge the fixed interest rate and currency elements of the issued bonds.
- There is also an element of amortized costs in issued fixed rate debt; where the issue price is different to par or 100 per cent, this difference is amortized over the life of the bond which is repayable at 100 per cent of par
- The interest rate curve used to discount cash flows in NOK is determined by NIBOR for various maturities less than 12 months and the swap rate curve in NOK for longer maturities.
- The interest rate curve used to discount cash flows in EUR is determined by EURIBOR for various maturities less than 12 months and the swap rate curve in EUR for longer maturities.
- Issued floating rate debt in NOK (which do not have any associated hedging swaps) are accounted for at amortized cost.

Assets:

- For liquidity management purposes the issuer maintains a portfolio of liquid assets (including bonds) which is valued at fair value at observable market prices
- Funds received for the purpose of collateralization of swap exposures which counterparties have to the Company may also be invested in bonds of a high rating, high liquidity and short maturities, in addition to cash and reverse repos . Such bond investments are held at fair value according to observable market prices
- Swaps which hedge liquidity assets denominated in foreign currencies or hedge interest rates from fixed to floating are valued at fair value according to changes in foreign currency rates and interest rates.

Though the Company hedges all material interest rate and currency risk on its balance sheet, net unrealized gains (losses) from financial instruments may occur for the following reasons:

- Temporary mark-to-market differences in the value of an interest rate swap may occur depending on the level at which the 3 months floating rate leg in the swap was last fixed, and the discounting of the remainder of this 3 month term using the rate level at the balance sheet date.
- There is a credit risk element which forms a part of the fair value of the assets in the trading portfolio, which is not reflected in the value of the associated interest and/or currency swaps hedging the trading portfolio assets.
- There may be floating rate assets (bonds) denominated in foreign currency which are hedged via a corresponding foreign exchange liability (issued debt) also on an effective floating rate basis. In such natural asset liability hedges there may be a small element of foreign currency risk which may impact the P&L in that the floating rate coupons on the asset and the liability are not reset on the same dates and/or may be of different magnitude. Also, a change in a market credit spread element would impact the price of some of the foreign currency assets held (bonds), though not the liability.

Temporary differences will result from changes in basis spread in cross currency swaps. Boligkreditt uses cross currency swaps in order to swap cash flows from floating interest rate foreign currency liabilities and assets into floating interest rate in NOK. The valuation change will only occur for the derivatives and not for the hedged instruments (which typically an issued foreign currency covered bond) and thus cannot be mitigated . The valuation change of basis swaps will only affect other comprehensive income and equity, and not the period's net income. All gains and losses from changes in foreign currencies basis spread reverse over time and reaches zero at the derivatives maturity date.

Intangible Assets

Purchased IT-systems and software are carried on the balance sheet at acquisition cost (including expenses incurred by making the systems operational) and will be amortised on a linear basis over the expected life of the asset. Expenses related to development or maintenance are expensed as incurred.

IFRS 16

The Company uses IFRS 16 to account for its leased office space, which is on a multi-year renewable contract. The cost of which is reflected in note 10, within other operating expenses and with the calculated asset balance in note 12.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and deposits, other short term available funds and investments with a maturity of less than three months.

Taxes

Tax in the income statement consists of tax payable on the annual taxable result before tax and deferred tax . Deferred tax is calculated in accordance with the liability method complying with IAS 12 . With deferred taxes the liability or asset is calculated based on temporary differences, which is the difference between tax due according to the statutory tax calculations and tax calculated according to the financial accounts, as long as it is probable that there will be a future reversal. The statutory tax rate for financial services companies is 25 per cent.

Pensions

SpareBank 1 Boligkreditt AS has a defined contribution pension plan for all employees. In addition to the defined contribution plan, the Company has other uncovered pension obligations accounted for directly in the profit and loss statement. These obligations exist for early pensions according to AFP ("avtalefestet pensjon") and other family pension benefits in conjunction with a previous Chief Executive Officer.

Defined Contribution Plan

In a defined contribution plan the company pays a defined contribution into the pension scheme. The Company has no further obligations beyond the defined contributions. The contributions are recorded as salary expense in the accounts. Any prepaid contributions are recorded as assets in the balance sheet (pension assets) to the extent that the asset will reduce future payments when due.

Cash Flow Statement

The cash flow statement has been presented according to the direct method, the cash flows are grouped by sources and uses. The cash flow statement is divided into cash flow from operational, investment and finance activities .

Interest Income and Expense

Interest income and expense associated with assets and liabilities are recorded according to the effective rate of interest method. Any fees in connection with interest bearing deposits and loans will enter into the calculation of an effective rate of interest, and as such will be amortised over the expected maturity.

Commission Expense

Commissions are paid by the Company to its parents banks and represent most of the net interest margin earned in Boligkreditt.

Dividends

Proposed dividends are recorded as equity during the period up until they have been approved for distribution by the Company's general assembly.

Events after the Balance Sheet Date

Events that take place before the date on which the financial statements are approved for publication, and which affect conditions that were already known on the balance sheet date, will be incorporated into the pool of information that is used when making accounting estimates and are thereby fully reflected in the financial statements. Events that were not known on the balance sheet date will be reported if they are material.

Share Capital and Premium

Ordinary shares are classified as equity capital. Expenses directly related to the issuing of new shares will be recorded in the accounts as a reduction in the proceeds received.

New and amended international financial reporting standards (IFRS)

The Company has assessed the impact of new and amended financial reporting standards (IFRS) formulated by IASB and approved by the European Union with effect from January 1, 2024 or from a later point in time. The Company has concluded that none such standards have had a material effect on the annual accounts for 2024.

FRS standards that have not yet been adopted

In the Compnay's assessment there are no new IFRS standards formulated by IASB which have not yet been approved in the EU and made effective, that will have any material effect the accounts of the Company for future periods' reporting.

Big Dreams

Kristiansund Ball Club, or KBK, also known as the passionate team, has in a few years established itself as one of the strongest brands in the Nordmøre region. The club is a merger between the town's tow legacy football clubs, and the bank was the architect behind the club's ability to compete in the top league of Norwegian football. In 2003 the bank provided financing for the merger of the two previous clubs, KFK and CFK. A new club emerged in September 2003, with aspirations to move up the football league tables. In 2016 the dream became a reality, and the club is a fixture of the Norwegian premier league since then.

Note 3 Risk management

SpareBank 1 Boligkreditt AS is an institution which acquires residential mortgages from banks in the SpareBank 1 Alliance. This activity is predominantly financed by the issuance of covered bonds. The Company is therefore subject to the Norwegian legislation for covered bonds and the demands this imply for exposure to risk. In addition, the Company wishes to maintain the Aaa rating from Moody's, with regards to the covered bonds, which also requires a high degree of attention to risk management and a low risk exposure profile.

The purpose with the risk and capital adequacy management within SpareBank 1 Boligkreditt AS is to ensure a satisfactory level of capital and a responsible management of assets in accordance with the Company's statutes and risk profile. This is ensured through an adequate process for risk management and planning and implementation of the Company's equity capital funding and capital adequacy .

The Company's risk- and capital management are aiming to be in accordance to best practices - and this is ensured through:

- A risk culture characterised through high awareness about types of risk and the management thereof
- A competent risk analysis and control environment
- A good understanding of which material risks the Company is exposed to

Organisation and organisational culture

SpareBank 1 Boligkreditt AS is focused on maintaining a strong and alert organisational culture characterised by high awareness about risk management.

SpareBank 1 Boligkreditt AS is focused on independence and control, and the responsibilities are divided between different roles within the organisation:

- The Board of Directors determines the main principles for risk management, including determining the risk profile, limits and guidelines. The Board also carries the responsibility to review capital levels in accordance with the risk profile and the requirements of the regulatory authorities.
- The Chief Executive Officer is responsible for the day to day administration of the Company's business and operations according to laws, statutes, powers of attorney and instructions from the Board . Strategic items or operational items of an unusual nature or importance are discussed with and presented to the Board of Directors. The CEO may however decide a matter in accordance with a power of attorney from the Board. The CEO is responsible for implementing the Company's strategy and in cooperation with the Board to also develop and evolve the strategy .
- The risk manager reports both to both the CEO and to the Board, but is employed directly by the board and not the CEO. The risk manager is tasked with developing the framework for risk management including risk models and risk management systems. The position is further responsible for the independent evaluation and reporting of risk exposure in addition to maintain all relevant laws and regulations.
- The balance sheet committee is headed by the CEO and consists of the CFOs of the largest banks in the SpareBank 1 Alliance in addition to one representative from the smaller Alliance banks (Samspar). The balance sheet committee is an advisory group for the operational management of the Company's balance sheet within the framework determined by the Board of Directors. The committee is an important component of Boligkreditt's operative management of liquidity risks. The investment committee is an advisory council for the evaluation of counterparty exposure limits and for the composition of the liquidity portfolio. The committee is headed by the CEO. The committee advises on credit limits for counterparties and the composition of the liquidity portfolio. The CEO has been tasked by the Board to make decisions regarding credit limits for counterparties and individual investments.

Risk Categories:

In its risk management the Company's differentiates amongst the following categories of risk:

- Credit Risk: The risk of loss as a result of that counterparties are unwilling and/or unable to meet their obligations to the Company . Credit risk management is detailed in the Company's credit risk policy and this policy is approved by the Board of Directors annually .
- Liquidity Risk: The risk that the Company is unable to meet its obligations and/or finance its assets
- Market Risks: The risk of loss as a result of changes in observable market variables such as interest rates, foreign exchange rates and securities.

Further details about these risk categories are discussed in later Notes

- Climate risk: is the risk of loss as a result of assets becoming stranded, following regulatory changes or market practice. In order to mitigate global warming, assets which are contributing to emissions of carbon dioxide may be in an exposed position with regards to valuation losses in the future. Residential homes have a certain carbon footprint from the materials that to go into making the house and from the heating and other sources of energy after construction. Regulation for construction in Norway has materially changed to require much more energy efficient construction and heating requirements of houses compared today compared to earlier years. There have been revisions to the building code in 2007, 2010, 2017 and another one is expected in 2022. There is a risk that older properties may lose value as the building requirements change. SpareBank 1 Boligkreditt continually evaluates the valuation of its mortgage book's underlying security and report on the loan to value metrics every quarter. The SpareBank 1 Alliance banks are also engaged in incentivizing mortgage loan customers to upgrade to greener solutions, with interest rate discounts. The climate risks of the country's housing stock is also carried by the society at large and its government, and it is unlikely that legislation or regulation would suddenly render part of the housing stock uninhabitable and thus making it a stranded asset, but that change processes take time. The Company also issues green covered bonds according to its definition for green mortgages, which are mortgages for residences which are amongst the country's top 15 per cent energy efficient homes. There is a risk of loss of certain market access to funding if no further green covered bonds could be issued due to a lack of green mortgage collateral, but this risk is benign. SpareBank 1 Boligkreditt continues to source green mortgage loans from its owner banks, for which it is a financing unit.

Interest rate benchmark reform

The reform of interest rate benchmarks such as interbank offered rates (IBORs) caused changes to financial reporting requirements under IFRS Standards. The International Accounting Standards Board implemented the changes in two phases. Phase 1 amended specific hedge accounting requirements. Phase 2 addressed financial reporting issues that may arise when IBORs are either reformed or replaced. The amendments are effective for annual reporting periods beginning on or after 1 January 2021.

The benchmark reform does affect SpareBank 1 Boligkreditt's operations because the Company issues bonds with a benchmark that was replaced and others which may be reformed and /or replaced. NIBOR is very central to the Company's operations and a reform or replacement of this rate, should it happen, would probably lead to a larger implementation change, though it is not expected that this would have either material nor adverse consequences.

An interest rate in a foreign currency which may be or was replaced or reformed, is always hedged into the Norwegian interbank rate NIBOR. The basis for this hedging policy is enshrined both in the Norwegian covered bond legislation and in the Company's Board approved risk management policy.

When a rate is replaced or amended, the Company will in a timely manner follow the new regulation and market practice with regards to the timing of replacements, amendments and / or grandfathering of existing benchmarks as appropriate and possible. This means that the interest rate on the bond in question will most likely be attempted to be replaced in the Company's agreements, in agreement with investors in the bond, and the same interest rate will be attempted to be replaced with the swap hedge counterparties at the same time. There are therefore no material changes to valuation of the instruments in a hedge relationship which are expected. There are also no material financial reporting issues or hedging accounting issues which are expected to arise.

Note 4 Important estimates and considerations regarding application of accounting policies

The presentation of financial information in accordance with IFRS results in that management uses estimates and makes assumptions which affect the outcome of certain accounting principles, including the amounts accounted for assets, liabilities, income and cost.

Loan losses

Estimates are made regarding the future path of probability of default rates and loss given default rates under different economic scenarios. Each quarter the entire portfolio of mortgage loans are run through the Company's IFRS 9 loan loss model and the cumulative expected loss is a function of the current portfolio's risk classification, migration of the mortgage loans on the Company's risk scale since granting the loans and these scenarios for the future . See also the description above under Note 2 " Expected credit loss on mortgage loans; evaluation of impairments (write downs)" and note 14 and 15 for the expected loss details and figures.

Fair value of financial instruments

The fair value of financial instruments which are not traded in a liquid market are determined using valuation techniques . The Company utilises methods and assumptions which are as far as possible based on observable market data and which represent market conditions as of the date of the financial accounts . When valuing financial instruments where no observable market data are available, the Company estimates values based on what it is reasonable to expect that market participants would use as a basis for valuation of financial instruments. One element of estimates being delpoyed is for the calculatoin of basis swap valuations, see below.

Basis swaps

Basis swaps refer in general to the foreign currency swaps in which the Company engages to hedge its foreign exchange risk exposure. Currency swaps carry a basis swap cost or spread, which is the current market price in basis points to swap one reference rate for another, in the Company's case usually the reference rate of the currency in which a covered bond is issued (for example EURIBOR) and into NIBOR. This basis pricing element is valued at each balance sheet date, and its aggregate value is either an asset or a liability for the Company. The valuation change is recorded in other comprehensive income and other equity under IFRS 9.

Annual result as a share of average assets

SpareBank 1 Boligkreditt's annual afer-tax profit is relatively small, considering it's balance sheet size and amount of residential mortgages financed. The reason for this is the payment of net interest on mortgages to shareholder banks, an expense which substantially reduces net income. Alternatively, the Company could have paid this net interest income from residential mortgages as a dividend to its shareholder banks. Annual accounting regulations require reporting of after-tax net income as a share of the Company's average assets. For 2024 this figure is 0.18 per cent. For 2023 the same figure is 0.16 per cent.

Note 5 Net interest income

NOK 1 000	2024	2023
Interest income		
Interest income from certificates, bonds and deposits	1,969,762	1,231,720
Interest income from residential mortgage loans (Effective interest method)	15,041,083	12,055,751
Total interest income	**17,010,845**	**13,287,471**
Interest expense		
Interest expense and similar expenses to credit institutions	390,845	198,337
Interest expense and similar expenses on issued bonds	15,576,231	12,271,903
Interest expense and similar expenses on subordinated debt	117,490	87,441
Recovery and Resolution Fund *	62,315	51,583
Other interest expenses	6,092	1,421
Total interest expense	**16,152,972**	**12,610,685**
Net interest income	**857,873**	**676,786**

* From 2019, SPB1 Boligkreditt has been incorporated into the Norwegian Bank Recovery and Resolution Fund.

Interest income from residential mortgage loans includes a deduction for an interest margin contribution paid to the owner banks. Ownership by each of these banks is determined by the relative share of mortgages transferred to SpaBol to be financed with covered bonds. The net interest margin contributon to the banks is calculated by deducting a period specific average funding interest rate from each mortgages loan's interest rate. The interest margin contribution paid to the owner banks are transactional costs and part of the effective interest for the mortgage loans. In addition, SpareBank 1 Boligkreditt's other operating expense are also expressed as a rate and deducted from each mortgage loan's interest rate. See also Note 33 for reference.

Note 6 Net Gains from Financial Instruments

NOK 1 000	2024	2023
Net gains (losses) from financial liabilities	-6,039,843	-11,327,762
Net gains (losses) from financial derivatives at fair value, hedging liabilities (hedging instrument)	-331,812	4,252,475
Net gains (losses) from financial assets	6,355,261	7,502,622
Net gains (losses) from financial derivatives at fair value, hedging assets (hedging instrument)	4,560	-423,700
Net gains (losses)	**-11,833**	**3,636**

The Company utilizes hedge accounting as defined in IFRS for issued fixed rate bonds (covered bonds) with derivatives (swaps) which hedges fixed rates to floating and foreign currencies to Norwegian kroner. The hedges are individually tailored to each issued bond and exactly matches the cash flows and duration of the issued bonds. Some liabilities in foreign currency are hedged with natural hedges (corresponding assets in the same currency) and this may cause the valuation differences between assets and liabilities. There may also be valuation differences between liabilities and hedges due to the the amortization of issuance costs and bonds issued at or below par value.

SpareBank 1 Boligkreditt AS manages its liquidity risk by refinancing its outstanding bonds ahead of expected maturities and keeping proceeds as a liquidity portfolio. Fixed rate bonds and bonds in other currencies than Norwegian kroner are hedged using swaps, unless forming part of a natural hedge. These positions are valued at fair value though differences may occur because the valuation of the bonds include a credit risk/spread element which the swaps do not contain. Included in assets in the table are also investments in short term, highly rated bonds from funds received from swap counterparties for collateral purposes, with a corresponding collateral liability. Such investments do not have swap hegdes.

All derivatives are valued at fair value according to changes in market interest rates and foreign exchange rates. Changes in valuations from the previous period is accounted for in profit and loss.

Note 7 - Salaries and Remuneration

NOK 1 000	2024	2023
Salaries	11,461	10,828
Renumeration Board of Directors	748	714
Pension expenses	3,244	2,603
Social insurance fees	3,457	3,647
Other personnel expenses	1,209	909
Amounts invoiced to SpareBank 1 Næringskreditt *	-3,778	-4,109
Total salary expenses	**16,340**	**14,593**
Average number of full time equivalents (FTEs)	**7.15**	**7**

* The company's employees have shared employment between SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt. All remuneration is effectuated through SpareBank 1 Boligkreditt and a portion is reinvoiced to SpareBank 1 Næringskreditt. The company also buys administrative services from SpareBank 1 SMN and SpareBank 1 Gruppen.

Note 8 Salaries and other Remuneration of Management

Paid in 2024

NOK 1 000	Wage compensation	Bonus	Other compensation	Pension cost	Employee mortgage loan
Management					
Chief Executive Officer - Arve Austestad	2,820	-	191	932	3,651
Total for Management	**2,820**	**-**	**191**	**932**	**3,651**

Paid in 2023

NOK 1 000	Wage compensation	Bonus	Other compensation	Pension cost	Employee mortgage loan
Management					
Chief Executive Officer - Arve Austestad	2,688	-	178	818	1,613
Total for Management	**2,688**	**-**	**178**	**818**	**1,613**

All employees have an offer of an employee mortgage loan. The special condition for such employee mortgage loans is that the interest rate is capped at 75 per cent of the best customer interest rate, with this benefit taxed as regular income.

The Board of Directors	Paid in 2024	Paid in 2023
Bengt Olsen (Chair)	130	123
Geir-Egil Bolstad	103	99
Merete N. Kristiansen	103	99
Knut Oscar Fleten	-	99
Trond Sørås	103	99
Heidi Cathrine Aas Larsen	103	99
Steinar Enge	103	99
Allan Troelsen	103	-
Total for the Board of Directors	**748**	**714**

Payments for the Board of Directors take place in the year following their year of service. The amount paid and the composition of the Board reflects that of the period prior to the periods listed under the column headings “Paid in”.

Note 9 Pensions

SpareBank 1 Boligkreditt employees are members in a defined contribution pension scheme. The Company pays the agreed contribution into the pension scheme and has no further obligations. The remaining pension obligation on the balance sheet relates to survivor's pension, which has been accounted for as a defined benefit obligation, and the Company's membership in an earky retirement opion plan, AFP.

	2024	2023
Net pension obligations on the balance sheet		
Present value pension obligation as of Dec 31	16,612	16,907
Pension assets as of Dec 31	4,405	4,790
Net pension obligation as of Dec 31	12,207	12,117
Employer payroll tax	2,569	2,518
Net pension obligation recorded as of Dec 31	**14,776**	**14,635**
Pension expense in the period		
Defined benefit pension accrued in the period	431	42
Defined contribution plan pension costs including AFP*	1,565	1,522
Pension expense accounted for in the income statement	**1,996**	**1,564**

* AFP is an abbreviation for the Company's membership in an optional early retirement program from age 62

The following economic assumptions have been made when calculating the value of the pension obligations which are not related to the defined contribution plan:

	2024	2023
Discount rate	3.90 %	3.10 %
Expected return on pension assets	3.90 %	3.10 %
Future annual compensation increases	0.00 %	3.25 %
Regulatory cap change	0.00 %	3.25 %
Pensions regulation amount	0.00 %	0.00 %
Employer payroll taxes	14.10 %	14.10 %
Finance tax	5.00 %	5.00 %

Note 10 Other Operating Expenses

NOK 1 000	2024	2023
IT and IT operations	11,808	11,932
Purchased services other than IT	15,767	15,153
Other Operating Expenses	3,207	3,316
Depreciation on fixed assets and other intangible assets	119	119
Total	**30,901**	**30,519**

Auditing
Remuneration to PWC and cooperating companies is allocated as follows:

NOK 1 000	2024	2023
Legally required audit	756	618
Other attestation services, incl. examination services, loan documents sample testing,	239	161
Other services outside auditing	251	0
Total (incl VAT)	**1,245**	**779**

Note 11 Taxes

NOK 1 000	2024	2023
Profit before tax	796,127	619,294
Permanent differences	-67,756	-62,776
Change in temporary differences	-653,949	416,940
Temporary differences from actuarial gains/losses pension, shown in other comprehensive	-223	-14,548
Tax base/taxable income for the year	**74,200**	**958,909**
Tax payable for the year *)	18,550	239,727
Change in deferred tax	-59,883	-286,405
Tax expense for the year	**-41,333**	**-46,678**

The charge for the year can be reconciled to the profit before tax as follows:

25 % of profit before tax	199,032	154,823
25% of Non-taxable profit and loss items (permanent differences)	-16,939	-15,694
Correction for accrued tax previous years		895
Tax expense in income statement	**182,093**	**140,024**
Tax expense on basis swap adjustment, recorded in OCI	-223,370	-182,170
Tax expense of estimate deviation, recorded in OCI	-56	-3,637
Total Tax expense for the year	**-41,333**	**-45,783**

Spesification of deferred tax assets		
Financial instruments	141,540	305,166
Basisswap	334,684	111,314
Pension liability	3,694	3,659
Other assets	40	-64
Net deferred tax assets	**479,959**	**420,076**
Taxrate applied	25 %	25 %
Taxrate applied for temporary differences	25 %	25 %

*) Tax payable in the balance sheet include tax payable for previous years..

Note 12 Other Assets

NOK 1 000	2024	2023
Leases	0	967
Fixed assets	7	85
Intangible assets	121	342
Accounts receivables from SpareBank 1 Næringskreditt AS	466	381
Accounts receivable, securities	1,577,007	56,033
Other	1,175	4,871
Total	**1,578,776**	**62,679**

2024

NOK 1 000	Leases	Fixed assets	Intangible assets	Total
Acquisition cost 01.01.	4,655	385	1,957	6,996
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Acquisition cost 31.12.	**4,655**	**385**	**1,957**	**6,996**
Accumulated depreciation and write-downs 01.01.	3,688	300	1,795	5,783
Periodical depreciation	967	78	40	1,086
Periodical write-down			-	-
Disposal ordinary depreciation			-	-
Accumulated depreciation and write-downs 31.12.	4,655	378	1,836	6,869
Book value as of 31.12.	**-**	**7**	**121**	**128**
Financial lifespan	5 years	5 years	5 years	
Depreciation schedule	linear	linear	linear	

2023

NOK 1 000	Leases	Fixed assets	Intangible assets	Total
Acquisition cost 01.01.	4,655	385	1,755	6,794
Acquisitions	-	-	202	202
Disposals	-	-	-	-
Acquisition cost 31.12.	**4,655**	**385**	**1,957**	**6,996**
Accumulated depreciation and write-downs 01.01.	2,645	221	1,755	4,621
Periodical depreciation	1,043	78	40	1,161
Periodical write-down			-	-
Disposal ordinary depreciation			-	-
Accumulated depreciation and write-downs 31.12.	3,688	300	1,795	5,783
Book value as of 31.12.	**967**	**85**	**162**	**1,214**
Financial lifespan	5 years	5 years	3 years	
Depreciation schedule	linear	linear	linear	

Note 13 Residential mortage loans

Lending to customers are residential mortgages only. The mortgages generally have a low loan-to-value. The total amount of lending to customers at the end of 31.12.2024 were NOK 294 billion. All mortgages carry a variable interest rate.

NOK 1 000	2024	2023
Revolving loans - retail market	39,866,129	40,121,639
Amortising loans - retail market	253,314,052	236,084,689
Accrued interest	658,358	657,672
Total loans before specified and unspecified loss provisions	**293,838,539**	**276,864,001**

	31 Dec 2024			
NOK 1.000	Stage 1	Stage 2	Stage 3	Total
Opening balance	264,620,901	12,243,099	-	276,864,001
Transfer to stage 1	3,720,733	-3,720,733		-
Transfer to stage 2	-5,557,429	5,557,429		-
Transfer to stage 3	-	-		-
Net imcrease/decrease amount existing loans	-8,349,607	3,404,885		-4,944,722
New loans	96,037,680	-		96,037,680
Derecognitions	-69,951,797	-4,166,622		-74,118,419
Net changes	15,899,579	1,074,959	-	16,974,538
Closing balance	**280,520,480**	**13,318,058**	**-**	**293,838,539**

	31 Dec 2023			
NOK 1.000	Stage 1	Stage 2	Stage 3	Total
Opening balance	243,051,062	9,885,406	-	252,936,468
Transfer to stage 1	3,270,059	-3,270,059		-
Transfer to stage 2	-4,886,623	4,886,623		-
Transfer to stage 3				-
Net imcrease/decrease amount existing loans	-12,376,353	4,008,295		-8,368,058
New loans	99,758,355	-		99,758,355
Derecognitions	-64,195,598	-3,267,167		-67,462,765
Net changes	21,569,839	2,357,693	-	23,927,532
Closing balance	**264,620,902**	**12,243,099**	**-**	**276,864,001**

Liability

NOK 1 000	2024	2023
Unused balances under customer revolving credit lines (flexible loans)	13,349,823	13,249,819
Total	**13,349,823**	**13,249,819**

Defaulted loans		
Defaults*	0.0 %	0.0 %
Specified loan loss provisions	0.0 %	0.0 %
Net defaulted loans	**0.0 %**	**0.0 %**
Loans at risk of loss		
Loans not defaulted but at risk of loss	0.0 %	0.0 %
- Write downs on loans at risk of loss	0.0 %	0.0 %
Net other loans at risk of loss	**0.0 %**	**0.0 %**

*The entire customer loan balance is considered to be in default and will be included in overviews of defaulted loans when overdue instalments and interest payments are not received within 90 days or if credit limits on revolving loans are exceeded for 90 days or more.

Loans sorted according to geography (Norwegian countries)

NOK 1 000		Lending 2024	Lending 2024 %	Lending 2023	Lending 2023 %
NO03	Oslo	38,798,058	13.21 %	37,831,756	13.67 %
NO11	Rogaland	1,846,948	0.63 %	4,333,974	1.57 %
NO15	Møre og Romsdal	19,269,502	6.56 %	19,782,169	7.15 %
NO18	Nordland	21,806,269	7.42 %	23,567,619	8.51 %
NO21	Svalbard	222,064	0.08 %	211,856	0.08 %
NO31	Østfold	14,108,353	4.80 %	13,063,940	4.72 %
NO32	Akershus	45,264,981	15.41 %	41,914,104	15.14 %
NO33	Buskerud	20,252,222	6.89 %	18,752,990	6.77 %
NO34	Innlandet	30,441,629	10.36 %	27,121,285	9.80 %
NO39	Vestfold	12,418,363	4.23 %	10,452,287	3.78 %
NO40	Telemark	12,281,500	4.18 %	10,337,092	3.73 %
NO42	Agder	709,522	0.24 %	816,160	0.29 %
NO46	Vestland	3,525,595	1.20 %	1,679,138	0.61 %
NO50	Trøndelag	44,803,042	15.25 %	41,660,316	15.05 %
NO55	Troms	18,524,591	6.31 %	16,708,879	6.04 %
NO56	Finnmark	9,515,731	3.24 %	8,583,034	3.10 %
Total		**293,788,370**	**100.0 %**	**276,816,597**	**100.0 %**

Loans sorted according to Risk Class: 12 months probability of default (NOK 1000)

Risk Class	Classification	2024	% share 2024	2023	% share 2023
A	1: Lowest	49,076,209	16.70 %	48,170,558	17.40 %
B	1: Lowest	96,950,562	33.00 %	92,858,092	33.54 %
C	1: Lowest	99,244,439	33.78 %	93,139,272	33.65 %
D	2: Low	28,180,789	9.59 %	24,785,069	8.95 %
E	2: Low	10,368,742	3.53 %	8,636,529	3.12 %
F	3: Medium	4,180,458	1.42 %	3,647,756	1.32 %
G	3: Medium	2,790,264	0.95 %	2,776,523	1.00 %
H	4: High	1,502,259	0.51 %	1,489,241	0.54 %
I	5: Highest	1,341,695	0.46 %	1,168,839	0.42 %
J	5: Highest	130,919	0.04 %	126,943	0.05 %
K	5: Highest	22,035	0.01 %	17,777	0.01 %
Total		**293,788,370**	**100 %**	**276,816,597**	**100 %**

Opera at the seaside

In Kristiansund we have the oldest opera in Norway. It is extraordinary that we have had operas performed out here by the open ocean in Northwestern Norway for nearly 100 years. It is partly a result of the town's growth as a fish exporter, because when the salted and dry cod was shipped out, European traditions were brought back. One of these were the majestic performing art of opera. The opera was established in Kristiansund in 1928, and each year about 150 small and large performances are staged at this venue. The opera's principle is to combine the workings of opera professionals with broad local enthusiasm and volunteering. The bank is the primary sponsor of the opera, which is a notable important national Norwegian institution, in addition to creating cheerful and meaningful experiences for the

Note 14 Provision for expected credit losses

The following table show reconciliations from the opening to the closing balance of the loss allowance.

NOK 1 000	2024			
Accrual for losses on loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	15,166	32,238	-	47,403
Originations or purchases	6,066	-	-	26,267
Transfer from stage 1 to stage 2	-11,797	11,797	-	-
Transfer form stage 2 to stage 1	647	-647	-	-
Derecognitions	-4,532	-20,185	-	-24,717
Changes due to changed input assumptions	10,858	10,559	-	1,216
Closing balance	**16,407**	**33,763**	**-**	**50,169**
Net loans	**280,504,073**	**13,284,295**	**-**	**293,788,369**

NOK 1 000	2023			
Accrual for losses on loans	**10,584**	**20,941**	**-**	**31,524**
Opening balance	6,391	-	-	27,124
Originations or purchases	-10,932	10,932	-	-
Transfer from stage 1 to stage 2	563	-563	-	-
Transfer form stage 2 to stage 1	-3,168	-13,079	-	-16,247
Derecognitions	11,728	14,007	-	5,003
Changes due to changed input assumptions	15,166	32,238	-	47,403
Closing balance	**15,166**	**32,238**	**-**	**47,403**
Net loans	**264,605,736**	**12,210,861**	**-**	**276,816,598**

SpareBank 1 Boligkreditt has estimated losses on residential mortgage lending according to the IFRS 9 model of NOK 50.2 million as of year-end 2024 (0,02% of lending). This is an increase of NOK 2.8 million compared to year-end 2023. The changes are detailed in the table above.

The macroeconomic assumptions in the IFRS 9 model are differentiated in three different scenarios, a base case weighted at 80%, and an upside and downside case each weighted at 10%.

The base case consists of the latest forecasts by Statistics Norway/Norges Bank of unemployment rates and money market rates (3-month NIBOR) for the coming years together with an estimate of real estate prices. Interest rates are broadly expected to decrease in 2025, but there is uncertainty as to how much.

These are the three main macroeconomic variables for the IFRS 9 scenarios

Scenario / Year	1	2	3	4	5
Base					
Unemployment	4.1 %	4.1 %	4.0 %	3.9 %	3.9 %
Money market rate	4.2 %	3.5 %	3.5 %	3.0 %	3.0 %
Resi. Real estate	4.0 %	8.0 %	8.0 %	7.0 %	7.0 %
Downside					
Unemployment	5.1 %	6.1 %	6.2 %	5.7 %	3.9 %
Money market rate	6.1 %	5.4 %	4.4 %	4.0 %	3.0 %
Resi. Real estate	-10.0 %	-2.0 %	-3.0 %	0.0 %	10.0 %
Upside					
Unemployment	3.2 %	3.2 %	3.2 %	3.5 %	3.9 %
Money market rate	2.5 %	2.5 %	2.5 %	2.8 %	3.0 %
Resi. Real estate	5.0 %	7.0 %	8.0 %	8.0 %	7.0 %

Sensitivity: If each scenario alone is allocated a 100% weighting, then the base case would generate an estimated cumulative loss (ECL) of NOK 40.8 million or 0,01 % of lending (based on exposure at default, EAD), and the downside case approximately ca. NOK 162.3 million or 0,05% of lending (based on EAD).

If both the level of unemployment and interest rates turns out to be 1 per centage point higher in the base case in every year through the end of the forecast period, that will result in an ECL of approximately NOK 84,4 million or 0,03% of lending (based on EAD).

Note 15 Share Capital and Shareholder Information

	List of shareholders as of 2024		List of shareholders as of 2023	
	No of Shares	Percent and votes	No of Shares	Percent and votes
SpareBank 1 Østlandet	21,587,881	23.22 %	18,105,053	23.22 %
SpareBank 1 SMN	21,531,278	23.16 %	18,595,136	23.85 %
SpareBank 1 Nord-Norge	15,157,114	16.30 %	12,238,064	15.70 %
SpareBank 1 Sør-Norge	8,890,811	9.56 %	8,715,070	11.18 %
BN Bank ASA	6,333,284	6.81 %	5,220,080	6.69 %
SpareBank 1 Østfold Akershus	4,229,527	4.55 %	3,598,607	4.62 %
SpareBank 1 Ringerike Hadeland	3,965,378	4.27 %	3,444,581	4.42 %
SpareBank 1 Nordmøre	3,459,092	3.72 %	2,590,437	3.32 %
SpareBank1 Helgeland	2,704,381	2.91 %	2,408,406	3.09 %
SpareBank 1 Hallingdal Valdres	2,028,286	2.18 %	1,106,186	1.42 %
SpareBank 1 Gudbrandsdal	1,438,668	1.55 %	1,225,207	1.57 %
SpareBank 1 Lom og Skjåk	861,628	0.93 %	725,322	0.93 %
SpareBank 1 Sogn og Fjordane	786,157	0.85 %	-	0.00 %
Total	**92,973,485**	**100 %**	**77,972,149**	**100 %**

The share capital consists of 92.973.485 shares with a nominal value of NOK 100
The per cent share allocation and share of vote are identical

Hybrid capital

NOK 1000	ISIN	Interest rate	Issued year	Call option	2024	2023
Perpetual						
Hybrid (Tier 1)	NO0010850621	3M Nibor + 340 bp	2019	30.04.2024	-	350,000
Hybrid (Tier 1)	NO0010890825	3M Nibor + 300 bp	2020	26.08.2025	200,000	200,000
Hybrid (Tier 1)	NO0010993009	3M Nibor + 250 bp	2021	06.05.2026	250,000	250,000
Hybrid (Tier 1)	NO0012753591	3M Nibor + 390 bp	2022	16.11.2027	100,000	100,000
Hybrid (Tier 1)	NO0013171512	3M Nibor + 316 bp	2024	30.04.2029	350,000	-
Hybrid (Tier 1)	NO0013379453	3M Nibor + 285 bp	2024	24.01.2030	400,000	-
Book value					**1,300,000**	**900,000**

The issued bonds listed in the table abowe have status as Tier 1 capital instruments in the Company's capital coverage ratio.

Note 16 Liabilities incurred by issuing securities

	Nominal value*	Nominal value*
NOK 1 000	2024	2023
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	306,465,748	288,942,535
Repurchased Covered bonds	-	-
Total debt incurred by issuing securities	306,465,748	288,942,535

* Nominal value is incurred debt at exchange rates (EUR/NOK and USD/NOK) at the time of issuance

	Book value	Book value
NOK 1 000	2024	2023
Senior unsecured bonds	-	-
Repurchased senior unsecured bonds	-	-
Covered bonds	321,593,413	294,828,642
Repurchased covered bonds	-	-
Activated costs incurred by issuing debt	-213,139	-213,741
Accrued interest	1,970,807	1,611,261
Total debt incurred by issuing securities	**323,351,080**	**296,226,162**

Covered bonds

Due in	2024	2023
2023	-	-40,213
2024	-	19,517,590
2025	-972,750	34,831,320
2026	22,896,410	54,141,530
2027	51,252,605	52,698,945
2028	53,726,373	63,266,763
2029	67,761,360	28,176,000
2030	60,525,100	10,967,600
2031	12,052,250	11,003,000
2032	10,937,500	9,937,500
2033	11,803,000	1,250,000
2034	1,177,000	250,000
2035	12,053,000	900,000
2036	900,000	-
2037	311,400	(38,900)
2038	-52,575	2,081,400
2039	2,095,075	-
Total	**306,465,748**	**288,942,535**

* Nominal value is incurred debt at exchange rates (EUR/NOK, USD/NOK, SEK/NOK and GBP/NOK) at the time of issuance

Debt incurred by currency (book values at the end of the period)

NOK 1 000	2024	2023
NOK	128,628,067	124,467,577
EUR	180,833,495	158,579,800
GBP	0	0
SEK	9,092,443	8,685,839
CHF	4,797,076	4,492,946
Total	**323,351,080**	**296,226,162**

Note 17 Subordinated debt

NOK 1000	ISIN	Interest rate	Issued year	Call option from	Maturity	Nominal amount	2024	2023
With maturity								
Subordinated debt (Tier 2)	NO0010833908	3M Nibor + 180 bp	2018	08.10.2025	08.10.2030	400,000	400,000	400,000
Subordinated debt (Tier 2)	NO0010842222	3M Nibor + 192 bp	2019	24.01.2024	24.01.2029	300,000	-	41,500
Subordinated debt (Tier 2)	NO0012939133	3M Nibor + 265 bp	2023	13.09.2028	13.12.2033	300,000	300,000	300,000
Subordinated debt (Tier 2)	NO0013048132	3M Nibor + 240 bp	2023	17.10.2028	17.01.2034	355,000	355,000	355,000
Subordinated debt (Tier 2)	NO0013048157	3M Nibor + 243 bp	2023	17.04.2029	17.07.2034	370,000	370,000	370,000
Subordinated debt (Tier 2)	NO0013183699	3M Nibor + 190 bp	2024	21.06.2029	21.09.2024	300,000	300,000	-
Accrued interest							18,676	18,680
Book value							**1,743,676**	**1,485,180**

The issued bonds listed in the table above have status as Tier 2 capital instruments in the Company's capital coverage ratio.

Note 18 Reconciliation of liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes.

NOK 1 000	2023	Issuance of debts	Repayment of debts	Changes in foreign exchange rates	Changes in fair value	Other changes	2024
Liabilities							
Debt incurred by issuing securities and financial derivatives	300,067,635	48,439,357	-18,245,117	7,403,899	1,230,098	-12,251,309	326,644,562
Subordinated dept	1,485,180	300,000	(41,500)	-	-	-4	1,743,676
	301,552,815	48,739,357	-18,286,617	7,403,899	1,230,098	-12,251,313	328,388,238

NOK 1 000	2022	Issuance of debts	Repayment of debts	Changes in foreign exchange rates	Changes in fair value	Other changes	2023
Liabilities							
Debt incurred by issuing securities and financial derivatives	272,671,060	53,740,170	-33,027,164	9,505,708	-3,302,730	-76,935	300,067,635
Subordinated dept	1,436,805	1,675,000	(1,633,500)	-	-	6,875	1,485,180
	274,107,865	55,415,170	-34,660,664	9,505,708	-3,302,730	-70,060	301,552,815

Note 19 Financial Derivatives

NOK 1 000	2024	2023
Interest rate derivative contracts		
Interest rate swaps		
Nominal amount	23,761,998	28,598,221
Asset	168,597	384,087
Liability	-1,748,690	-1,576,755
Currency derivative contracts		
Currency swaps		
Nominal amount	170,962,188	139,208,663
Asset	16,852,736	9,069,545
Liability	-206,055	-2,264,718
Total financial derivative contracts		
Nominal amount	194,724,186	167,806,884
Asset	17,021,333	9,453,632
Liability	-1,954,744	-3,841,473

All derivative contracts exist for the purpose of hedging changes in interest rates and currency exchange rates.

* Change due to basis swap spread adjustment	2024	2023
Total asset(+)/liability(-) derivates	17,021,333	9,453,632
Net gain (loss) on valuation adjustment of basisswap spreads (before tax)	-1,338,737	-445,257
Net asset(+)/liability(-) derivates	**15,682,596**	**9,008,375**

	Nominal amount 31 Dec 2024		
Amounts in 1.000	Hedging instrument	Hedging object	Ineffectivity
Accounting line in Balance Sheet	Derivatives	Debt created by issuance of securities	
Debt at fixed interest	Interest rate swaps		
Nominal NOK	24,100,000	24,100,000	0
Nominal EUR	520,000	520,000	0
Debt nominated in foreign currency at fixed interest	Interest rate and currency swaps		
Nominal EUR	15,253,000	15,253,000	0
Nominal SEK	300,000	300,000	0
Nominal CHF	370,000	370,000	0

	Book value 31 Dec 2024	
Amounts in 1.000	Hedging instrument	Hedging object
Recorded amount Assets	16,231,136	
Recorded amount Liabilities	1,684,425	181,108,126

Refer to note 6 for description of hedge accounting.

Basis swaps are currency swaps and are entered into at a certain cost (basis swap spread) between SpareBank 1 Boligkreditt and banks which offer such swaps and which have signed an ISDA agreement with the Company. Changes in the cost are valued each quarter across all of the Company's swaps in accordance with the IFRS rules. The effect may be material from quarter to quarter because the Company's portfolio of swaps is extensive. All basisswap value changes will reverse over time towards the point of termination of the swaps. Changes in basis swap valuations are not included in net income, but is included in other comprehensive income and in equity.

Derivates include one or more referance rates which will be reformed. SpareBank 1 Boligkreditt will follow market standards and regulation. Sterling Libor on an outstanding GBP covered bond was changed to SONIA in 2021.

The Company used the following hedging instruments for issued debt:
1. Fixed rate NOK bonds issued and swapped to 3 months NIBOR exposure
2. Three month EURIBOR bonds issued swapped to a 3 month NIBOR exposure
3. Fixed rate EUR bonds issued and swapped to 3 months EURIBOR exposure
4. Fixed rate EUR bonds issued and swapped to 3 months NIBOR exposure
5. Three months SONIA bonds issued and swapped to 3 months NIBOR exposure
6. Fixed rate GBP bonds issued and swapped to 3 months NIBOR exposure

Hedging instruments used in debt issued, excluding NIBOR contracts, nominal values	2024	2023
EURIBOR contracts under point 2 and 3 above	2,950,750	7,732,872
SONIA contracts under point 5 above (effective Feb 15, 2021)	0	0
Total	**2,950,750**	**7,732,872**

Collateral received is a contractual feature in the Company’s ISDA contracts. For derivative (swap) contracts dated on or after March 1, 2017, all exposure that the Company has to counterparties is collateralized in cash from a threshold of zero. Contracts with a start date prior to 1 March 2017 may be subject to higher thresh-olds. The Company is entitled to offset all costs and other amounts it incurs with the collateral received, if the counterparty should not perform under the contract. The Company does not post out collateral it has not first received from counterparties.

NOK 1 000	2024	2023
Collateral received under derivatives contracts	**13,023,648**	**4,896,717**

Note 20 Classification of Financial Instruments

NOK 1 000	Financial instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	2024
Assets			
Lending to and deposits with credit institutions	-	8,642,224	8,642,224
Certificates and bonds	35,875,763	-	35,875,763
Residential mortgage loans	-	293,788,370	293,788,370
Financial derivatives	17,021,333	-	17,021,333
Total Assets	**52,897,096**	**302,430,594**	**355,327,690**
Liabilities			
Debt incurred by issuing securities*	-	323,351,080	323,351,080
Collateral received in relation to financial derivatives	-	13,023,648	13,023,648
Financial derivatives	3,293,482	-	3,293,482
Subordinated debt	-	1,743,676	1,743,676
Total Liabilities	**3,293,482**	**338,118,404**	**341,411,886**
Total Equity	**-**	**1,300,000**	**1,300,000**
Total Liabilities and Equity	**3,293,482**	**339,418,404**	**342,711,886**

* For issued securities, 217 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

NOK 1 000	Financial instruments accounted for at fair value	Financial assets and debt accounted for at amortised cost	2023
Assets			
Lending to and deposits with credit institutions	-	1,063,325	1,063,325
Certificates and bonds	33,094,399	-	33,094,399
Residential mortgage loans	-	276,816,597	276,816,597
Financial derivatives	9,008,375	-	9,008,375
Total Assets	**42,102,775**	**277,879,923**	**319,982,697**
Liabilities			
Debt incurred by issuing securities*	-	296,226,162	296,226,162
Collateral received in relation to financial derivatives	-	4,896,717	4,896,717
Financial derivatives	3,841,473	-	3,841,473
Subordinated dept	-	1,485,180	1,485,180
Total Liabilities	**3,841,473**	**302,608,059**	**306,449,532**
Total Equity	**-**	**900,000**	**900,000**
Total Liabilities and Equity	**3,841,473**	**303,508,059**	**307,349,532**

* For issued securities, 196 billion are hedged with swaps. This means that foreign currency and fixed rate exposure is effectively converted to a 3 month NIBOR exposure in Norwegian kroner.

Note 21 Financial Instruments at Fair Value

Methods in order to determine fair value

General

The interest rate curve that is used as input for fair value valuations of hedging instruments and hedging objects consists of the NIBOR-curve for maturities less than one year. The swap-curve is used for maturities exceeding one year.

Interest rate and currency swaps

Valuation of interest rate swaps at fair value is done through discounting future cash flows to their present values. Valuation of currency swaps will also include the element of foreign exchange rates.

Bonds

Valuation of bonds at fair value is done through discounting future cash flows to present value.

IFRS 7 require a presentation of the fair value measurement for each Level of financial instruments. We have the following three Levels for the fair value measurement:

Level 1: Quoted price in an active market. Fair value of financial instruments which are traded in active markets are based on the market price at the balance sheet date. A market is considered to be active if the market prices are easily and readily available from an exchange, dealer, broker, industry group, pricing service or regulating authority and that these prices represent actual and regular market transactions on an arm's length basis.

Level 2: Valuation based on observable factors. Level 2 consist of instruments which are not valued based on listed prices, but where prices are indirectly observable for assets or liabilities, but also includes listed prices in not active markets.

Level 3: The valuation is based on factors that are not found in observable markets (non-observable assumptions). If valuations according to Level 1 or Level 2 are not available, valuations are based on not-observable information. The Company has a matter of principle neither assets nor liabilities which are valued at this level.

The following table presents the company’s assets and liabilities at fair value as of 31.12.2024

NOK 1 000	Level 1	Level 2	Level 3	Total
Certificates and bonds	35,875,763	-	-	35,875,763
Financial Derivatives	-	17,021,333	-	17,021,333
Total Assets	**35,875,763**	**17,021,333**	**-**	**52,897,096**
Financial Derivatives	-	3,293,482	-	3,293,482
Total Liabilities	**-**	**3,293,482**	**-**	**3,293,482**

Issued debt is formally accounted for at amortized cost, and is therefore not listed in the table above. However, when issued debt is hedged with derivatives it is accounted for at fair value with regards to changes in interest rates and currency rates, with changes of this fair value in profit and loss. This means that approximately NOK 217 billion (NOK 196 billion in 2023) of issued debt are also accounted for according to Level 2 above, while the remaining debt are accounted for at amortized cost.

The following table presents the company's assets and liabilities at fair value as of 31.12.2023

NOK 1 000	Level 1	Level 2	Level 3	Total
Certificates and bonds	33,094,399	-	-	33,094,399
Financial Derivatives	-	9,008,375	-	9,008,375
Total Assets	**33,094,399**	**9,008,375**	**-**	**42,102,775**
Financial Derivatives	-	3,841,473	-	3,841,473
Total Liabilities	**-**	**3,841,473**	**-**	**3,841,473**

Note 22 Other Liabilities

NOK 1 000	2024	2023
Employees tax deductions and other deductions	772	682
Employers national insurance contribution	1,006	1,302
Accrued holiday allowance	1,305	1,257
Commission payable to shareholder banks	96,428	75,423
Deposits*	2,174	676
Pension liabilities	14,776	14,635
Expected credit loss unused credit lines (flexible loans)	274	367
Accounts payable, secutities	11,418	11,274
Other accrued costs	1,014,091	963,052
Total	**1,142,244**	**1,068,669**

The Company does not have an overdraft facility or a revolving credit facility as of 31.12.2024
* Deposits represents temporary balances paid in by customers in excess of the original loan amount.
Accounts payable, securities, are such amounts that have been transacted, but not yet settled.

Note 23 Credit Risk

Credit risk is defined as the risk that losses can occur as a consequence of that customers and others do not have the ability or willingness to meet their obligations to SpareBank 1 Boligkreditt as and when agreed. Credit risk mainly includes loans to customers which are collateralised by private residences (residential mortgage loans), but also includes credit risk in hedging swaps (though any exposure must always be collateralized by the swap counterparty) and investment in bonds within the Company's liquidity portfolio. SpareBank 1 Boligkreditt AS maintains a credit policy and limits in order to manage and closely monitor all credit risk the company is exposed to.

According to the Transfer and Servicing agreement between SpareBank 1 Boligkreditt and each parent bank, the Company has the right to reduce commissions payable for the remainder of the current calendar year to all of its parents banks by an amount equal to any incurred losses on individual mortgage loans.
The Company has not since the commencement of its operations had any instances of off-set against the commissions due to its parent banks

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Credit Exposure

NOK 1 000	2024	2023
Loans to customers	293,788,370	276,816,597
Loans to and deposits with credit institutions	8,642,224	1,063,325
Certificates and bonds	35,875,763	33,094,399
Financial derivatives	17,021,333	9,008,375
Other assets	2,058,735	482,754
Total assets	**357,386,425**	**320,465,452**
Unused credit on flexible loans	13,460,432	13,359,709
Received collateral in relation to derivative contracts	-13,023,648	-4,896,717
Total credit exposure	**357,823,210**	**328,928,443**

Lending to customers (residential mortgage loans)

The risk classification of the Company's lending is conducted on the basis of an evaluation of the exposures. The evaluation is based on the following main criteria:

- Ability of the customer to pay (income and debt)
- Willingness to pay (payment remarks)
- Size of the loan
- Loan to value (maximum loan to collateral value is 75% and the collateral must be valued by an independent source, Valuations are updated quarterly for the whole loan portfolio)
- Location

SpareBank 1 Boligkreditt AS utilizes the SpareBank 1 Alliance's IT platform and custom developed IT systems for the acquisition of loans from the banks in the SpareBank 1 Alliance. Credit risk is monitored by measuring the development of the mortgage portfolio's credit quality, details about missed payments, defaults and over the limit withdrawals. For defaults and losses in the portfolio the Company has set the following limits:

- Expected loss in the portfolio: < 0.05 % of the loan volume
- Unexpected loss in the portfolio (at a 99.97% confidence level): < 0,5 % of the loan volume

The following risk classification, step 1 to 3 is executed monthly based on objective data

1. Probability of default (PD): The customers are classified in PD classes depending on the likelihood for default within the next 12 months based on a long average (through cycle). The PD is calculated on the basis of historical dataseries for financial key numbers tied to income and source of income, as well as on the basis of non-financial criteria such as age and behaviour. In order to group the customers according to PD, nine classes of probability of default are used (A to I). In addition the Company has to default classes (J and K) for customers with defaulted and/or written down exposures.
2. Exposure at default: This is a calculated number which provides the exposure with a customer at the point of default. This exposure is usually of lending volume and the approved but not utilized credit lines. Customers approved but not utilized credit lines are multiplied with a 100 per cent conversion factor.
3. Loss given default (LGD): This is a calculated number which expresses how much the Company potentially stands to lose if a customer defaults on his or her obligations. The assessment takes into consideration the collateral and the cost the Company could incur by foreclosing and collecting on the defaulted exposure. The Company determines the realizable value on the collateral based on the experience of the SpareBank 1 banks over time, and so that the values reflect a cautious assessment in the lower point of an economic cycle. Seven classes (1 to 7) are used to classify the exposures according to LGD.

SpareBank 1 Boligkreditt AS will only purchase loans from the shareholder banks that have a high servicing capacity and low loan to value. This implies that the loans bought by the Company are in lower risk groups. The Company utilizes the same risk classification as the other banks in the SpareBank 1 Alliance. Presented below is an overview that shows how loans are allocated over the risk groups. The allocation in risk groups is based on expected loss (PD multiplied by LGD for each individual loan).

Definition of risk groups - based on probability of default

			Distribution in %		Total lending *	
Risk group	Lower limit	Upper limit	2024	2023	2024	2023
Lowest	0.00 %	0.01 %	83.5 %	84.6 %	245,271,162	234,167,861
Low	0.01 %	0.05 %	13.1 %	12.1 %	38,549,568	33,421,644
Medium	0.05 %	0.20 %	2.4 %	2.3 %	6,970,729	6,424,288
High	0.20 %	0.50 %	0.5 %	0.5 %	1,502,260	1,489,243
Highest	0.50 %	100 %	0.5 %	0.5 %	1,494,651	1,313,561
Total			**100.0 %**	**100.0 %**	**293,788,370**	**276,816,597**

* Total presented as exposure at default (EAD) exclusive of expected credit loss provisions

Bonds and deposits with credit intitutions

Rating class		2024	2023
AAA/Aaa	Covered Bonds	21,693,585	24,249,316
	Norw. Government bills	-	-
	Other government or gov guaranteed bonds	13,509,062	8,164,802
	Financial institutions	-	-
	Total	**35,202,647**	**32,414,118**
AA+/Aa1 to AA-/Aa3	Other government bonds	673,116	680,281
	Covered Bonds	-	-
	Financial institutions	8,642,224	1,063,325
	Total	**9,315,339**	**1,743,607**
A+/A1 - A/A2	Financial institutions	-	-
	Total	**-**	**-**
Total		**44,517,987**	**34,157,725**

Fitch/Moody's/S&P rating classes are used. If the ratings differ, the lowest counts. All bonds are publicly listed.

Financial derivatives

Derivative contracts are only entered into with counterparties with a certain minimum rating by Moody's Ratings Service. Counterparties must post cash collateral. SpareBank 1 Boligkreditt does not post collateral to a counterparty which has previously not been received.

Note 24 Liquidity Risk

Liquidity risk is defined as the risk that the business is not able to meet its obligations at maturity. SpareBank 1 Boligkreditt AS issues covered bonds at shorter maturities than the residential mortgages which make up the largest portion of assets on the Company's balance sheet. The Liquidity risk which arises is closely monitored. In order to manage the liquidity risk certain limits and liquidity reserves have been approved by the Board of Directors. The liquidity reserve requirement is defined in the EUs covered bond directive (EU Directive 2019/2162) which is transposed into Norwegian law. SpareBank 1 Boligkreditt AS maintains a liquidity reserve which will cover all planned outflows, including all bond maturities at their expected maturity date, for the next 180 days.

The figures in the table below take into account all interest income and expense throughout the time periods covered and to the maturity of each individual instrument or mortgage loan. This makes these numbers larger than the corresponding numbers in the balance sheet.

Liquidity Risk - all amounts in 1000 NOK

	31.12.2024	No set term	Maturity 0 to 1 months	Maturity 1 to 3 months	Maturity 3 to 12 months	Maturity 1 to 5 years	Maturity more than 5 years
Certificates and bonds	35,875,763		7,383,918	6,608,500	10,152,397	11,130,633	600,315
Lending to and deposits with credit institutions	8,642,224	8,642,224		0	0	0	0
Residential mortgage loans	546,202,569		5,841,552	17,439,732	46,106,535	45,488,120	431,326,629
Derivatives	17,021,333		2,111,477	495,285	7,192,548	4,670,013	2,552,010
Other assets with no set term	2,058,735	2,058,735					
Total Assets	609,800,624	10,700,959	15,336,947	24,543,517	63,451,480	61,288,767	434,478,954
Debt incurred when issuing securities	-420,391,751		-22,674,252	-21,345,139	-157,570,674	-142,311,392	-76,490,294
Other liabilities with a set term	-13,023,648			-13,023,648			
Derivatives	-3,293,482		0	-194,446	-257,694	-994,612	-1,846,730
Subordinated debt	-1,743,676						-1,743,676
Other liabilities	-1,190,874	-1,190,874					
Total liabilities	-439,643,431	-1,190,874	-22,674,252	-34,563,233	-157,828,367	-143,306,004	-80,080,700
Net total all items		**9,510,084**	**-7,337,305**	**-10,019,716**	**-94,376,887**	**-82,017,237**	**354,398,254**

Liquidity Risk - all amounts in 1000 NOK	31.12.2023	No set term	Maturity 0 to 1 months	Maturity 1 to 3 months	Maturity 3 to 12 months	Maturity 1 to 5 years	Maturity more than 5 years
Certificates and bonds	33,094,399			4,923,656	2,266,910	25,261,328	642,506
Lending to and deposits with credit institutions	1,063,325	1,063,325		0	0	0	0
Residential mortgage loans	511,498,393			5,451,428	16,291,042	85,599,252	404,156,670
Derivatives	9,008,375			1,492	1,639,640	5,963,898	1,403,345
Other assets with no set term	482,754	482,754					
Total Assets	555,147,247	1,546,080	0	10,376,577	20,197,592	116,824,478	406,202,520
Debt incurred when issuing securities	-391,292,985			-3,959,892	-33,305,654	-271,429,256	-82,598,183
Other liabilities with a set term	-4,896,717			-4,896,717			
Derivatives	-3,841,473			0	-186,416	-1,906,081	-1,748,976
Subordinated debt	-1,485,180						-1,485,180
Other liabilities	-1,338,477	-1,338,477					
Total liabilities	-402,854,832	-1,338,477	0	-8,856,609	-33,492,070	-273,335,337	-85,832,339
Net total all items		**207,603**	**0**	**1,519,968**	**-13,294,478**	**-156,510,859**	**320,370,181**

Note 25 Interest Rate Risk

The interest rate risk is the risk of a negative profit effect due to rate changes. The balance sheet of SpareBank 1 Boligkreditt consists in all essence of loans to retail clients with a variable interest rate that can be changed after a 2 week notice period, floating rate current deposits, bonds and certificates in the Company's liquidity portfolio and of issued bonds and certificates. In accordance with the Norwegian legislation applicable to Covered Bonds and internal guidelines, SpareBank 1 Boligkreditt hedges all interest rate risk by utilising interest rate swaps. The Board approves limits for interest rate risk for different terms. Reports to the Board are presented on a monthly basis. The table below reports the effect on market value in NOK for one per cent change in interest rates for the Company's portfolios of mortgages, derivatives and issued bonds. The interest rate sensitivity shows the expected effect from a 100 basis points parallel shift in the interest rate curve:

The figures in the table below take into account all interest income and expense throughout the time periods covered and to the maturity of each individual instrument or mortgage loan. This makes these numbers larger than the corresponding numbers in the balance sheet.

Interest rate risk - all amounts in 1 000 NOK

	12/31/24	No set term	Maturity 0 to 3 month	Maturity 4 to 12 months	Maturity 2 to 3 years	Maturity 4 to 5 years	Maturity more than 5 years
Certificates and bonds	35,875,763		26,634,083	1,432,000	3,628,065	3,581,299	600,315
Lending to and deposits with credit institutions	8,642,224	8,642,224	0	0	0	0	0
Residential mortgage loans	546,202,569			546,202,569			
Other assets with no set term	2,058,735	2,058,735					
Total Assets	**592,779,290**	**10,700,959**	**26,634,083**	**547,634,569**	**3,628,065**	**3,581,299**	**600,315**
Debt incurred when issuing securities	-420,391,751		-130,578,124	-12,558,446	-104,607,337	-96,157,550	-76,490,294
Other liabilities with a set term	-13,023,648	-13,023,648					
Liabilities with no set term	-1,190,874	-1,190,874					
Subordinated debt	-1,743,676						-1,743,676
Equity	-14,783,665	-14,783,665					
Total liabilities and equity	-451,133,614	-28,998,188	-130,578,124	-12,558,446	-104,607,337	-96,157,550	-78,233,970
Net interest rate risk before derivatives	**141,645,676**	**-18,297,229**	**-103,944,041**	**535,076,123**	**-100,979,271**	**-92,576,250**	**-77,633,655**
Derivatives	**13,727,852**	**-**	**-173,851,669**	**1,470,380**	**55,129,758**	**79,344,809**	**51,634,573**
Net interest rate risk		**-18,297,229**	**-277,795,710**	**536,546,503**	**-45,849,514**	**-13,231,441**	**-25,999,081**
% of total assets		**3 %**	**46 %**	**88 %**	**8 %**	**2 %**	**4 %**

Interest Rate Risk - all amounts in 1000 NOK

	12/31/23	No set term	Maturity 0 to 3 month	Maturity 4 to 12 months	Maturity 2 to 3 years	Maturity 4 to 5 years	Maturity more than 5 years
Certificates and bonds	33,094,399		24,255,121	718,048	2,564,891	4,913,834	642,506
Lending to and deposits with credit institutions	1,063,325	1,063,325	0	0	0	0	0
Residential mortgage loans	511,498,393			511,498,393			
Other assets with no set term	482,754	482,754					
Total Assets	**546,138,872**	**1,546,080**	**24,255,121**	**512,216,441**	**2,564,891**	**4,913,834**	**642,506**
Debt incurred when issuing securities	-391,292,985		-113,270,739	-29,279,764	-86,048,247	-80,096,051	-82,598,183
Other liabilities with a set term	-4,896,717	-4,896,717					
Liabilities with no set term	-1,338,477	-1,338,477					
Subordinated debt	-1,485,180						-1,485,180
Equity	-12,677,443	-12,677,443					
Total liabilities and equity	-411,690,801	-18,912,637	-113,270,739	-29,279,764	-86,048,247	-80,096,051	-84,083,363
Net interest rate risk before derivatives	**134,448,070**	**-17,366,557**	**-89,015,618**	**482,936,676**	**-83,483,356**	**-75,182,217**	**-83,440,858**
Derivatives	**5,166,902**	**-**	**-172,549,886**	**16,838,791**	**37,877,935**	**61,976,803**	**61,023,259**
Net interest rate risk		**-17,366,557**	**-261,565,504**	**499,775,468**	**-45,605,421**	**-13,205,414**	**-22,417,599**
% of total assets		**3 %**	**47 %**	**90 %**	**8 %**	**2 %**	**4 %**

The table below presents a net change in market value in NOK for all the Company's asset and liabilities given a one per cent parallel move of the interest rate curve. The effect on equity corresponds to the net interest expense on the profit adjusted for tax.

Sensitivity of net interest rate expense in NOK 1000

Currency	Change in basis points	2024	2023
NOK	100	158,900	153,166

Mortgage rates (variable) are set by SpareBank 1 Boligkreditt AS, but for all practical purposes follow the recommendations from the local originating banks. The mortgage interest rates are set dependent on collateral and LTV, customer risk category and the competitive mortgage lending landscape.

Note 26 Currency Risk

The foreign exchange risk is the risk of a negative P&L impact as a result of changes in foreign currencies. SpareBank 1 Boligkreditt AS's balance sheet consists mainly of lending to private individuals in Norway and in NOK, current deposits in NOK and liabilities issued in the Norwegian or international capital markets. In accordance with the Norwegian covered bond legislation and its internal guidelines the Company hedges all currency risk, either by the utilisation of swaps or by way of asset liability management, i.e. maintaining exposures in assets and liabilities of the same currency. Weekly risk reports are created by the management team and reports to the Board of Directors have a monthly frequency. The currency risk (sensitivity to currency movements) are calculated by adding the exposure in the various currencies. No other currencies than the NOK had a material net position on the Company's balance sheet at the end of the year.

Net currency exposure in NOK 1000

Currency	2024	2023
EUR	**-35,868**	**-175,175**
- Bank Deposits	171,523	-56,863
- Issued Bonds	-180,827,436	-158,575,550
- Derivatives	174,634,191	150,904,322
- Bond investments	5,985,854	7,552,915
USD	**1**	**1**
- Bank Deposits	1	1
- Issued Bonds	-	-
- Derivatives	-	-
- Bond investments	-	-
SEK	**988**	**1,239**
- Bank Deposits	1,303	1,239
- Issued Bonds	-9,091,613	-8,684,686
- Derivatives	9,091,297	8,684,686
- Bond investments	-	-
GBP	**0**	**2,905**
- Bank Deposits	0	2,905
- Issued Bonds	-	-
- Derivatives	-	-
- Bond investments	-	-
CHF	**796**	**932**
- Bank Deposits	-	-
- Issued Bonds	-4,796,934	-4,492,809
- Derivatives	4,797,730	4,493,741
- Bond investments	-	-
Total	**-34,083**	**-170,098**

P&L effect before tax, in NOK 1000

Currency	Change in Exchange Rate (per cent)	2024	2023
EUR	+10	-3,587	-17,517
USD	+10	0	0
SEK	+10	99	124
GBP	+10	0	291
CHF	+10	80	93
Total		**-3,408**	**-17,010**

Note 27 Operational Risk

Operational risk is defined as the risk of loss due to error or neglect in transaction execution, weakness in the internal control or information technology systems breakdowns. Reputational, legal, ethical and competency risks are also elements of operational risk.

The operational risk in SpareBank 1 Boligkreditt AS is limited. The Company is only involved in lending for residential real estate purposes, the placement of liquid assets in highly rated and liquid bonds and the financing of these activities.

Several of the operational processes and systems are supplied by third parties and the Company uses standardized systems for its own operations, such as Simcorp Dimension, for portfolio registration and valuation functions for liquid assets and debt issuances. Several tasks have been outsources to SpareBank 1 SMN, which is a larger organization with overlaps with the systems and tasks of the Company within several treasury functions. The Company also cooperates closely with its other larger parent banks. Evry is the provider of basic bank IT functions, as it is for most banks in Norway and all banks within the SpareBank 1 Alliance. The Evry systems manage the informational data with regards to each individual loan and calculates interest rate payments, installments due and in SpareBank 1 Boligkreditt's case also provisions due to parent banks on mortgage loans sold and transferred to the Company. Any potential changes and/or additions in the operations of the Company will be vetted thoroughly before implementation. The Company annually holds a risk-works shop to discuss and look for risks and improvements in any aspects of the operational systems. The Company's management and control of operational risks are satisfactory.

Based on these facts there are no reasons which would lead to a different conclusion than that the standard method for the calculation of capital for operational risks are required. The Company therefore applies the standard method under the capital adequacy rules (CRD IV, Pillar 1) as method to calculate the operational risk capital requirement. The capital so calculated amounts to 93 million for 31.12.2024 (see also the note for capital adequacy)

Note 28 Asset Coverage Test

The asset coverage is calculated according to the Financial Services Act § 2-31 (Covered Bond Legislation). The asset coverage test excludes as a cover pool asset any shares of mortgages representing loan to value above the legal maximum of 75 percent.

In addition any defaulted loans, i.e. loans in arrears at or beyond 90 days, are excluded from the asset coverage. Substitute (liquid) assets are included at market values. Swaps are hedging instruments and are included with the hedged positons (currency and/or interest elements).

The covered bonds are currently rated by Moody's Investors Service. Outstanding bonds are rated Aaa, which has been a stable rating since commencement of the Company's operations. This same rating level is expected for future bond issuances, but is not a requirement, commitment or an obligation of the Company to achieve. One of several elements which forms a part of the covered bond rating determined by Moodys is the level of cover pool overcollateralization. Moody's may or may not utilize a different method for calculating the level of overcollateralization presented below. The current overcollateralization requirement from Moody's for the SpareBank 1 cover pool is 0.0 per cent, but is subject to the agency's discretion at any time. The required regulatory level of overcollateralization is currently 5 per cent (§11-7 Financial Institutions Regulation)

NOK 1 000	2024	2023
Covered Bonds	306,465,748	289,488,225
Total Covered Bonds	306,465,748	289,488,225
Residential mortgage loans	292,886,214	275,784,245
Public sector, SSA bond exposure	5,011,636	4,016,895
Reverse repo/ depo less than 100 days	6,401,954	563,555
Exposure to credit institutions (covered bonds)	21,363,046	24,590,563
Derivatives	0	0
Total Cover Pool	325,662,850	304,955,259
Asset-coverage	106.3 %	105.3 %

Liquidity Coverage Ratio (LCR)	2024	2023
Liquid assets	16,221,425	7,503,941
Cash outflow next 30 days	14,714,610	7,354,936
LCR ratio	110.2 %	102.0 %

Net Stable Funding Ratio (NSFR)	2024	2023
Available amount of stable funding	309,949,936	291,177,249
Required amount of stable funding	247,132,012	234,399,335
NSFR ratio	125.4 %	124.2 %

Note 29 Capital Adequacy

The primary goal for the Company's management of capital reserves is to ensure compliance with laws and regulatory requirements. The company's owner banks pay in additional core capital on an as-needed basis, according to the covered bond funding function that Boligkreditt delivers to its banks.

As of December 31, 2020 the Norwegian national implementation of the EU's CRR/CRD IV was amended, which means that the average risk weight on lending secured by residential property in Norway cannot be lower than 20 per cent.

The European Union has approved new regulatory requirements, CRD IV, which is implemented in Norway. The requirement of 18.1 percent total capital for SpareBank 1 Boligkreditt includes:

- Minimum core equity Pillar 1: 4.5 per cent.
- Additional Tier 1 equity capital 1.5 per cent and additiponal Tier 2 capital 2.0 per cent (can be held as Tier 1 and Tier 2, alternatively as core equity capital).
- Conservation buffer: 2.5 per cent core capital.
- Systemic risk buffer: 4.3 per cent core.
- Countercyclical buffer: 2.5 per cent core equity.
- Pillar 2: 0.8 per cent core equity

With a management buffer of 0.8 per cent added, the target for capital coverage is 18.9 per cent as of December 31, 2024. .

Capital. NOK 1 000	2024	2023
Share capital	9,297,349	7,797,215
Premium share fund	4,651,322	3,901,255
Other equity capital	-1,007,549	-337,399
Common equity	12,941,122	11,361,071
Intangible assets	-121	-162
Declared share dividend	-	-
IRB shortfall of credit risk adjustments to expected losses	-570,047	-513,437
Prudent valuation adjustment (AVA)	-35,876	-33,094
Deferred taxes		-
Core equity capital	**12,335,078**	**10,814,378**
Hybrid bond	1,300,000	900,000
Tier 1 equity capital	**13,635,078**	**11,714,378**
Supplementary capital (Tier 2)	1,725,000	1,466,500
Total capital	**15,360,078**	**13,180,878**

Risk-weighted assets. NOK 1 000	2024	2023
Credit risk IRB		
First lien residential mortgages	64,494,768	58,822,307
Total credit risk IRB	**64,494,768**	**58,822,307**
Credit risk standardised approach		
Derivatives and exposures to credit institutions	3,868,534	3,994,290
Covered bonds	2,169,891	2,430,890
Regional governments or local authorities	1,199,897	81,748
Other items	330,827	1,385,509
Total credit risk standardised approach	**7,569,149**	**7,892,437**
Market risk	-	-
Operational risk	1,161,617	255,805
CVA Risk	3,462,465	5,192,865
Total risk-weighted assets	**76,687,999**	**72,163,415**

Capital coverage	2024	2023
Capital coverage (requirement w/all buffers, 18.1%)	20.03 %	18.27 %
Tier 1 capital coverage (requirement w/all buffers, 16.1%)	17.78 %	16.23 %
Core capital coverage (requirement w/all buffers, 14.6%)	16.08 %	14.99 %
Leverage ratio (requirement 3.0%)	3.94 %	3.61 %

Note 30 Related Parties

The Company has 293.788 MNOK loans to customers. These are loans acquired from shareholder banks at market values (i.e. nominal value).

SpareBank 1 SMN

The Company acquires significant support services, including accounting services, back-office and other banking services from SpareBank 1 SMN. These services were previously purchased from SpareBank SR Bank. A complete SLA is established between the Company and SpareBank 1 SMN.

SpareBank 1 owner banks

In addition the Company has a Transfer and Servicing agreement in place with each individual shareholder bank regulating amongst other things the servicing of mortgage loans.

SpareBank 1 Næringskreditt AS

All employees within SpareBank 1 Boligkreditt AS are also to various degrees working for SpareBank 1 Næringskreditt AS. Twenty percent of the administrative expenses in SpareBank 1 Boligkreditt AS to be charged to SpareBank 1 Næringskreditt AS. This division of administrative expenses between the two companies reflect the actual resources utilisation in SpareBank 1 Boligkreditt AS

Note 31 Collateral Received

NOK 1 000	2024	2023
Collateral	13,023,648	4,896,717
Total	**13,023,648**	**4,896,717**

SpareBank 1 Boligkreditt has signed ISDA-agreements including CSAs (Credit Support Annexes) with a number of financial institutions that are counterparties in interest rate and currency swaps. These institutions post collateral in the form of cash deposits to SpareBank 1 Boligkreditt. The amount is included in the balance sheet, but represents restricted cash.

Note 32 Contingencies and events after balance sheet date

SpareBank 1 Boligkreditt AS is not a party to any ongoing legal proceedings.

No events have taken place after the balance sheet date which are expected to have any material impact on the financial statements as of the end of the period 31.12.2024.

The proposed dividend for 2024 is 6.41 kroner per share for shares registered as of 31.12.2024, except for SpareBank 1 Sør-Norge where the dividend is 5.83 kroner per share. All owner banks would have received a share dividend of 5.83 kroner per share if a registration of the latest share increase had taken place by 31.12.2024, which was the intention. Because the shares in actual existence in the registry as of 31.12.2024 were a smaller number than on 03.01.2025, when the registration of increase did take place, the dividend is expressed as a larger per share amount. The number of shares were unchanged for SpareBank 1 Sør-Norge, which did not take part in the share capial increase and thus its number of share were unaffected by unintended registration date delay.

Note 33 Restatement due to reclassification

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NOK 1 000	12/31/23
Financial statement:	
Interest income from residential mortgage loans	12,843,415
Reclassification	-787,664
Interest income from residential mortgage loans restated	**12,055,751**
Sum total interest income restated	**13,287,471**
Commision expense to SpareBank 1 Banks	787,664
Reclassification	-787,664
Commision expense to SpareBank 1 Banks restated	**0**
Cash Flow Statement:	12/31/23
Interest receipts from lending til customers	12,582,674
Reclassification	-751,817
Interest receipts from lending til customers restated	**11,830,857**
Commissions paid	-751,817
Reclassification	751,817
Commissions paid restated	**0**

Interest income for mortgage loans includes a deduction for an interest margin contribution paid to SpareBank 1 Boligkreditt's owner banks. The banks' ownership is determined by the relative share of mortgages sold to the Company from each bank. The interest margin contribution is calculated by deducting the period specific average interest rate for funding from each mortgage loan's interest rate. In addition, SpareBank 1 Boligkreditt's other operating expense are also expressed as a rate and deducted from each mortgage loan's interest rate. The interest margin contribution paid to the owner banks are transactional costs and part of the effective interest for the mortgage loans. The presentation of the interest contribution to the banks was changed for 2024. Previously commissions were presented as a separate cost line in the income statement. These figures have been restated to include this element in interest income for the previous periods. See also Note 5 for reference.

The Atlantic road

To the General Meeting of SpareBank 1 Boligkreditt AS

Independent Auditor's Report

Opinion

We have audited the financial statements of SpareBank 1 Boligkreditt AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, overview of comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of SpareBank 1 Boligkreditt AS for 6 years from the election by the general meeting of the shareholders on 29 March 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors’ report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stavanger, 25 March 2025
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant


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