



*sparebanken
sogn og fjordane*

Interim report

Q1 2021

Headlines Q1 2021

(Figures in brackets are for the same period last year)



Nice growth in loans to customers: 6,6% over the past year



Decrease in net interest income: NOK 229 mill. (NOK 250 mill.)



Increased results from financial instruments: NOK 14 mill (NOK -49 mill.)



Loan losses: recognized as income NOK 9 mill. (against losses of NOK 80 mill)



Solid liquidity and solidity:

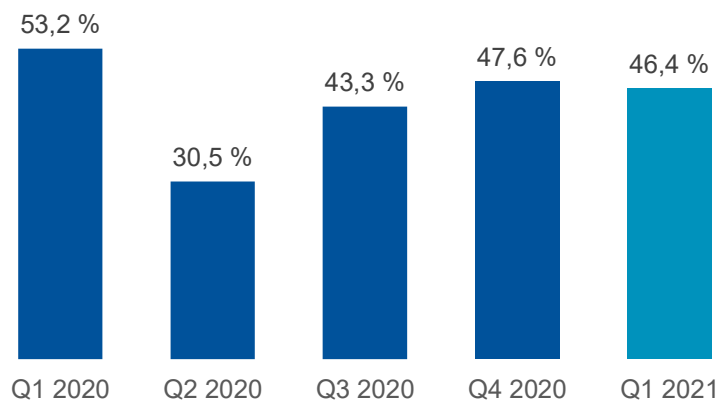
- LCR 176 % (122 %)
- Core Tier 1 Capital adequacy ratio: 15,9% (15,9 %)



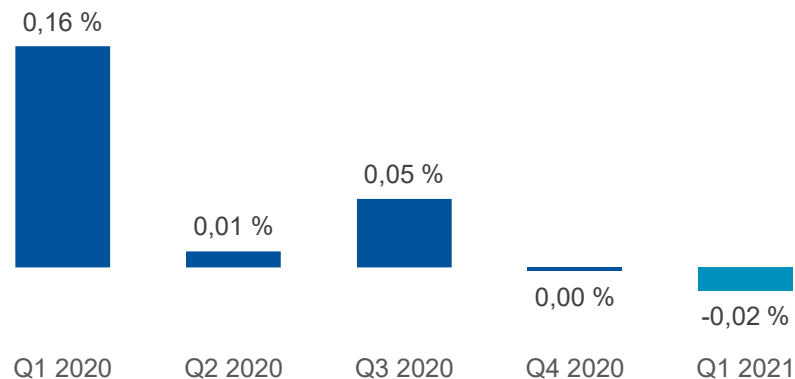
Return on equity: 9,1 % p.a. (0,9 % p.a.)

Development important key figures

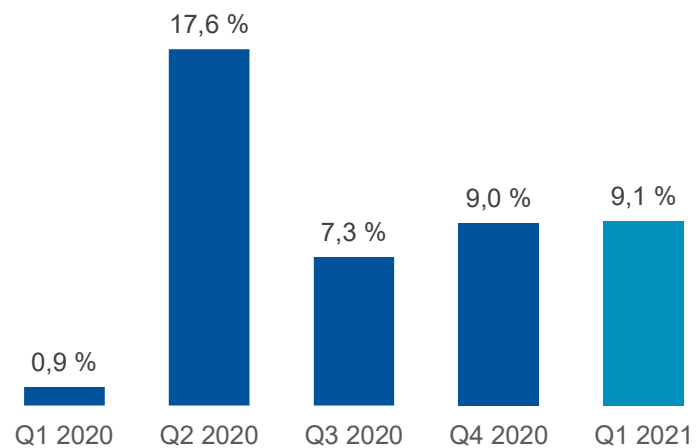
Cost/income ratio



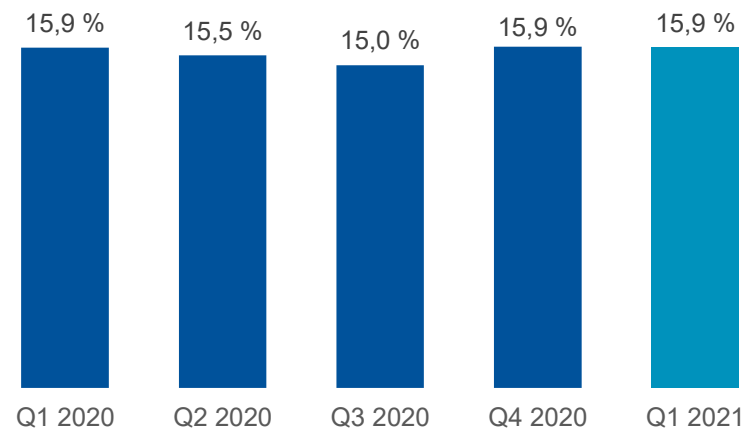
Impairment loss



Return on equity



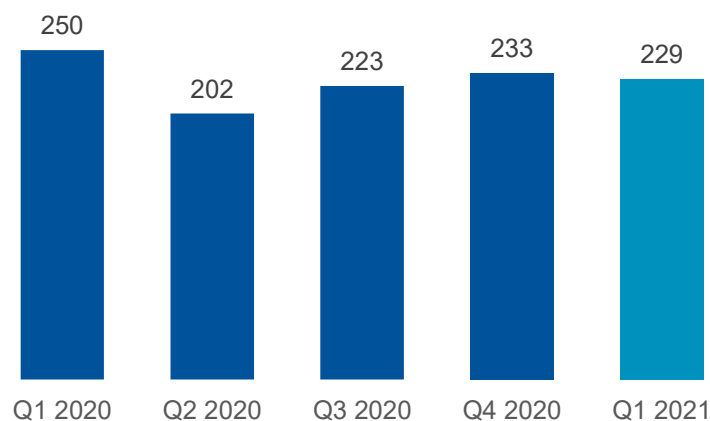
Core Tier 1 capital adequacy ratio



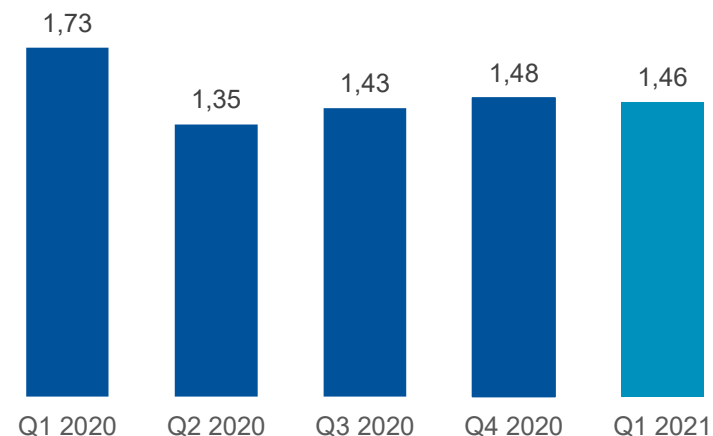
Slight decline in net interest income for the quarter

Lending growth for the private and corporate markets has contributed to a positive development in net interest income viewed in isolation

Net interest income



Net interest income as a percentage of average assets

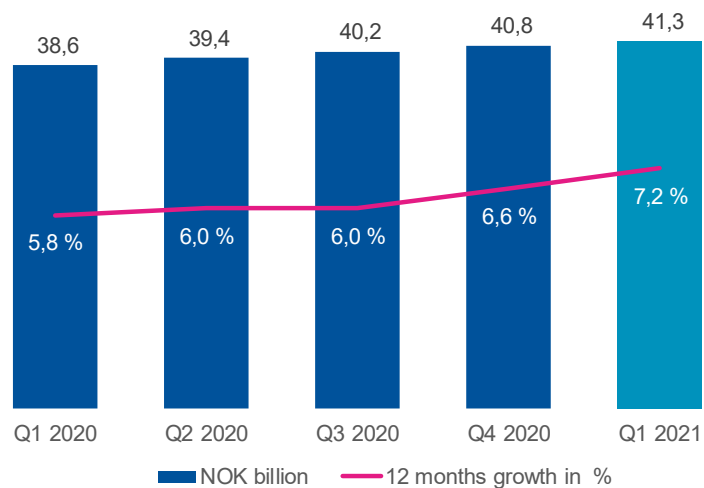


Net interest income in NOK million and as a percentage of average total assets (GFK)

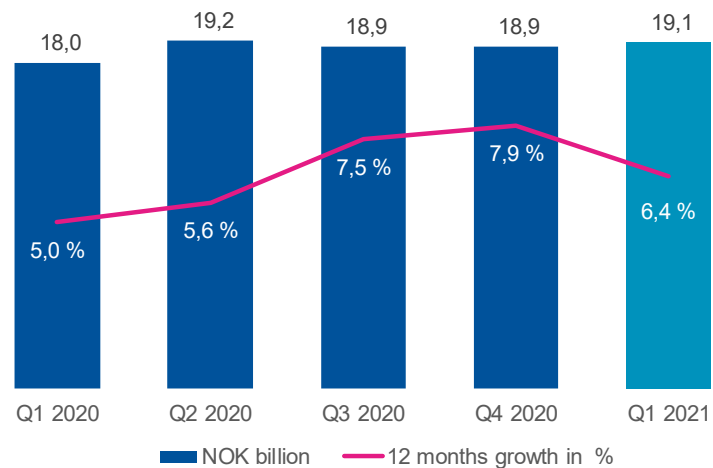
Strong development and growth in the retail market

Close and personal customer advice is valued by our customers

Loans retail market



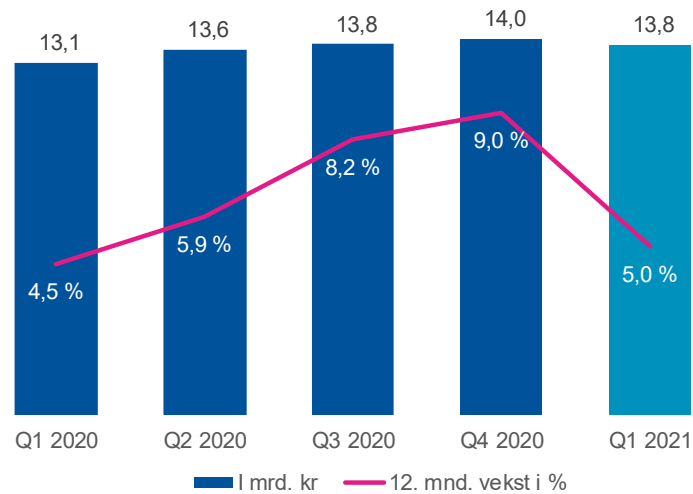
Deposits retail market



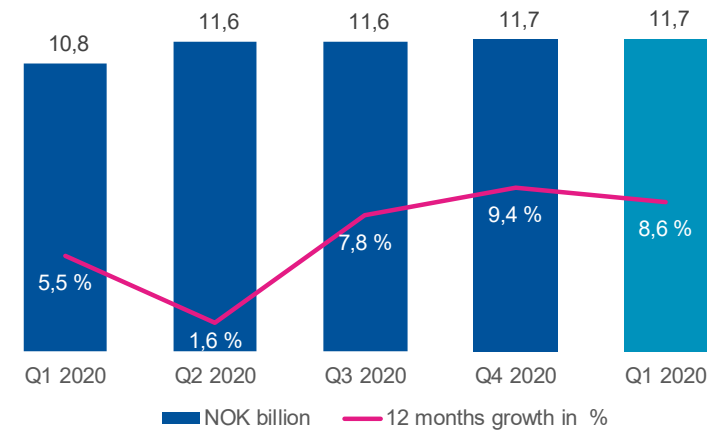
Reduced growth in the corporate market

Mainly as planned

Loans corporate market



Deposits corporate market

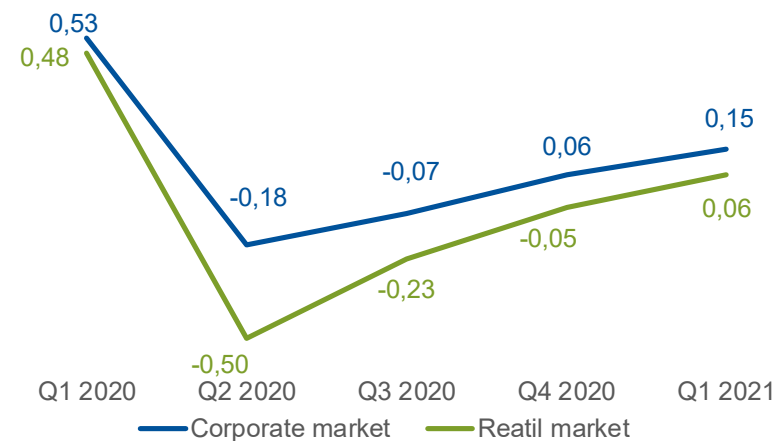


Stable lending margins

Lending margins



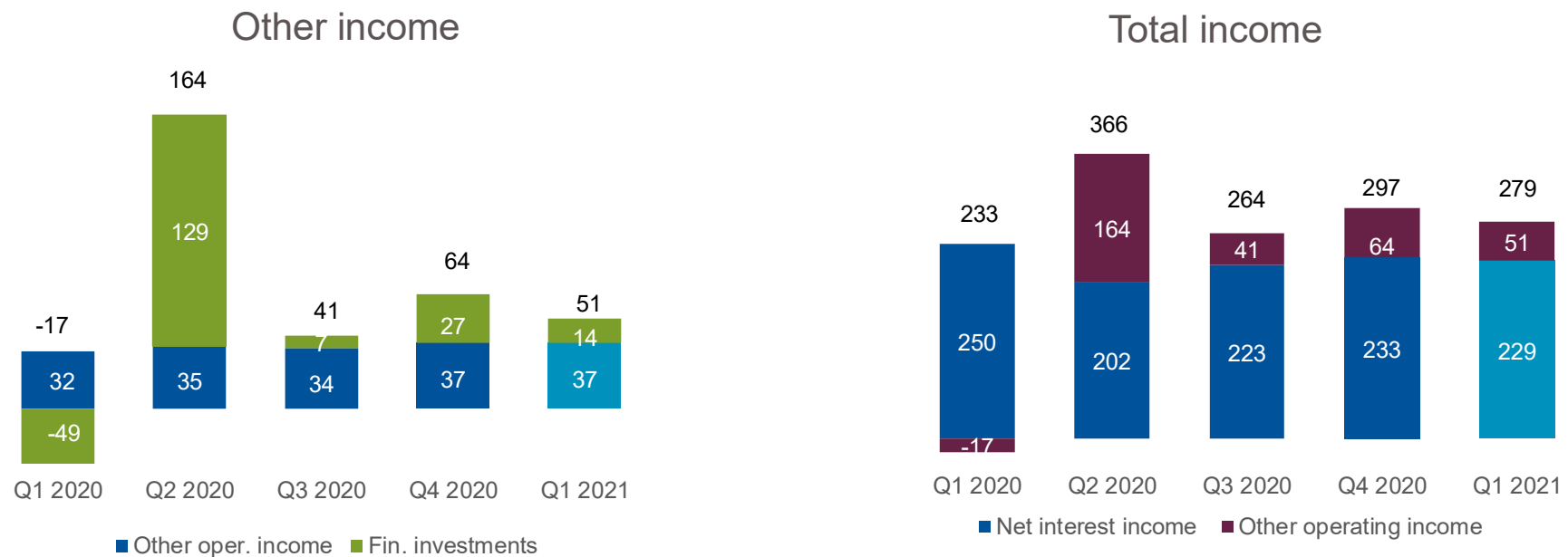
Deposit margins



Shows deposit and lending rates for deposits and loans from customers measured against 3 month. The graph includes both deposit and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

Better results from financial instruments compared to the first quarter last year

Targeted activity provides a positive income contribution for the sale of insurance and alternative savings products



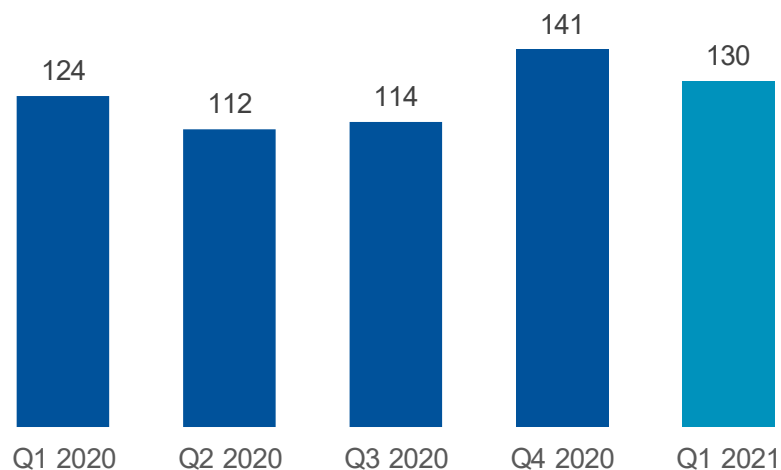
The increase in Q2 is particularly related to the revaluation of shares in Frende Holding AS

Figures per quarter in mill. NOK.

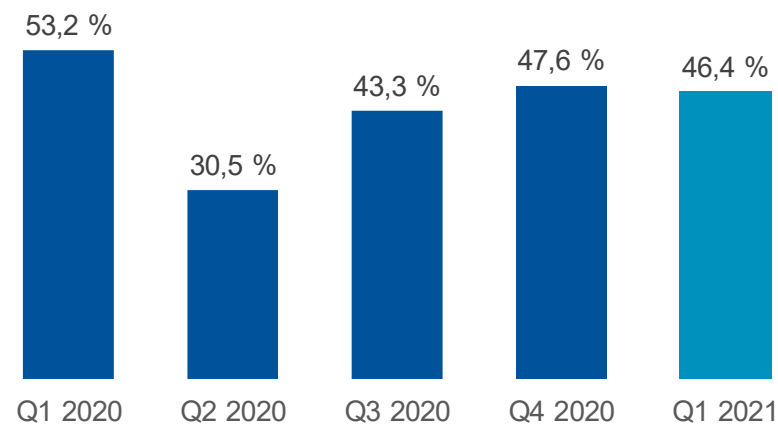
Good expense control- many expense items are reduced

Increase against Q1 last year due to a provision for agreed redundancies

Operating expenses



Cost/income ratio

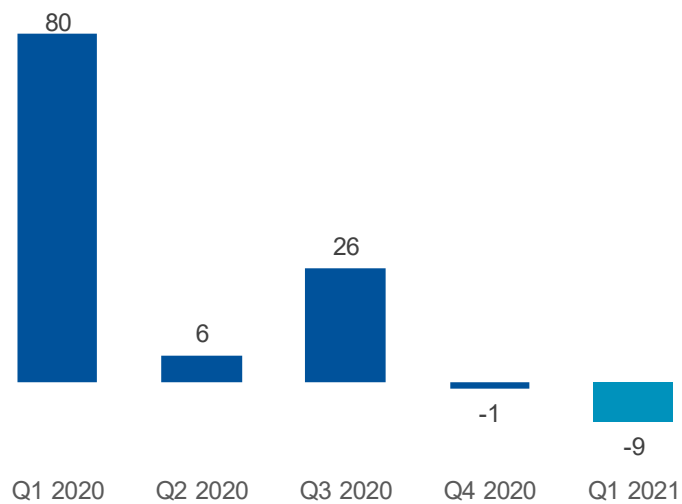


Figures per quarter in mill. NOK.

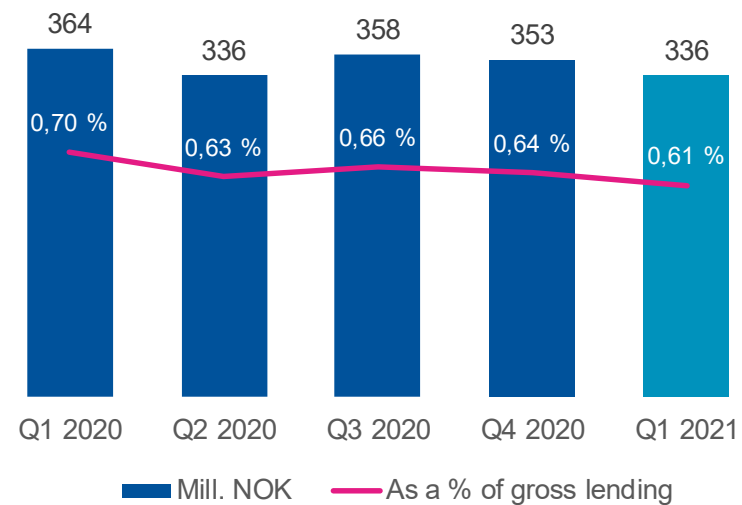
Reversal of expected loan losses

Robust loss provisions overall

Impairments



Impairment provisions

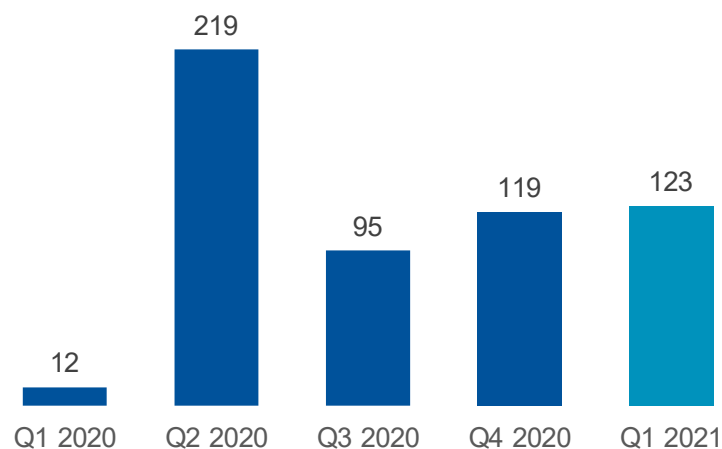


Figures per quarter in mill. NOK.

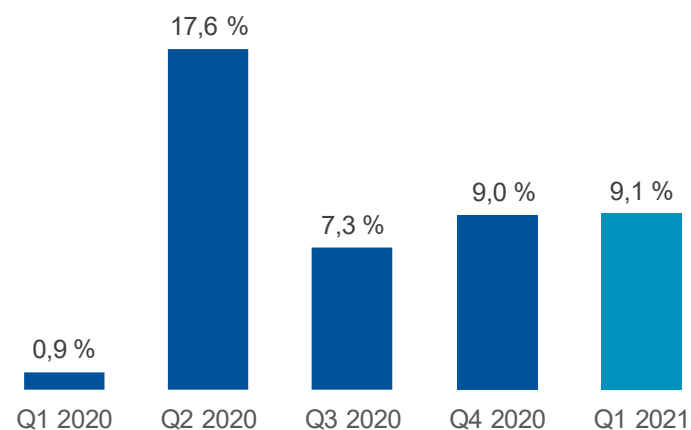
Satisfactory result and good start **in** 2021

The result for Q1 last year was strongly affected by the Covid-19 pandemic with increased credit losses

Total comprehensive income



Return on equity

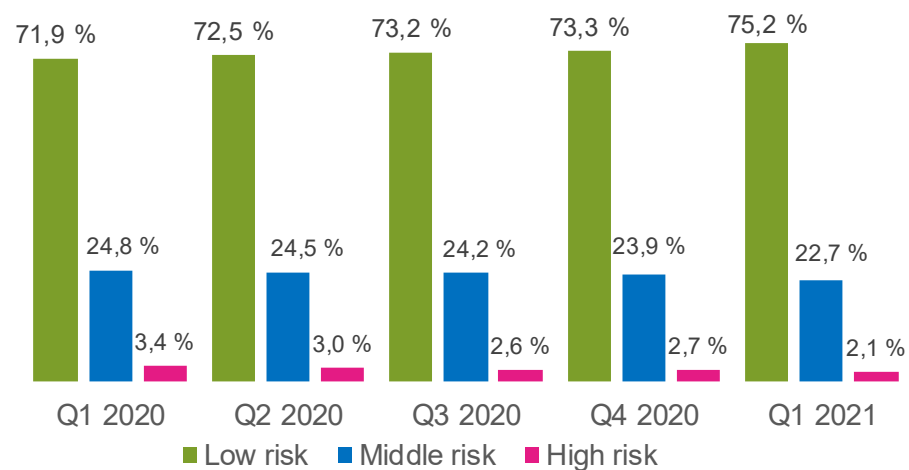


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

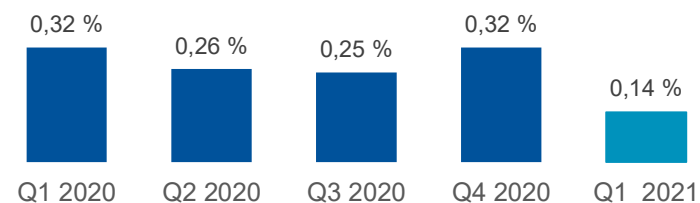
New default definition adopted this quarter

Defaults have been reduced overall as a result of the new definition. The reduction is greatest for payments in default for the retail market

Composition of risk for loans to RM



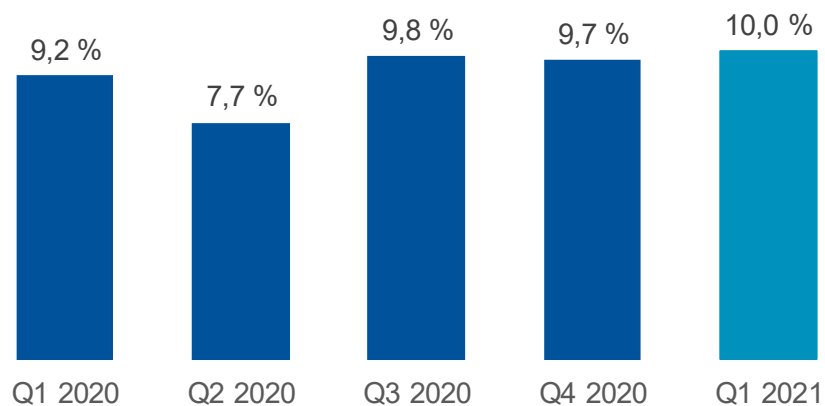
Loans to the RM in default >90 days



Credit risk in the in the corporate market stable

We continue to assess the risk in the CM higher than before the Covid-19 pandemic, and we have a close communication with our customers that have been affected by the pandemic

Loans to the corporate market at high risk

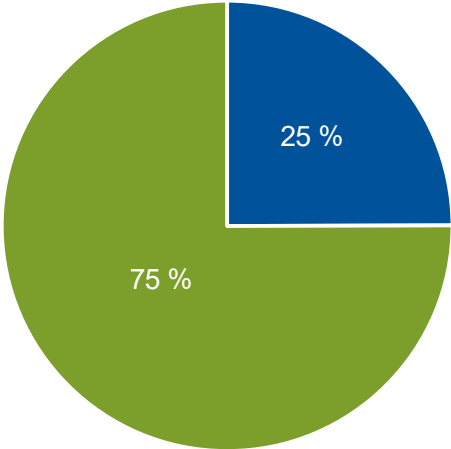


Loans to the corporate market in default > 90 days



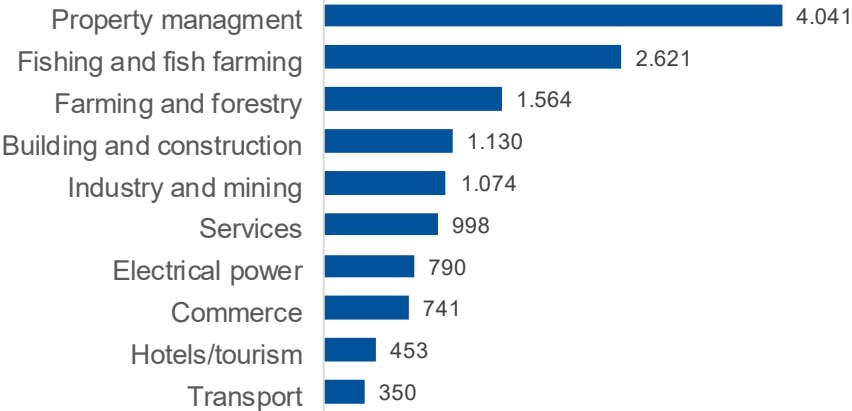
Segments and industries

Lending segments



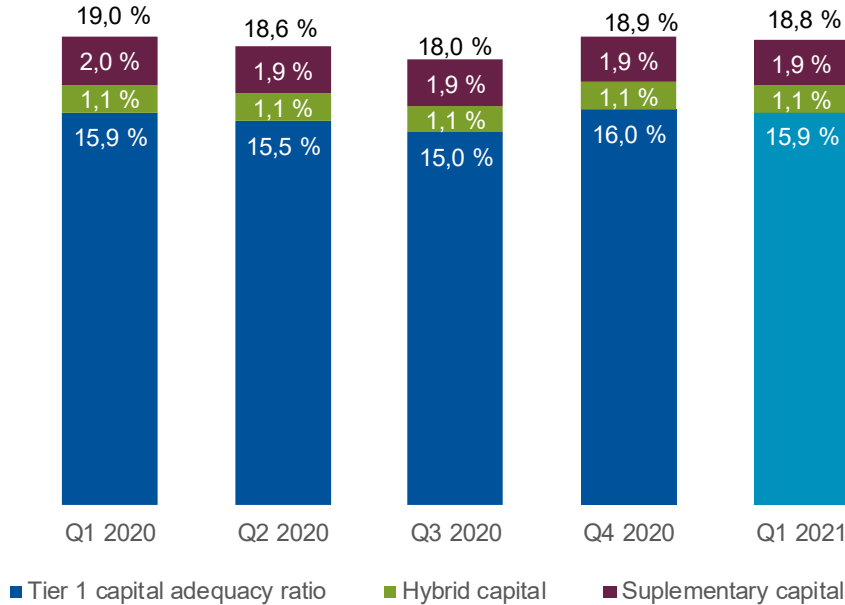
■ Corporate market ■ Retail market

Lendings to the corporate market in NOK mill.

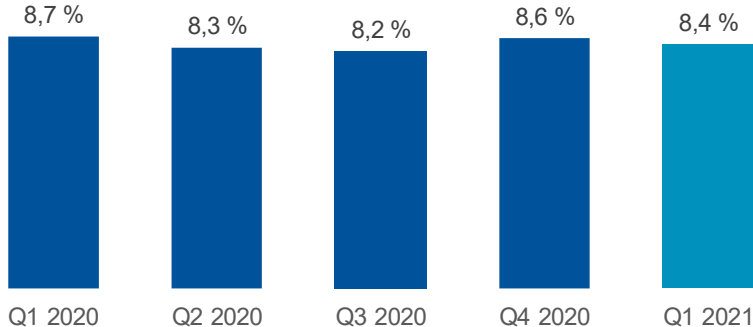


Solid capital adequacy ratio

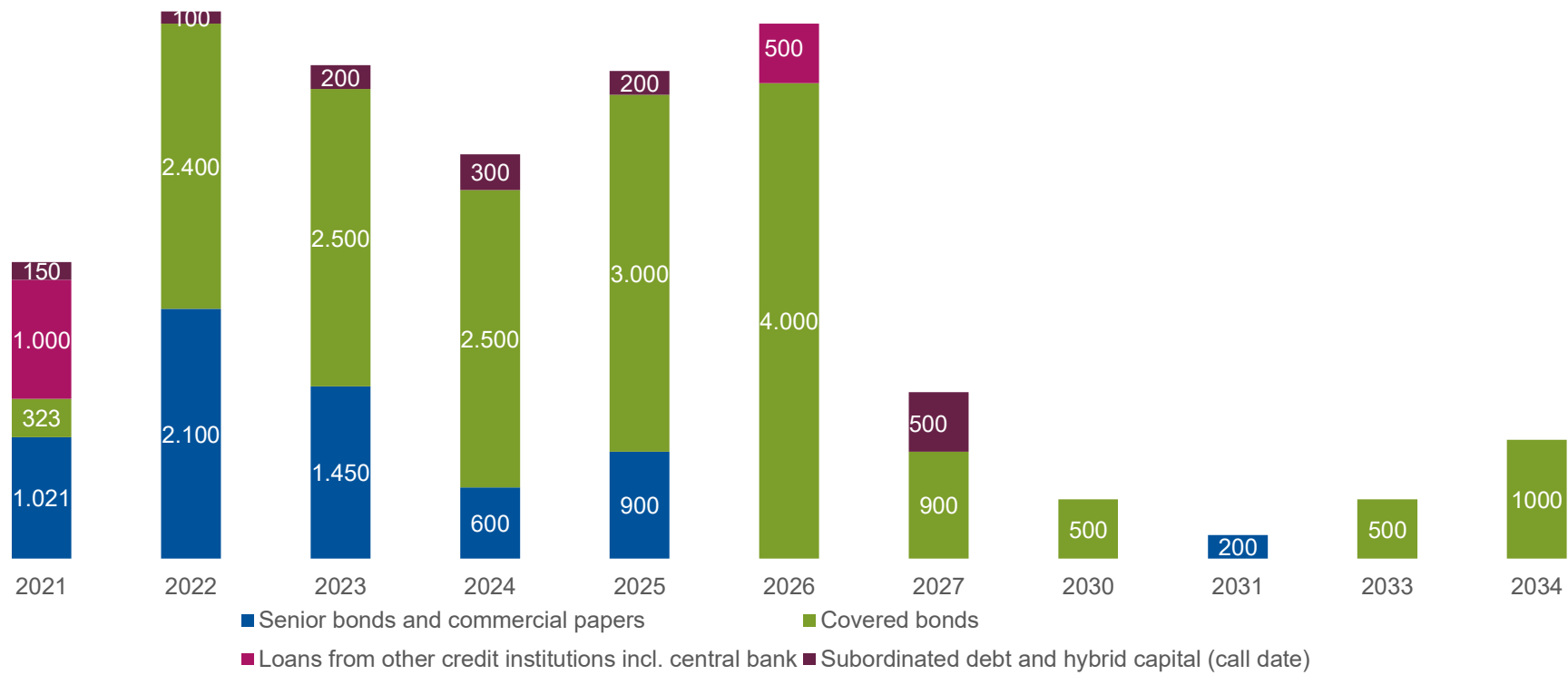
Capital adequacy ratio



Leverage ratio



Maturity structure of funding



Figures in NOK mill.



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The bank's role in the community

Free sports and leisure equipment throughout Sogn og Fjordane



Sparebankstiftinga Sogn og Fjordane, the biggest shareholder in Sparebanken Sogn og Fjordane, initially set aside one million Norwegian krone for providing free sports and leisure equipment in Sogn og Fjordane. However, demand was so high that in the end it gave NOK 100,000 each to 19 municipalities in Sogn og Fjordane. In other words, 1 million rose to 1.9 million.

We are the new main sponsor of the Førde Traditional and World Music Festival

This is Scandinavia's biggest festival for acoustic folk music and world music. Over the coming three years, Sparebanken Sogn og Fjordane has the pleasure of being the festival's main sponsor.



Photo credit: Nina Holtan

Finding new ways to meet our customers



Sparebanken Sogn og Fjordane recently held a live webinar on saving products for its customers. It was a great success, with 800 people signing up, and we were able to meet our customers in a new way.

NOK 600,000 for the Red Cross in Sogn og Fjordane

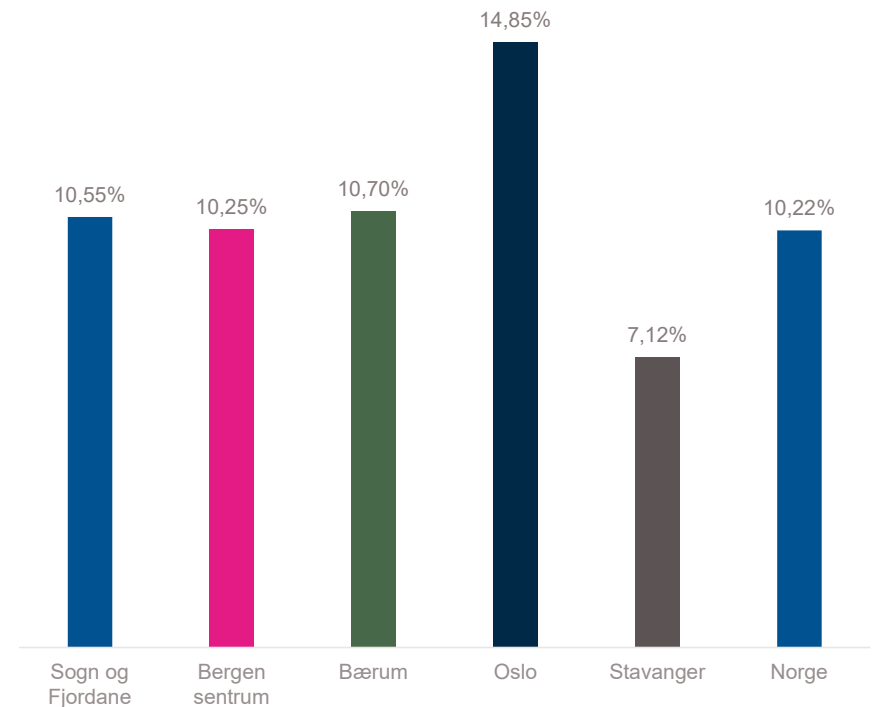
The Red Cross has 26 local associations dotted around Sogn og Fjordane. NOK 600,000 of our profit was allocated to supporting their good and important work, which will be split between the local associations.



Strong housing market in Sogn og Fjordane

- Healthy price growth in Sogn og Fjordane – slightly above the national average. Significant increase throughout Norway last quarter.
- Historically, house prices in Sogn og Fjordane have fluctuated less than in the rest of Norway.
- Sogn og Fjordane has been close to the national average for the past 5 years, and well ahead of Bergen and Stavanger.
- 10% more homes were sold in Sogn og Fjordane than the annual average.

Prices over the past 12 months

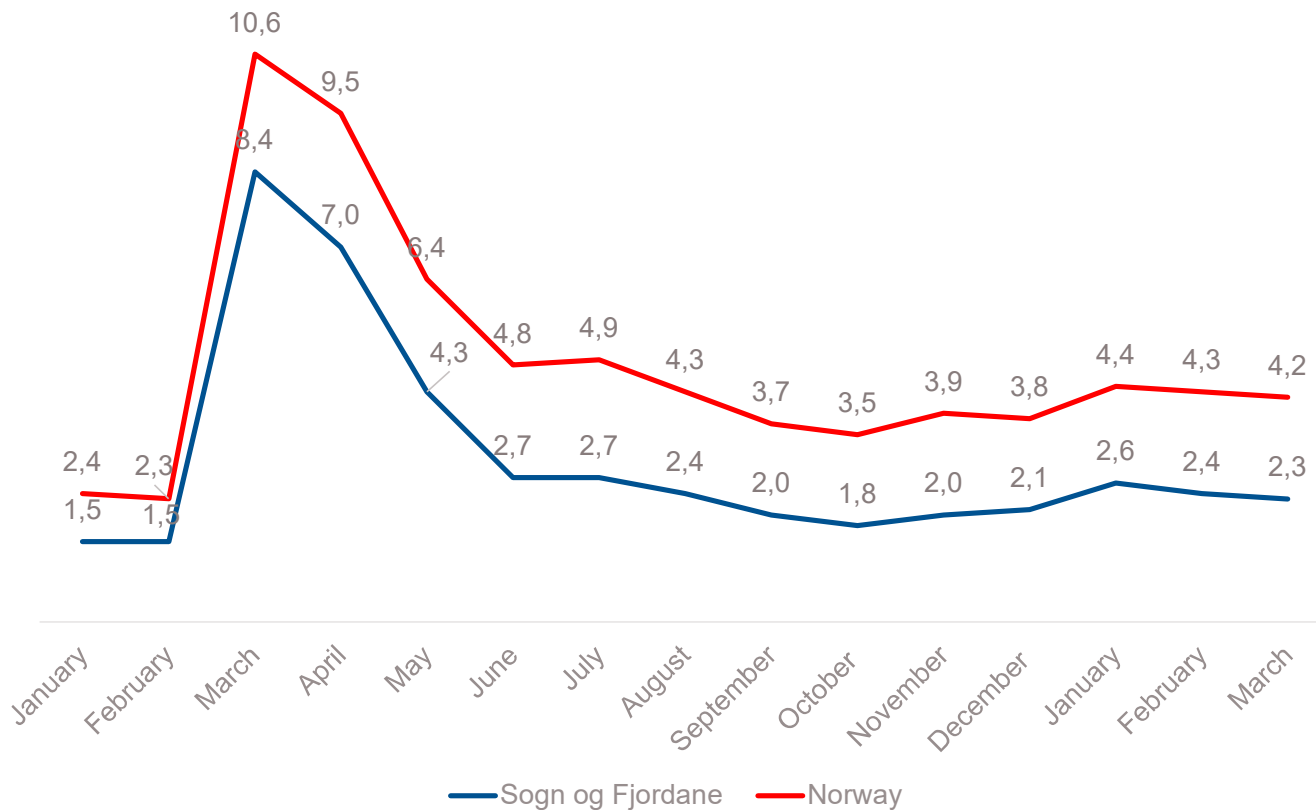


We are spending more

- Our customers spent 30% more on shopping in March 2021 than they did a year ago.
- Retail spending in March was also higher than in November, a month that benefits from Christmas shopping and “Black Week”.
- The increase in spending is also benefiting local shops. In March 2021, our customers spent NOK 35 million more than in November 2020 in physical stores.



Unemployment and payment relief back to normal



- ▶ Sogn og Fjordane has the lowest unemployment rate in the country, and it is heading back down to its level prior to the pandemic.
- ▶ Meanwhile, the number of retail customers making use of payment relief is now lower than before the pandemic.

Contact information

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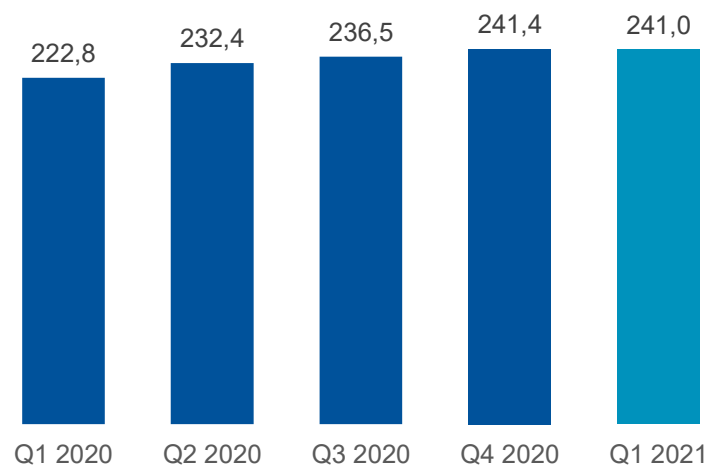


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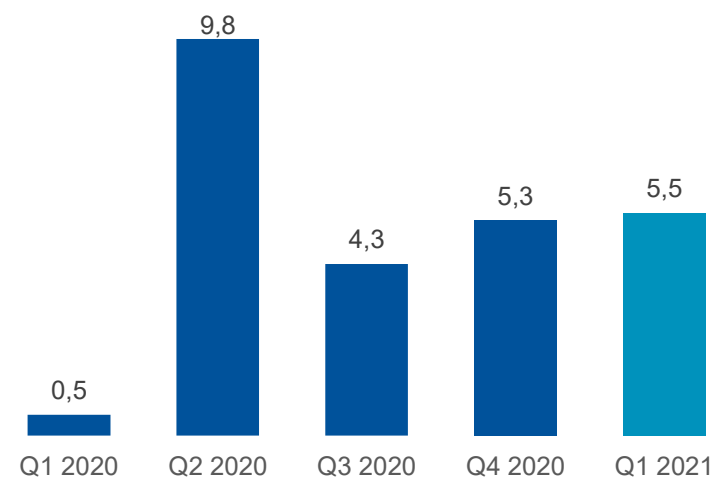
Attachments

Book value per equity certificate

Book value per equity certificate



Comprehensive income per equity certificate



Figures in NOK per quarter

Consolidated financial results by quarter

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net interest income	229	233	223	202	250
Other operating income	37	37	34	35	32
Dividends and gains/losses on financial instruments	14	27	7	129	- 49
Net other operating income	51	64	41	164	- 17
Total revenues	279	297	264	366	233
Operating expenses	130	141	114	112	124
Profit/loss before impairment loss and net gain on fixed assets	150	155	149	254	109
Net gain on sale of fixed assets	0	0	0	0	0
Impairment loss	- 9	- 1	26	6	80
Profit/loss before taxation	159	156	124	248	29
Tax expense	36	37	29	29	17
Profit/loss after taxation	123	119	95	219	12
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	123	119	95	219	12

Consolidated financial results by quarter

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest income	248	241	230	220
Other operating income	38	36	37	32
Dividends and gains/losses on financial instruments	53	45	20	30
Net other operating income	90	81	56	62
Total revenues	338	322	286	282
Operating expenses	132	119	119	122
Profit/loss before impairment loss and net gain on fixed assets	206	203	168	159
Net gain on sale of fixed assets	0	0	0	0
Impairment loss	22	9	8	1
Profit/loss before taxation	183	194	159	159
Tax expense	21	46	42	33
Profit/loss after taxation	163	148	117	126
Remeasurements, pensions	-1	0	0	0
COMPREHENSIVE INCOME	162	148	117	126

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	Q1 2021	Q1 2020	Full-year 2020
INCOME STATEMENT			
Net interest income	229	250	907
Dividends and gains/losses on financial instruments	14	- 49	114
Other operating income	37	32	138
Operating expenses	130	124	491
Profit/loss before impairment loss (incl. securities)	150	109	668
Profit/loss before impairment loss (excl. securities)	136	158	554
Impairment loss	- 9	80	112
Profit/loss before taxation	159	29	557
Tax expense	36	17	113
Profit/loss after taxation	123	12	444
Other comprehensive income	0	0	0
Comprehensive income	123	12	443
BALANCE SHEET			
	31.03.2021	31.03.2020	31.12.2020
Assets	31.		
Gross loans and advances to customers	55 118	51 693	54 883
Loss allowance	- 336	- 364	- 353
Security investments (shares, commercial paper and bonds)	8 078	6 453	7 166
Debt and equity			
Deposits from and debt to customers	30 828	28 760	30 665
Debt securities and debt to credit institutions	26 029	23 368	25 012
Equity	5 717	5 307	5 727
Total assets	63 864	58 844	62 661
Average total assets	63 389	58 065	60 722

Key figures, consolidated

	Q1 2021	Q1 2020	Full-year 2020
Profitability			
Net interest margin	1,46 %	1,73 %	1,49 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,23 %	0,22 %	0,23 %
Operating expenses as a % of average total assets	0,82 %	0,85 %	0,81 %
Profit/loss before impairment loss as a % of average total assets	0,94 %	0,75 %	1,10 %
Profit/loss before tax as a % of average total assets	1,00 %	0,20 %	0,92 %
Profit/loss after tax as a % of average total assets	0,77 %	0,08 %	0,73 %
Comprehensive income as a % of average total assets	0,77 %	0,08 %	0,73 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	48,78 %	44,01 %	46,98 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	46,41 %	53,19 %	42,35 %
Impairment loss as a % of gross loans	- 0,02 %	0,16 %	0,20 %
Return on equity before tax 1)	11,81 %	2,29 %	11,05 %
Return on equity after tax 1)	9,13 %	0,92 %	8,80 %
Pre-tax return on equity (comprehensive income) 1)	9,13 %	0,92 %	8,80 %
Consolidated comprehensive income per equity certificate, in NOK	5,51	0,52	19,93
Dividend payable per equity certificate, in NOK			6,00
<i>1) Return on equity is calculated based on opening equity excl. hybrid capital</i>			
Capital and liquidity position			
Capital adequacy ratio	18,79 %	19,00 %	18,88 %
Core capital adequacy ratio	16,94 %	17,03 %	17,02 %
Core Tier 1 capital adequacy ratio	15,87 %	15,89 %	15,94 %
Leverage ratio	8,40 %	8,66 %	8,59 %
Liquidity Coverage Ratio (LCR)	176 %	122 %	157 %
Balance sheet history			
Growth in total assets (year-on-year)	8,53 %	5,94 %	8,54 %
Growth in gross customer lending (year-on-year)	6,62 %	6,04 %	7,42 %
Growth in customer deposits (year-on-year)	7,19 %	4,05 %	7,23 %
Deposits as a % of consolidated gross lending	55,93 %	55,64 %	55,87 %
Deposits as a % of parent company's gross lending	95,29 %	91,55 %	92,88 %
Employees			
Full-time equivalent employees	272	277	276