



sparebanken
sogn og fjordane

Investor presentation

Q4 2021

Headlines Q4 2021

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



Solid growth in loans to customers: 5,0% over the past year



Increase in net interest income: NOK 250 mill. (NOK 233 mill.)



Good results from financial instruments: NOK 63 mill (NOK 27 mill.)



Loan losses: NOK 1 mill. (against reversals recognized as income NOK 1 mill)



Solid liquidity and solidity:

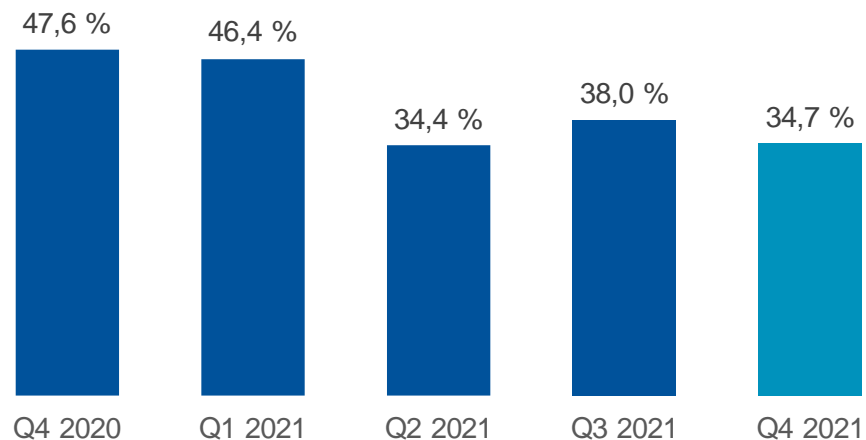
- LCR 140 % (157 %)
- Core Tier 1 Capital adequacy ratio: 16,6 % (15,9 %)



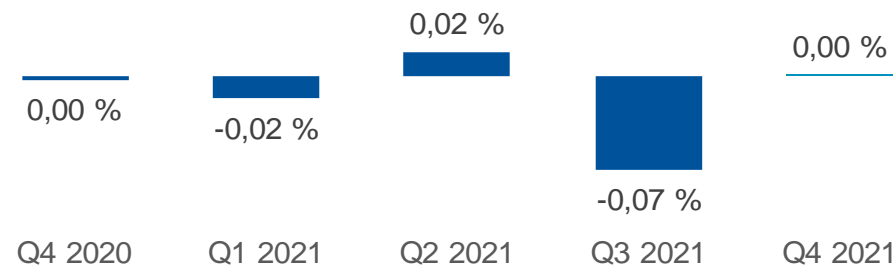
Return on equity: 13,7 % p.a. (9,0 % p.a.)

Development important key figures

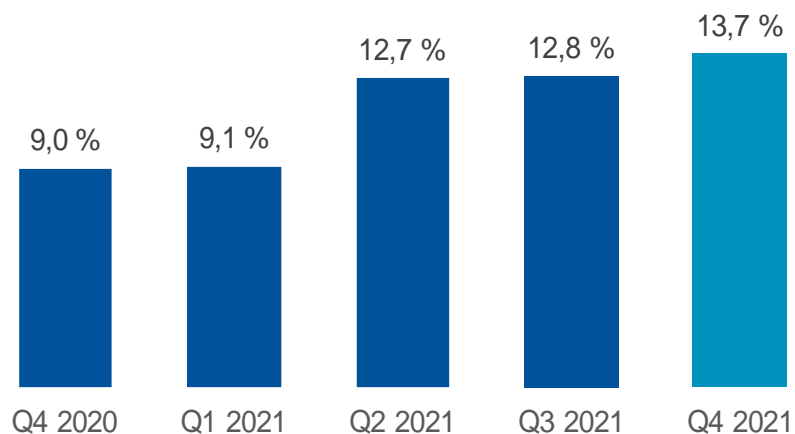
Cost/income ratio



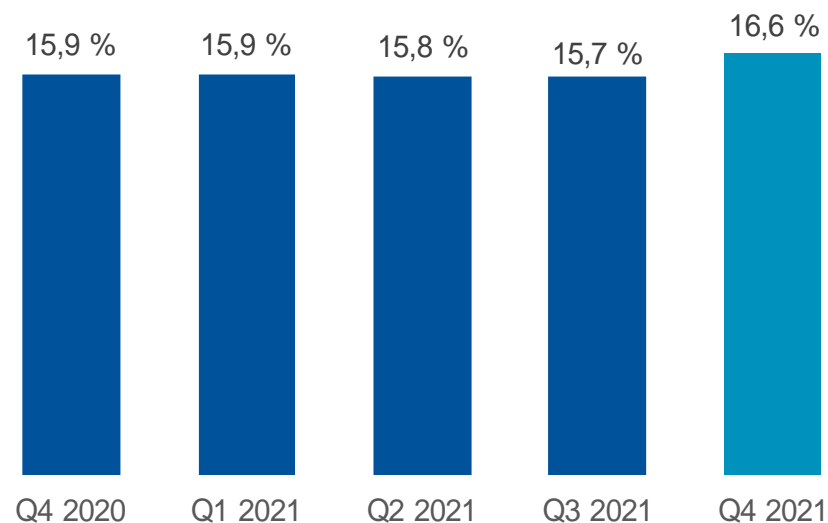
Impairment loss



Return on equity



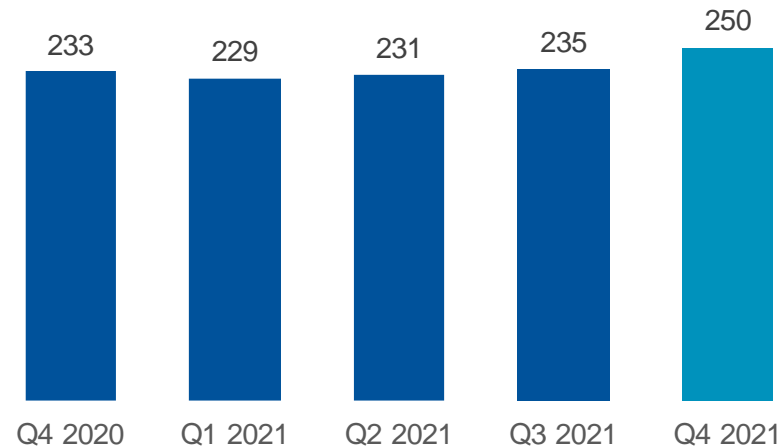
Core Tier 1 capital adequacy ratio



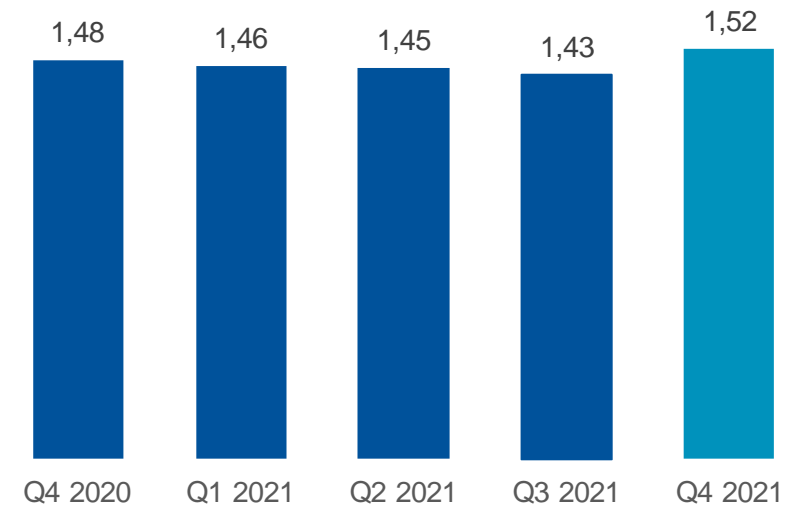
Positive development in net interest income during recent months

The customer margins for both PM and BM have increased

Net interest income



Net interest income as a percentage of average assets

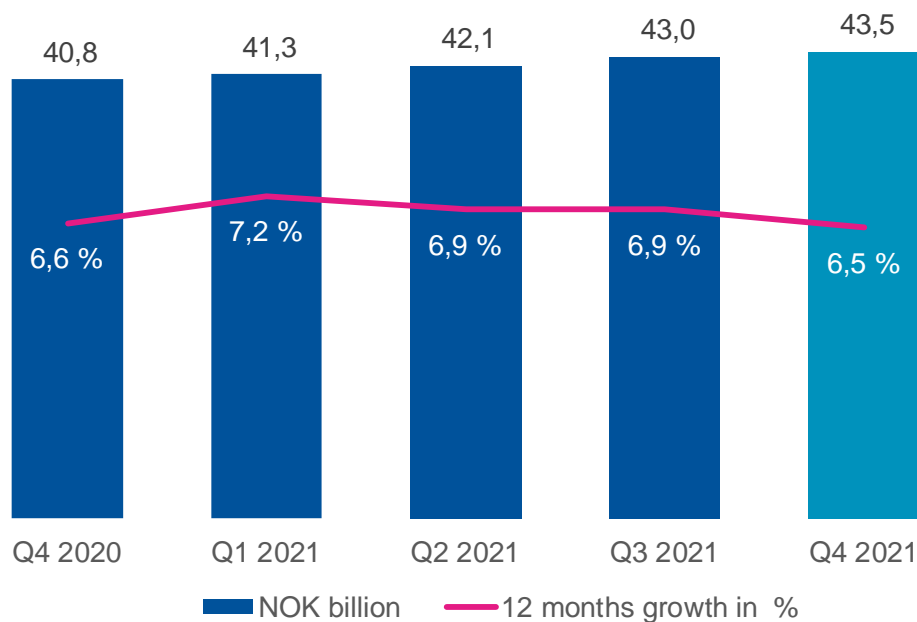


Net interest income in NOK million and as a percentage of average total assets

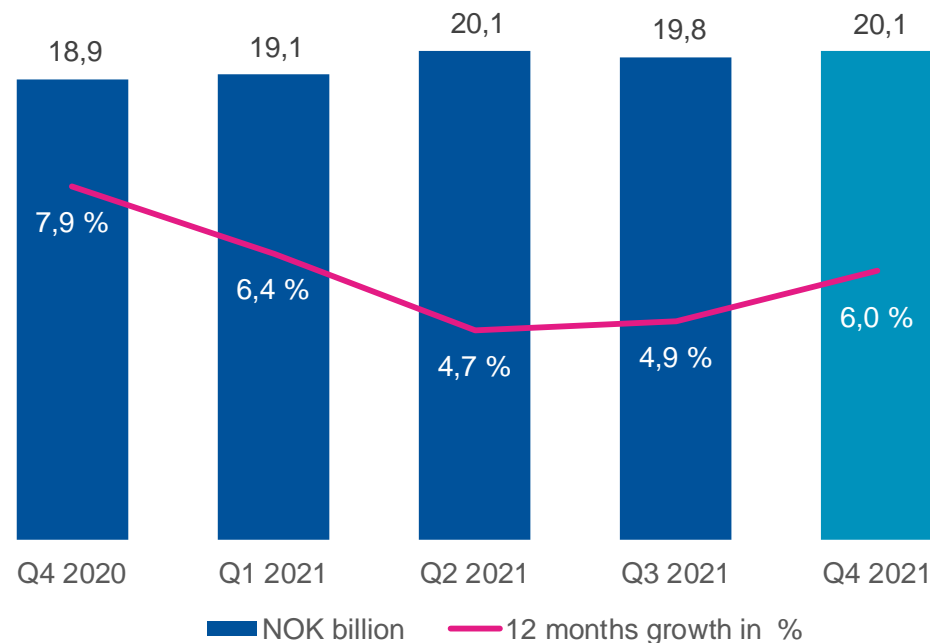
Solid growth in the retail market

The customers appreciate our values like personal and close customer care, smart digital services and our community involvement

Loans retail market

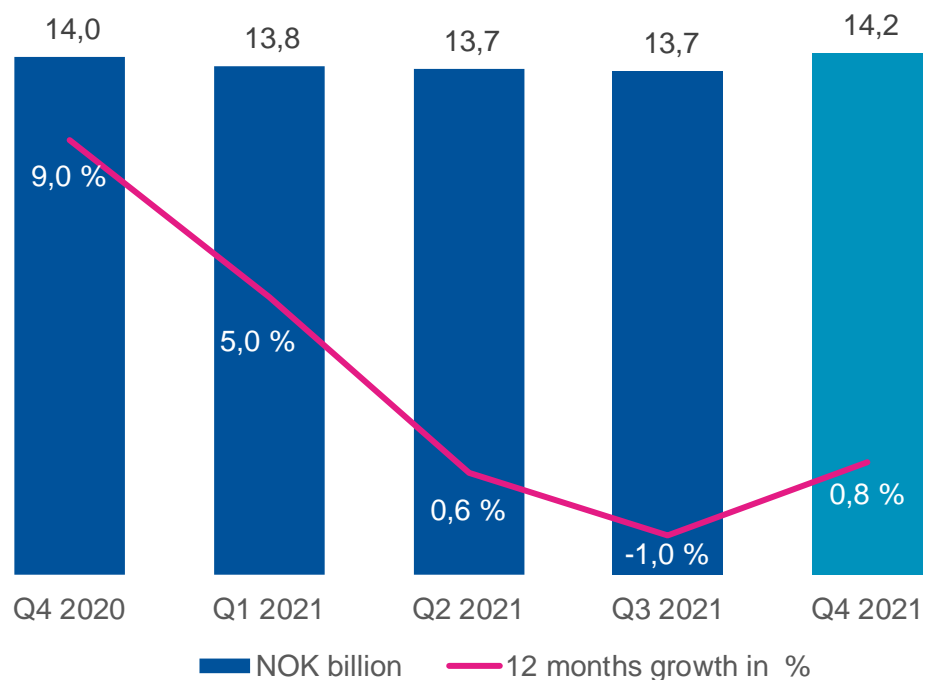


Deposits retail market

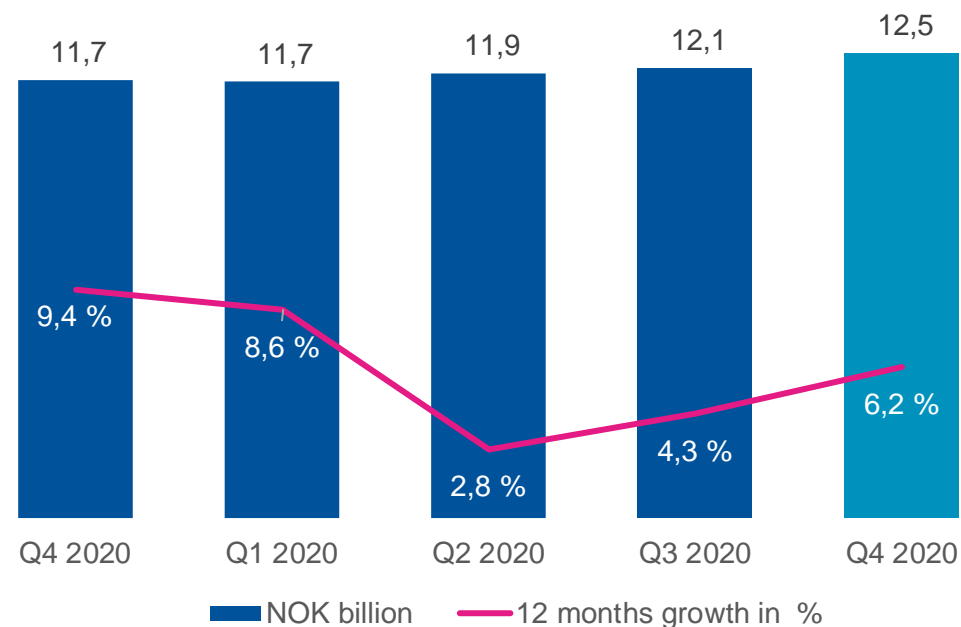


Good growth to new and existing corporate customers the last quarter

Loans corporate market



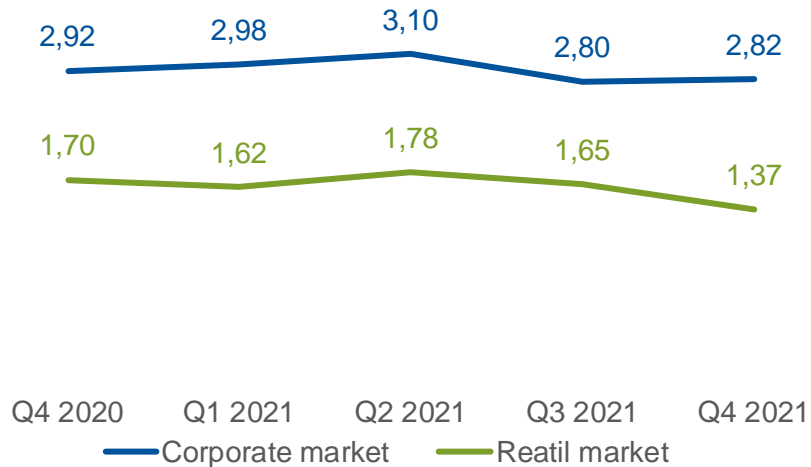
Deposits corporate market



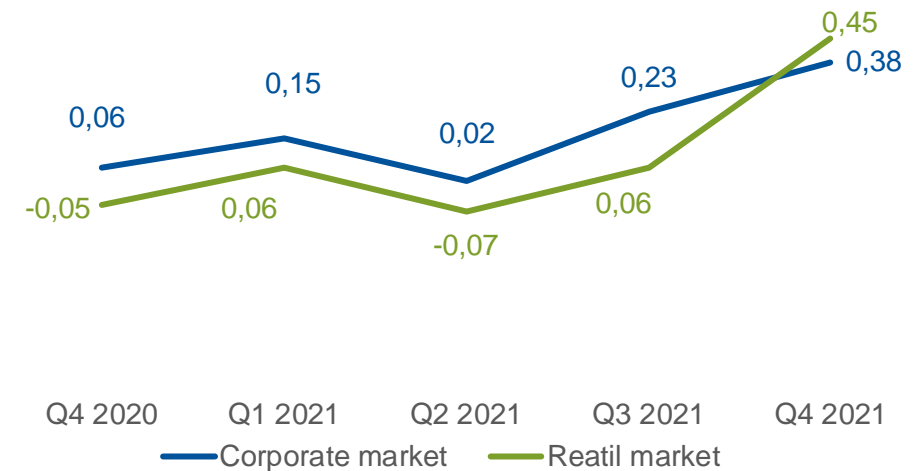
The lending margin decreased in the last quarter

Increase in funding costs due to higher 3-month Nibor. An interest rate increase has been announced with effect from 31 January 2022

Lending margins



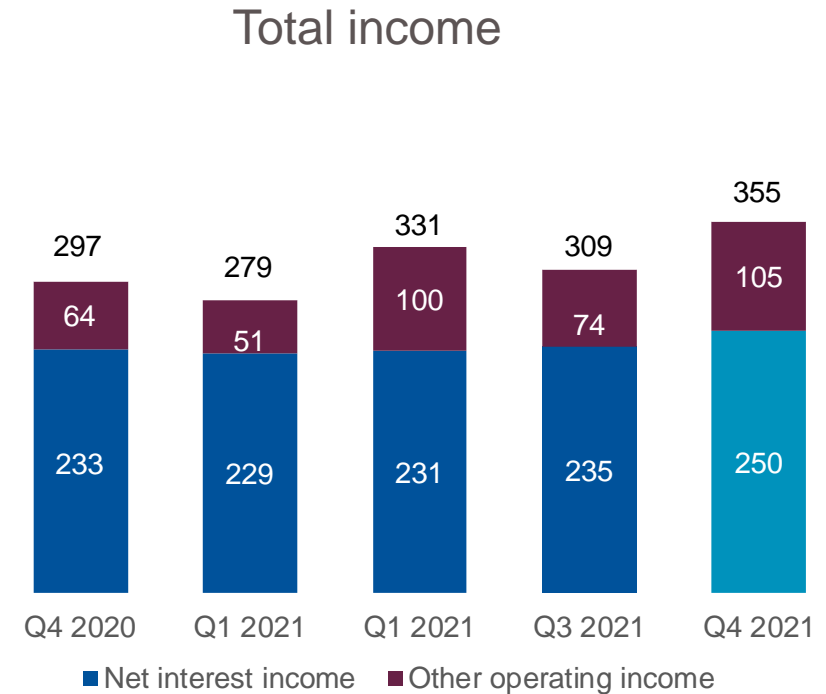
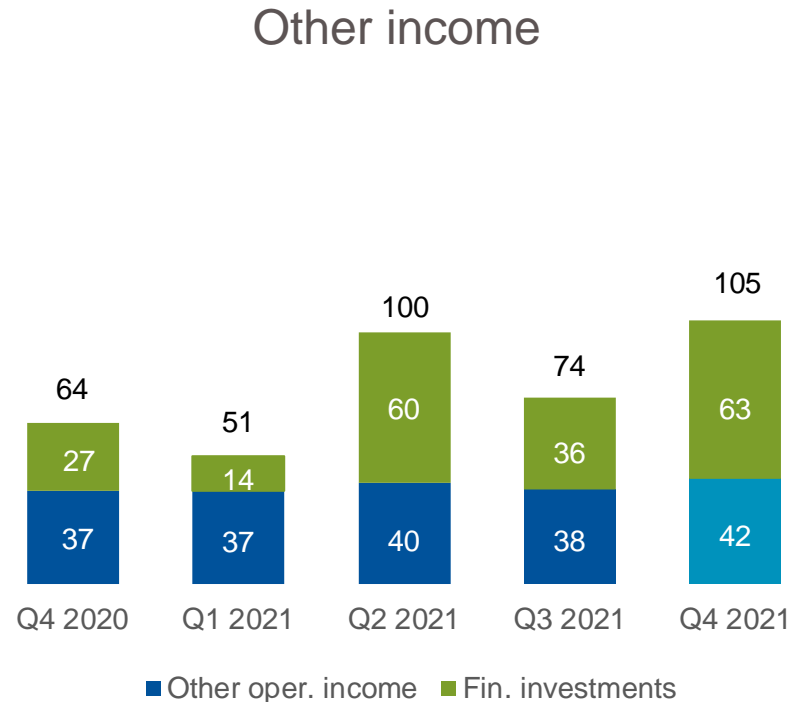
Deposit margins



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

Targeted activity provides growth in other income

The strong result from financial instruments comes from the gain on our shareholdings in e.g Frende

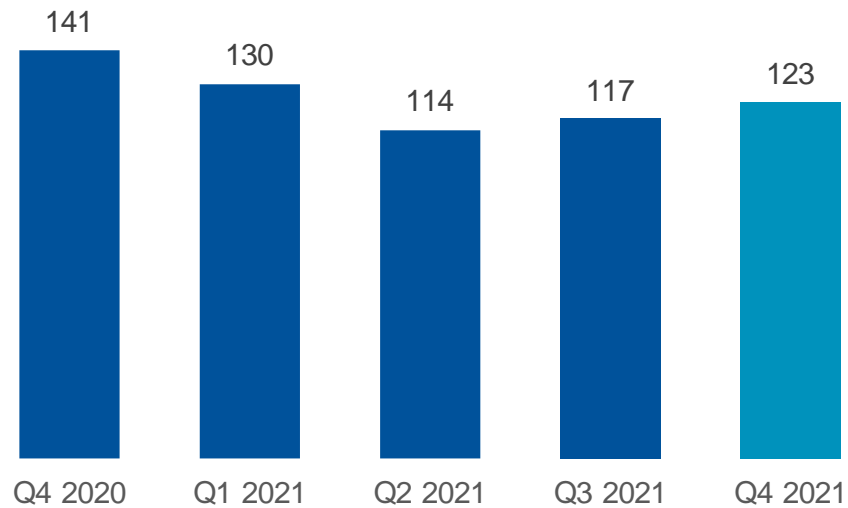


Figures per quarter in mill. NOK.

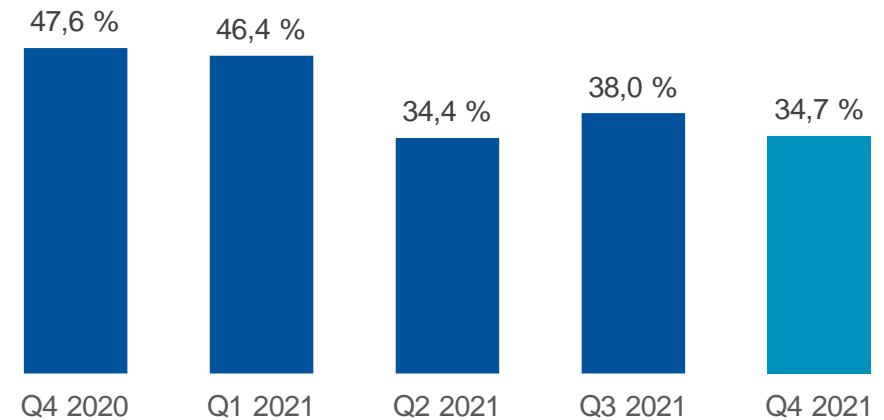
Stable operating cost

All key figures relating to expenses indicate that our operations have become more cost-efficient

Operating expenses



Cost/income ratio

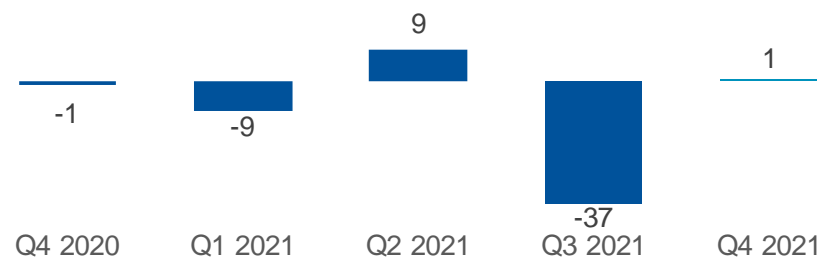


Figures per quarter in mill. NOK.

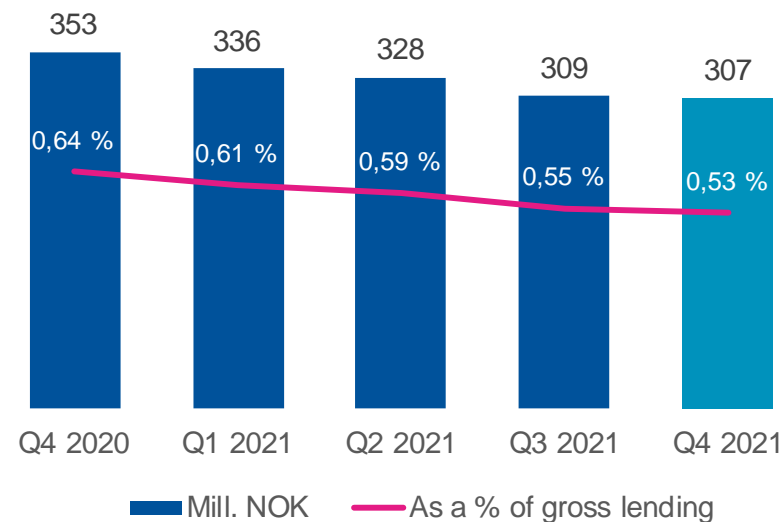
Low losses in Q4

Better financial prospects and reduced payment defaults

Impairments



Impairment provisions

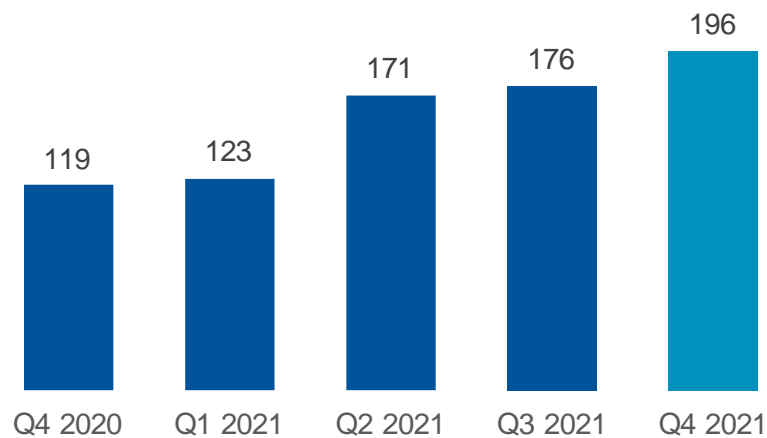


Figures per quarter in mill. NOK.

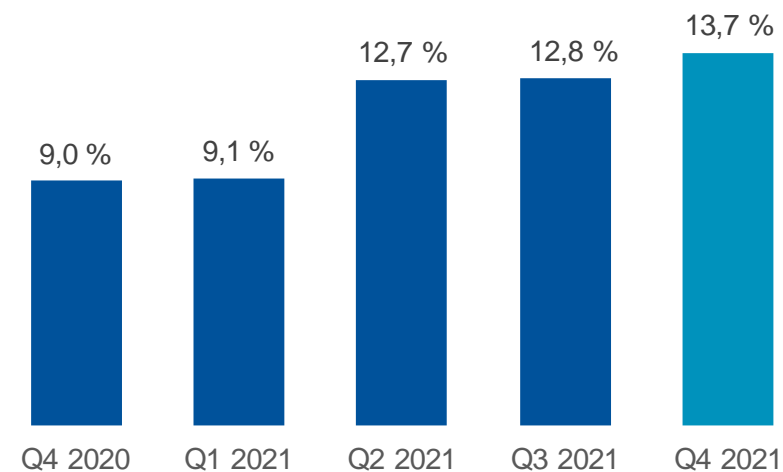
Strong result for the quarter

Good result from financial instruments and good growth in both net interest income and commission income. Decrease in operating costs also contributes positively to the profit improvement

Total comprehensive income



Return on equity

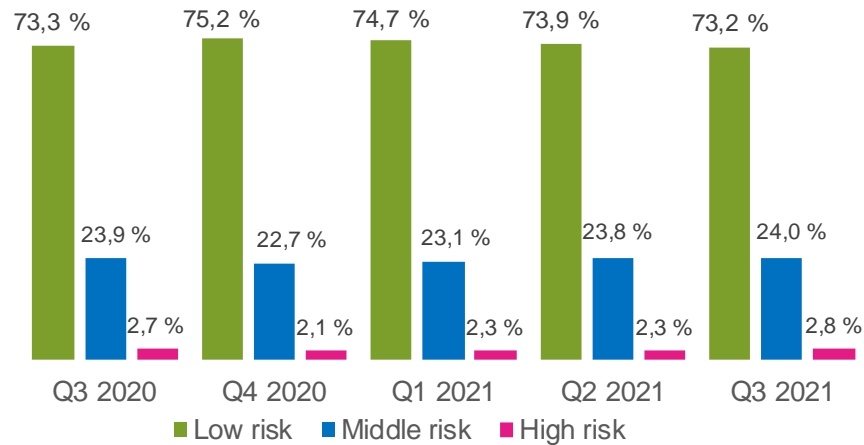


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

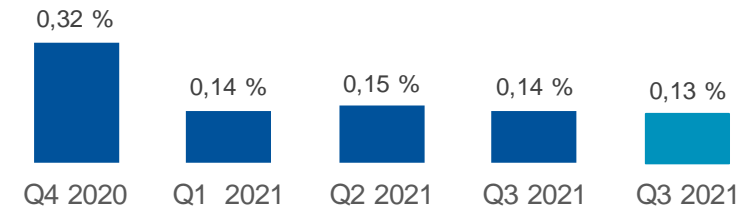
Low and stable credit risk in the retail market

The default on payments has been reduced in the last 12 months

Composition of risk for loans to RM



Loans to the RM in default >90 days

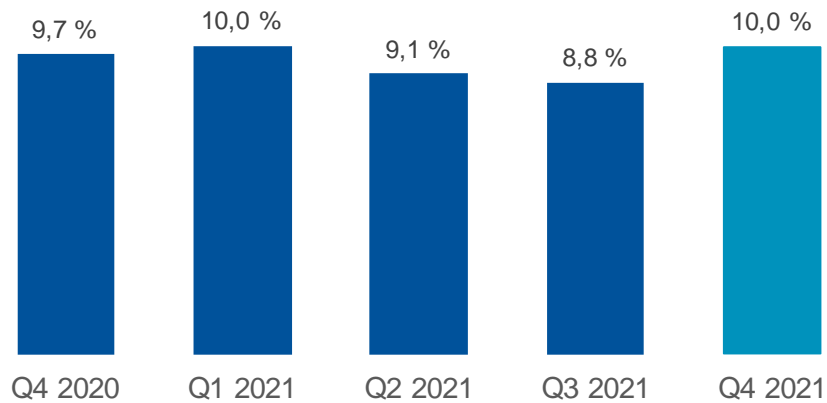


New default definition adopted Q1-21. The figures are therefore not entirely comparable

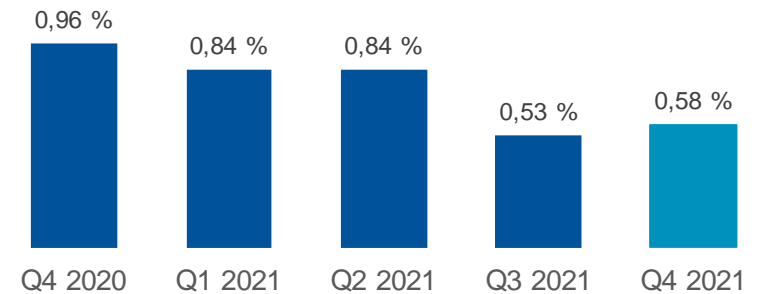
Credit risk corporate market

Businesses in Sogn og Fjordane appear to have coped well during the pandemic. Payment defaults have decreased over the last year

Loans to the corporate market at high risk



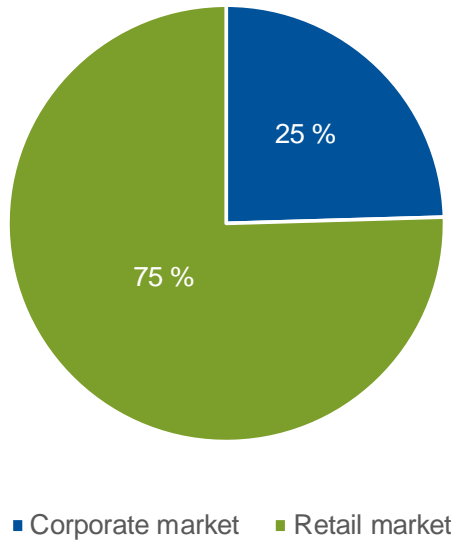
Loans to the corporate market in default > 90 days



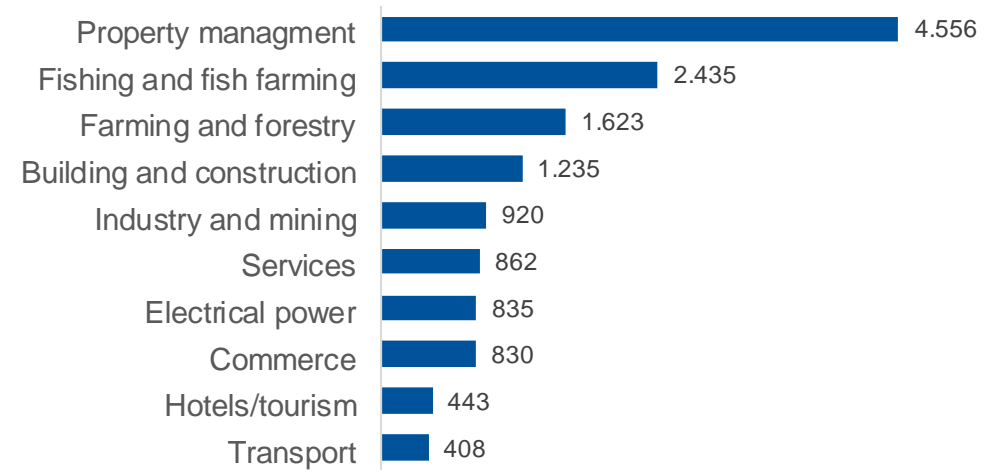
New default definition adopted Q1-21. The figures are therefore not entirely comparable.

Segments and industries

Lending segments

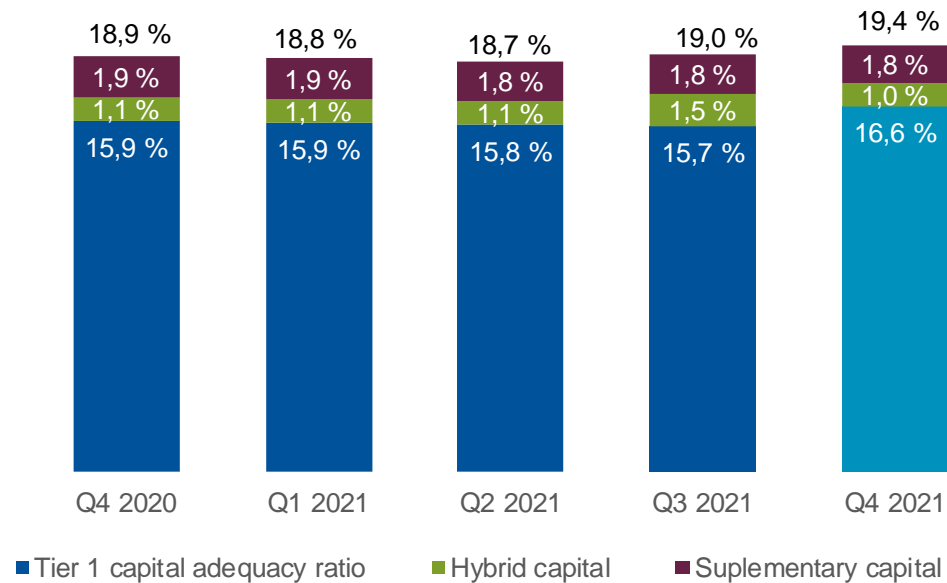


Lendings to the corporate market in NOK mill.

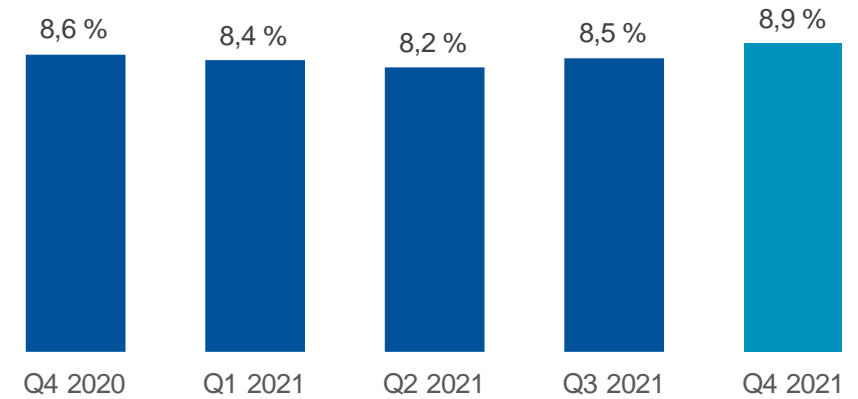


Solid capital adequacy ratio

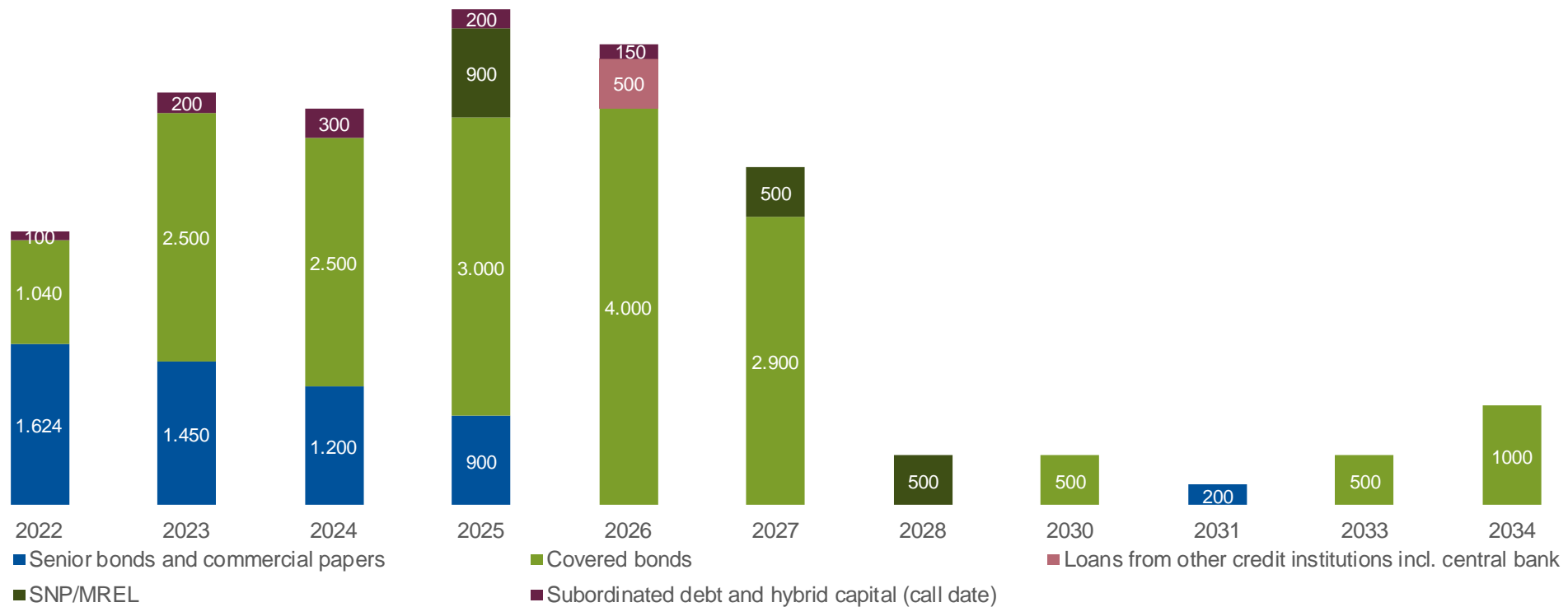
Capital adequacy ratio



Leverage ratio



Maturity structure of funding



Figures in NOK mill.

Headlines 2021

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



Solid lending growth: 5,0% (7,4%)



Increase in income: NOK 1.274 mill. (NOK 1.159 mill)



Costs reduced: NOK 483 mill (NOK 491 mill)



Loan losses: reversals recognized as income NOK -37 mill (against loss NOK 112 mill.)



Strong liquidity and solidity:

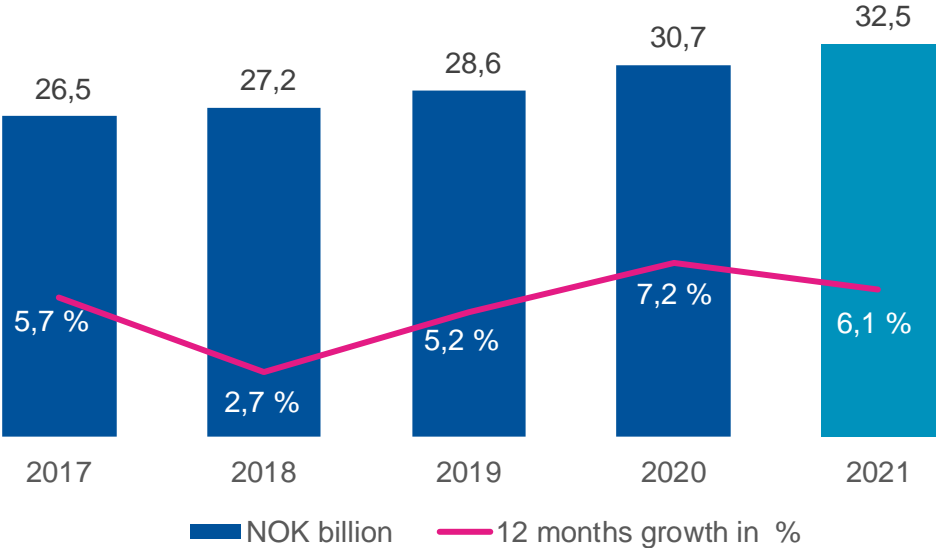
- LCR: 140% (157%)
- Core Tier 1 capital adequacy ratio: 16,6% (15,9%)



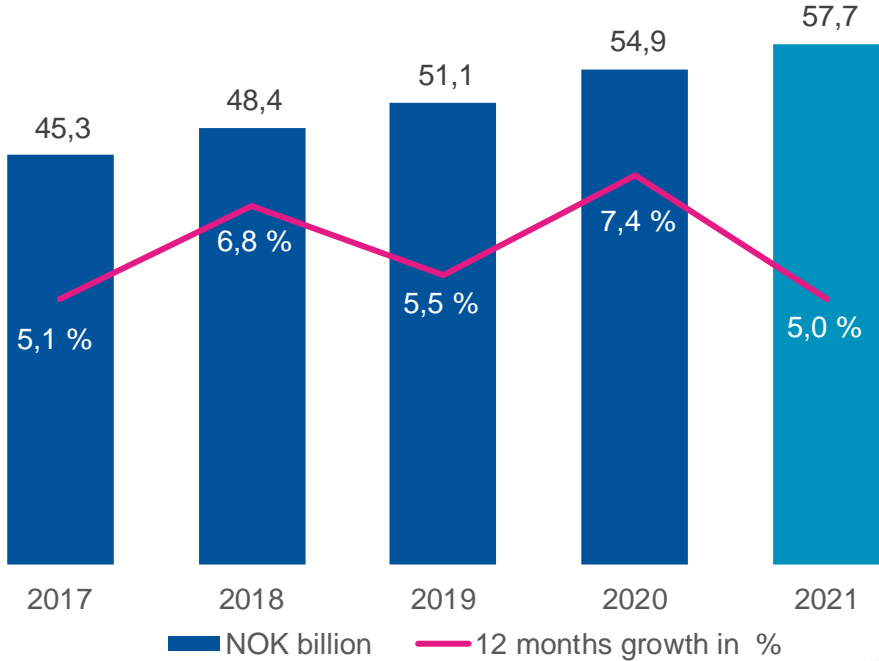
Strong return on equity: 12,4% (8,8%)

Development in deposits and lending show our good position in the market

Deposits last 5 years



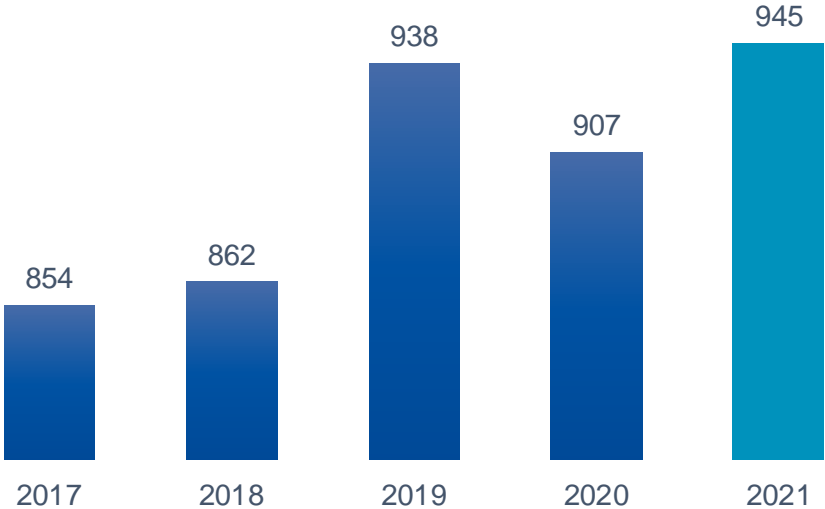
Lending last 5 years



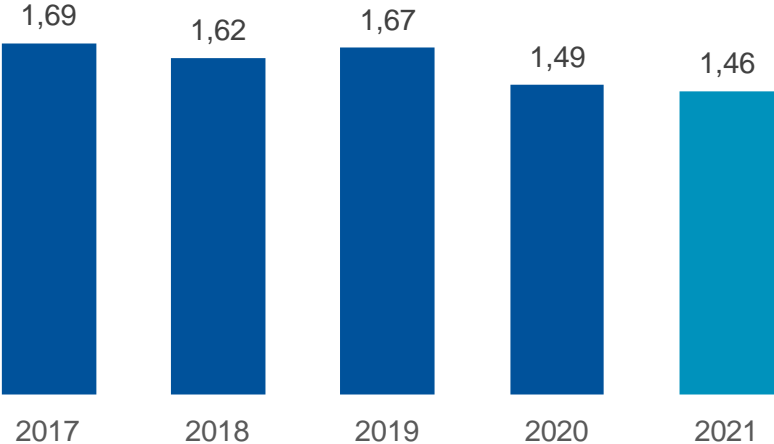
Net interest income in 2021 is strengthened

Good growth in deposits and lending, but lower customer margins

Net interest income



Net interest income in % of average total assets

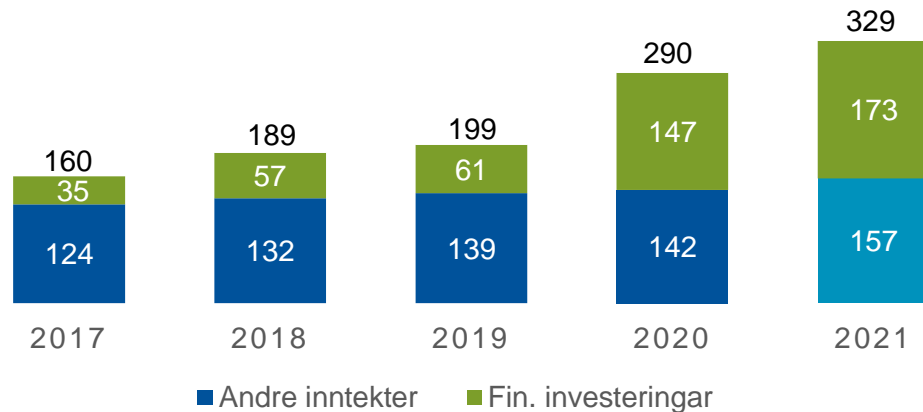


Figures in NOK mill.

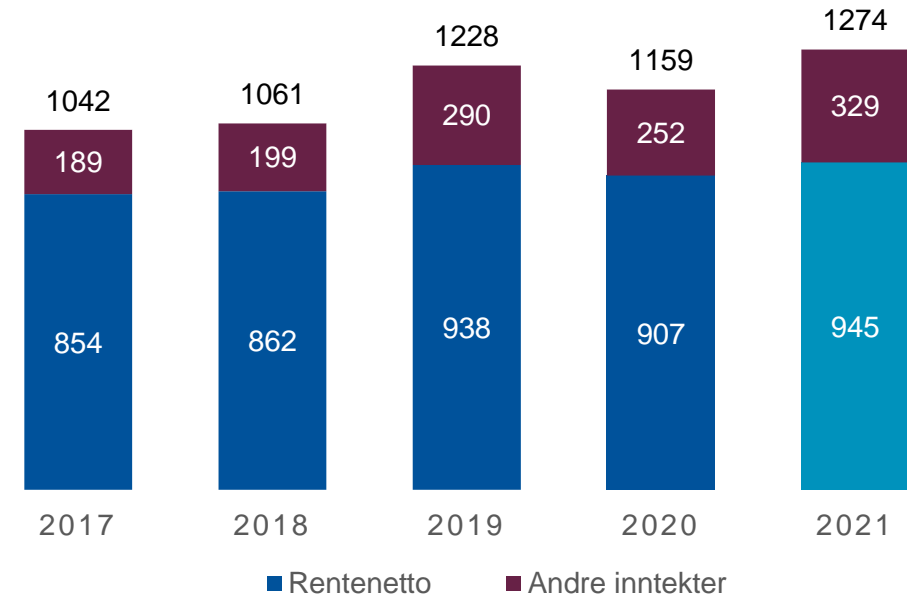
Strong growth in total income last year

Strong growth in income from financial investments, commissions from the sale of alternative savings products, payment services and insurance services

Other income

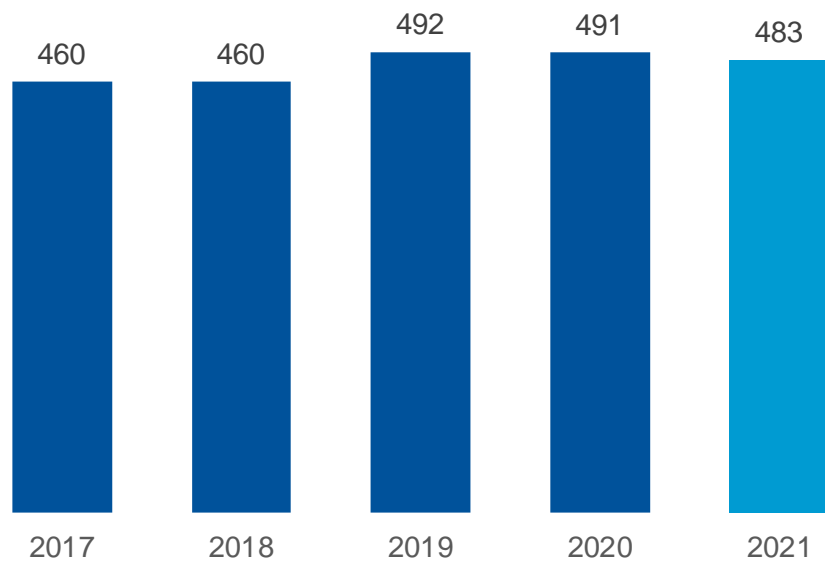


Total income

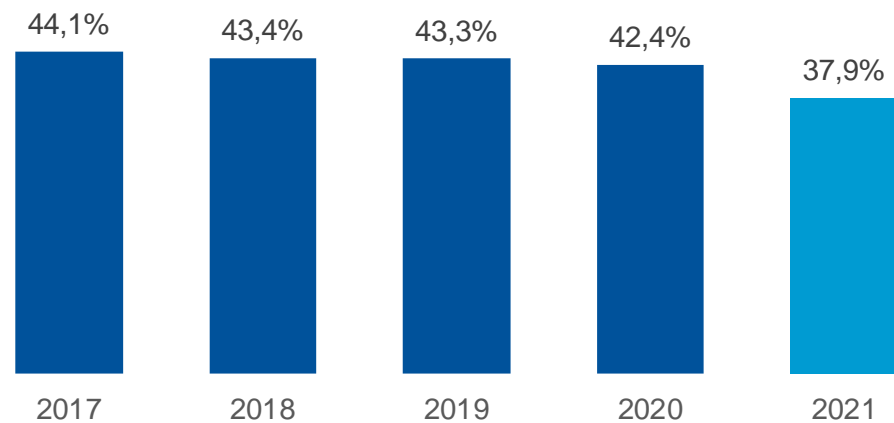


Cost reduction and cost effective operation

Operating expenses in NOK mill.

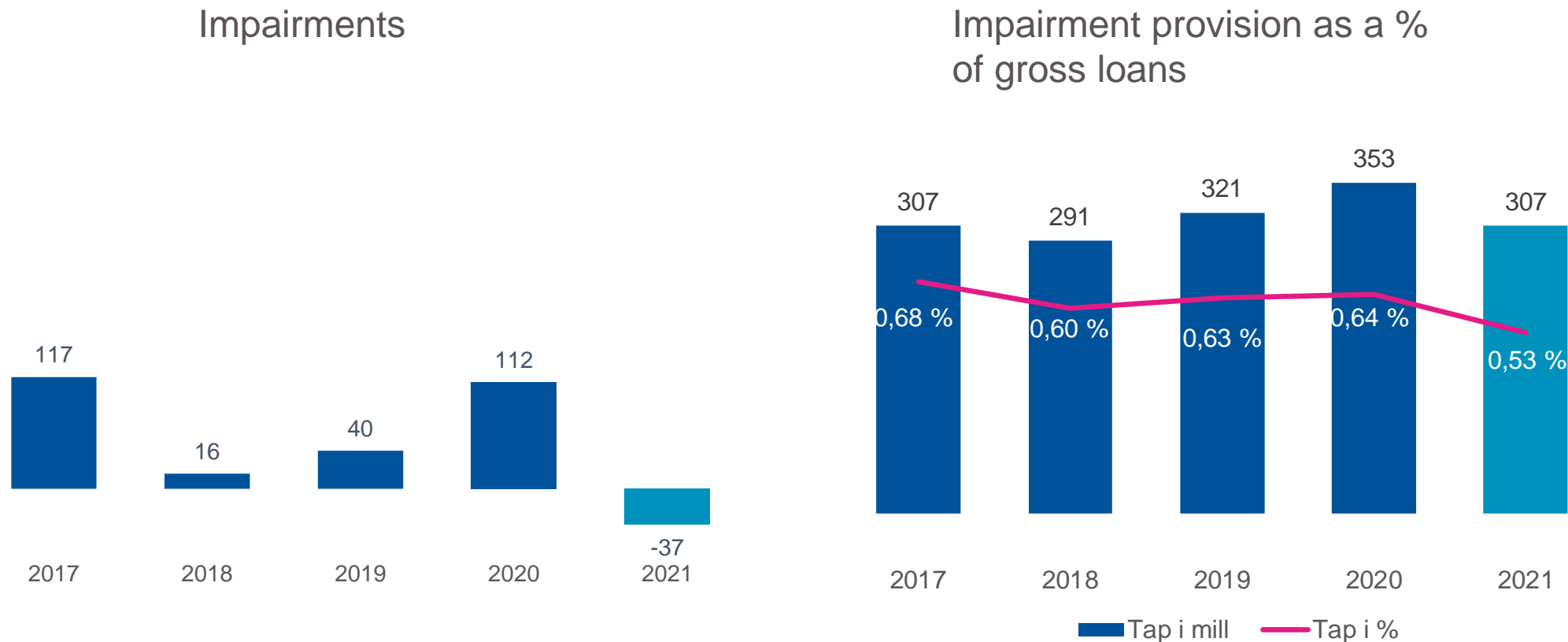


Cost/income ratio



Better financial prospects and reduced credit risk result in income recognition of loan losses in 2021

2020 was characterized by increased model-based loss provisions due to corona pandemic

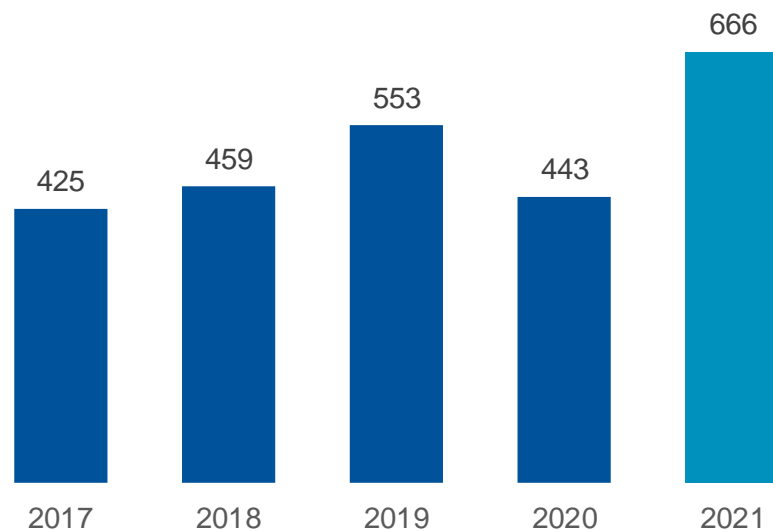


Figures in NOK mill

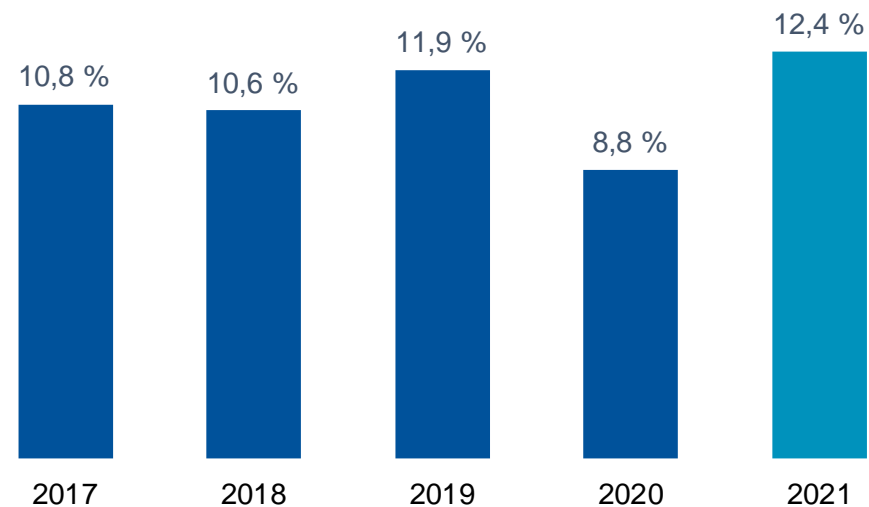
Strong results for 2021

Reversal of loan losses, good results from financial instruments, and good growth contribute positively to the result

Comprehensive income

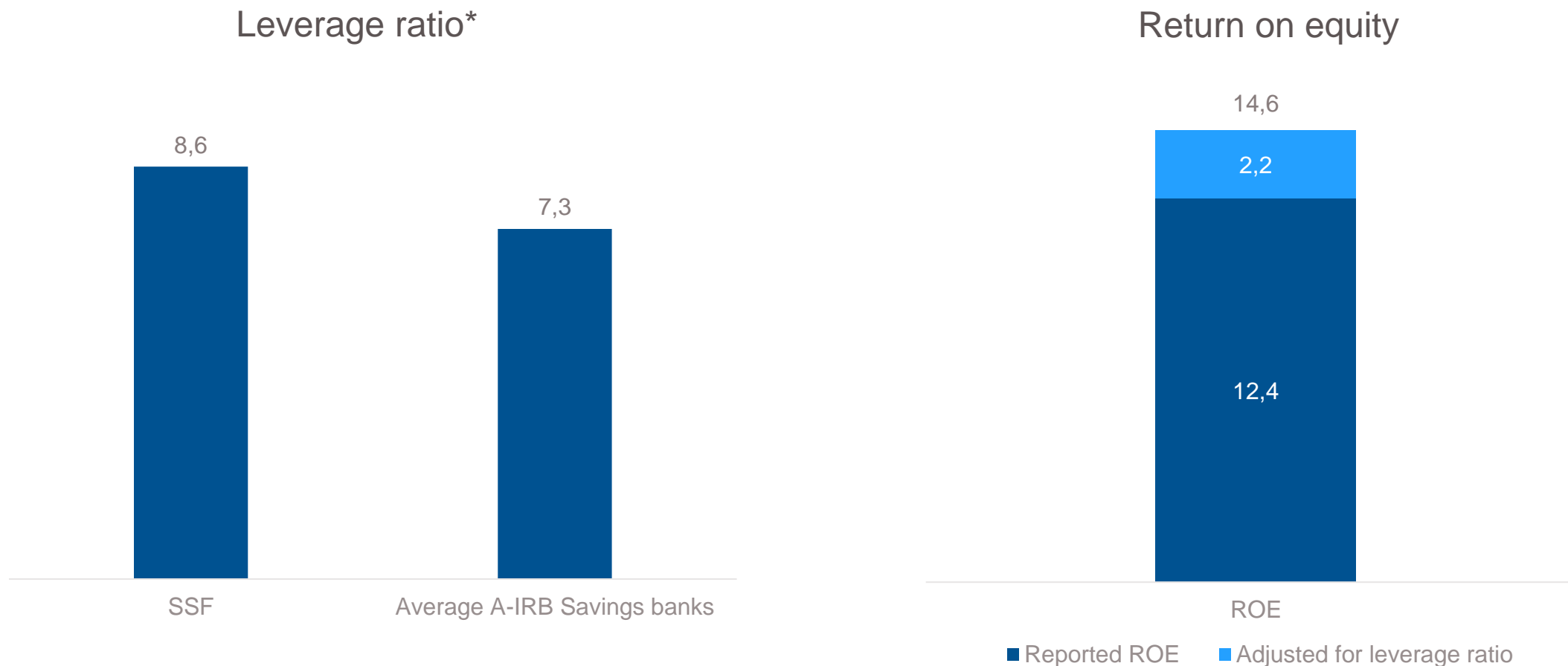


Return on equity



Figures in NOK mill

Similar capital requirement could have given even stronger ROE



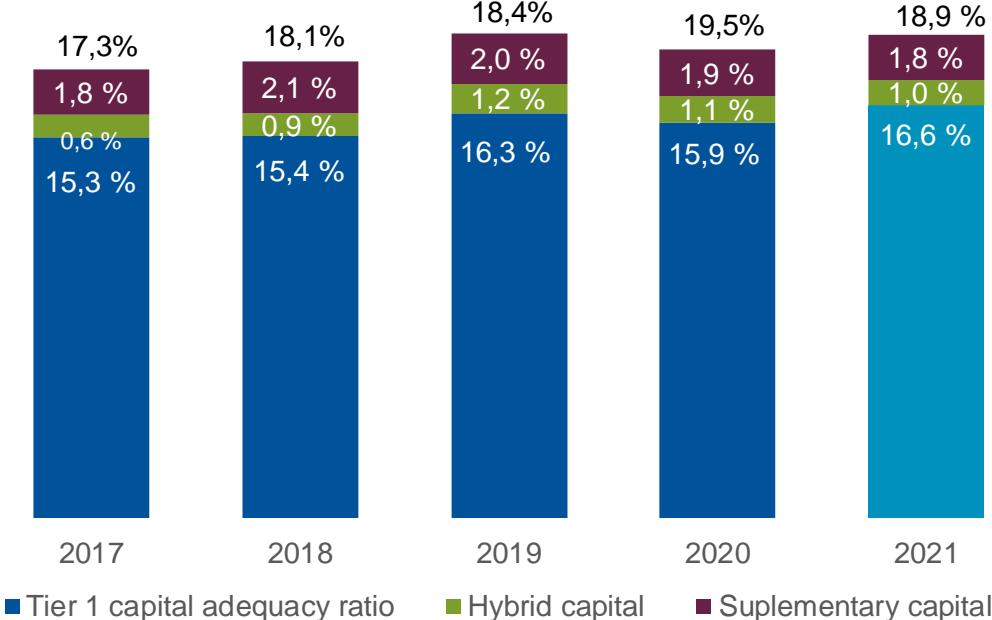
With leverage ratio on average with norwegian savings banks with A-IRB approval could have given SSF an ROE of 14.6 %



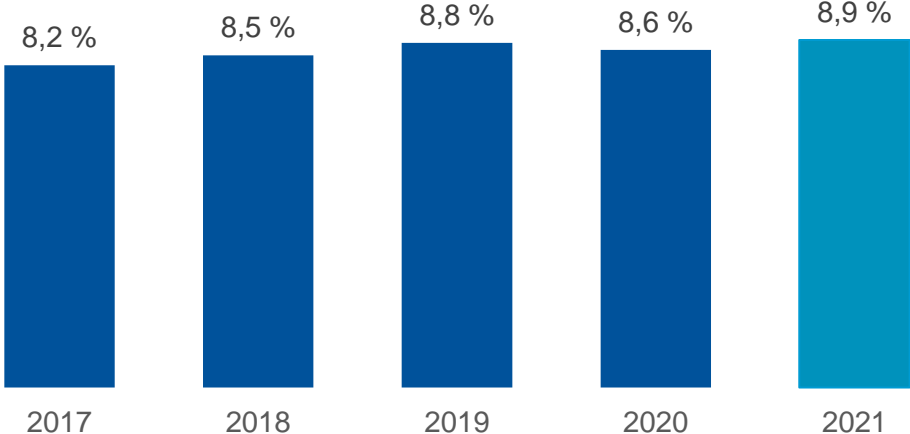
*Leverage ratio pr 31.12.2020 used for calculation purposes

Solid capital adequacy ratio

Capital adequacy ratio



Leverage ratio





sparebanken
sogn og fjordane



The bank and the community

Market shares in Sogn og Fjordane

Retail Market* **47,6 %**

Corporate Market* **36,7 %**

Estate Agency** **40,0 %**

* Source: SSB, earlyWarning SSF, figures as of Q3 2021

**Source: Property values, figures as of Q3-2021

VISION

A driving force for Sogn og Fjordane

STRATEGIC GOALS

Independence and co-operation
Financial performance in line with comparable regional savings banks

VALUE PROPOSITION



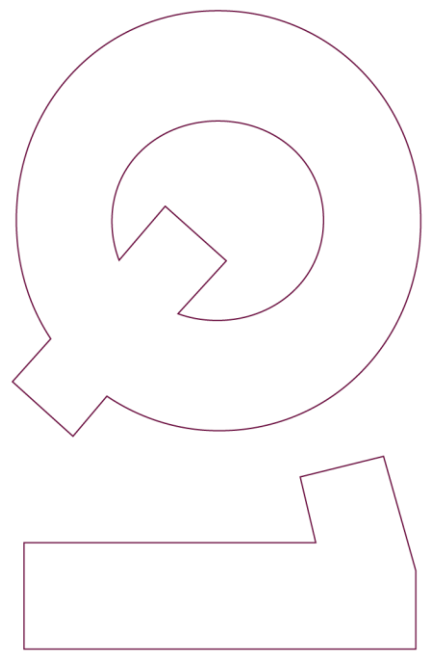
Community engagement
Personal and approachable
Smart digital services

STRATEGIC PRIORITIES FOR 2022

Customer growth

Product sales

Sustainability



Roy Stian Farsund (45) took over as **Corporate Banking Director**.

In February we presented our comprehensive income for 2020, which came to **NOK 443 million**.

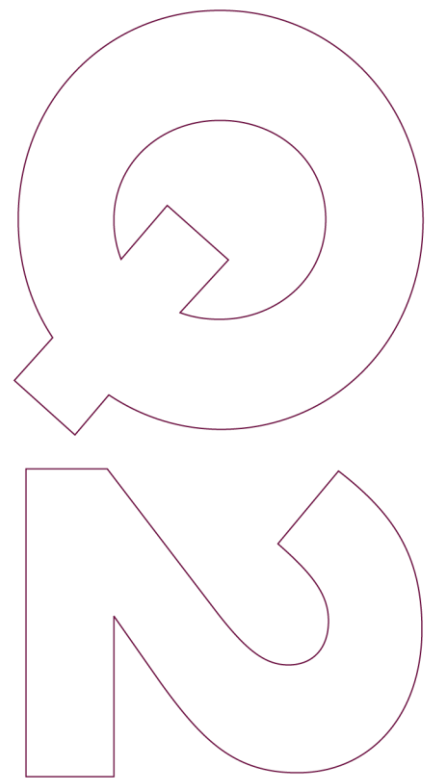
We came fourth out of **94 companies** in the equal opportunity index SHE.

Stine Austreim Olsen (29) took up the position as head of our customer service centre.

We held our first webinar, looking at saving products for retail customers. It was a great success: 800 people signed up, and we were able to meet our customers in a new way.



Stine Austreim Olsen



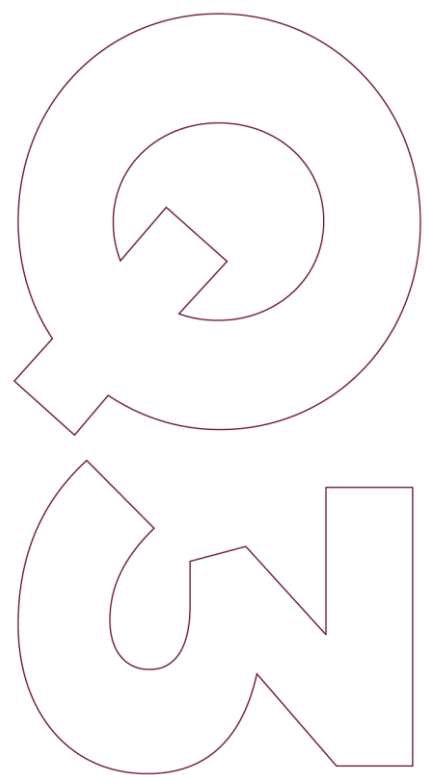
In April, Julie Vårdal Heggøy (34) became the Assistant Bank Manager at our branch in Dale. She was given responsibility for the corporate market in HAFS and Gulen.

We have been renovating in Måløy, and in June we opened a new, modern branch there. We also moved in to Vidsyn in Sløvåg.

Through the foundation Sparebankstiftinga Fjaler, we gave three million kroner of our profit to clubs and organisations in Fjaler and Holmedal. One million of that went towards renovating local community centres.

Normally, one talented young person in the field of sport or culture receives a Furore grant each spring, but in 2021 two grants were awarded. Ski jumper Johannes Årdal (16) and budding musician Kristina Aase Fransson (21) received NOK 50,000 each.





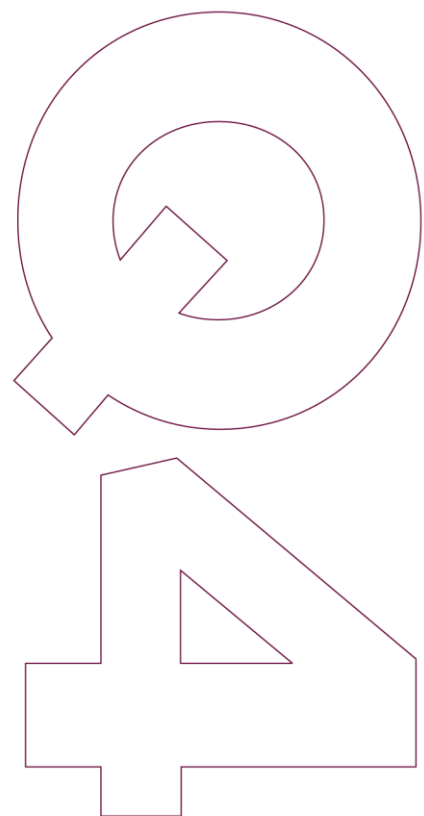
We made it easier for organisations to submit a simplified application for grants in conjunction with the reopening of society, thanks to the foundation that owns the bank increasing the amount available through this process from NOK 10,000 to NOK 30,000.

Førde, Utkant and Malakoff music festivals were able to go ahead within the current Covid-19 rules. As a sponsor of all three of them, we were there.

We came second in the EPSI customer satisfaction survey, and first for reputation and customer relations. Our mobile banking app was voted Norway's second best.

Finally we were able to attend in-person events again: *Heilekonferansen, Kraft i Vest, Tidenes konferanse, Førde Opp*, a careers day at the Western Norway University of Applied Science – to mention just a few.





We also attended the opening of the *ViteMeir* science centre at Kaupanger. **The bank has donated three million kroner of its profit to the centre.** On the opening day, we provided a further NOK 100,000 for their Esports venture.

Over 2,000 people, young and old, enjoyed the remake of the fairy tale *Three Wishes for Cinderella* when we invited people for a Christmas special at cinemas throughout Sogn og Fjordane.

The Sogn og Fjordane branch of the Norwegian Language Society awarded us a prize for our efforts to preserve our linguistic heritage, and for using *nynorsk* as our corporate language.



Ownership structure and corporate social responsibility



*sparebankstiftinga
sogn og fjordane*



skape og dele
Sparebankstiftinga **FJALER**



*sparebanken
sogn og fjordane*



I 2021 we gave

NOK 50 million

to local good causes through gifts
and sponsorships



First class mobile banking

Every day, our technology department works hard to give our customers the best possible Internet and mobile banking solutions. In September, they received an inspiring recognition for their work.

In EPSI Rating's survey of Norwegian banking customers, our mobile banking solution came in second place.

In Google Play and Apple App store we're on average rated as the third best Norwegian mobile with an average score of 4.55*.

In Google Play (US) we got the first place among Norwegian banks with a score of 4.8.

*Average customer ratings are taken from Google Play (Norwegian version android) and Apple App Store (English version PC). Global numbers download from Google Play US (PC) . All figures from 07.02.22.



sparebanken
sogn og fjordane



Q4-2021

Christmas present to athletics in Sogn og Fjordane

A few days before Christmas Eve last year, Sogn og Fjordane athletics association received a gift of NOK 500,000 from our profit. This money will be spent on timekeeping devices that clubs now can borrow free of charge from the association.

“This is a gift to everyone who cares about athletics”, said Asgeir Årdal, the head of the athletics association when the gift was awarded.



Spike in energy prices

The average electricity bill for our customers increased by 56 percent in Q4 compared with the same quarter in 2020.

In December, the electricity was extra expensive, and that gave an increase of 78 percent compared to the same month last year.

About the analysis figures: The analysis is based on the most common electricity suppliers in our region. The figures are limited to customers who have been customers in the bank since before 2019.





Record Christmas sales

Our customers spent a record amount during Black Week this year – 12.5 percent more than in 2020.

In-person shopping is still the most popular option for our customers. It represented around 75 percent of purchases in Black Week, with the amount spent almost 11 percent higher than in 2020. Nevertheless, Internet shopping grew faster, rising 19 percent. Some of this increase may be a result of there being more restrictions and higher infection levels in society in December 2021.

More environmentally friendly cards

We replace today's bank cards with more environmentally friendly cards made from biological material.

This will reduce CO2 emissions in the production of the cards.

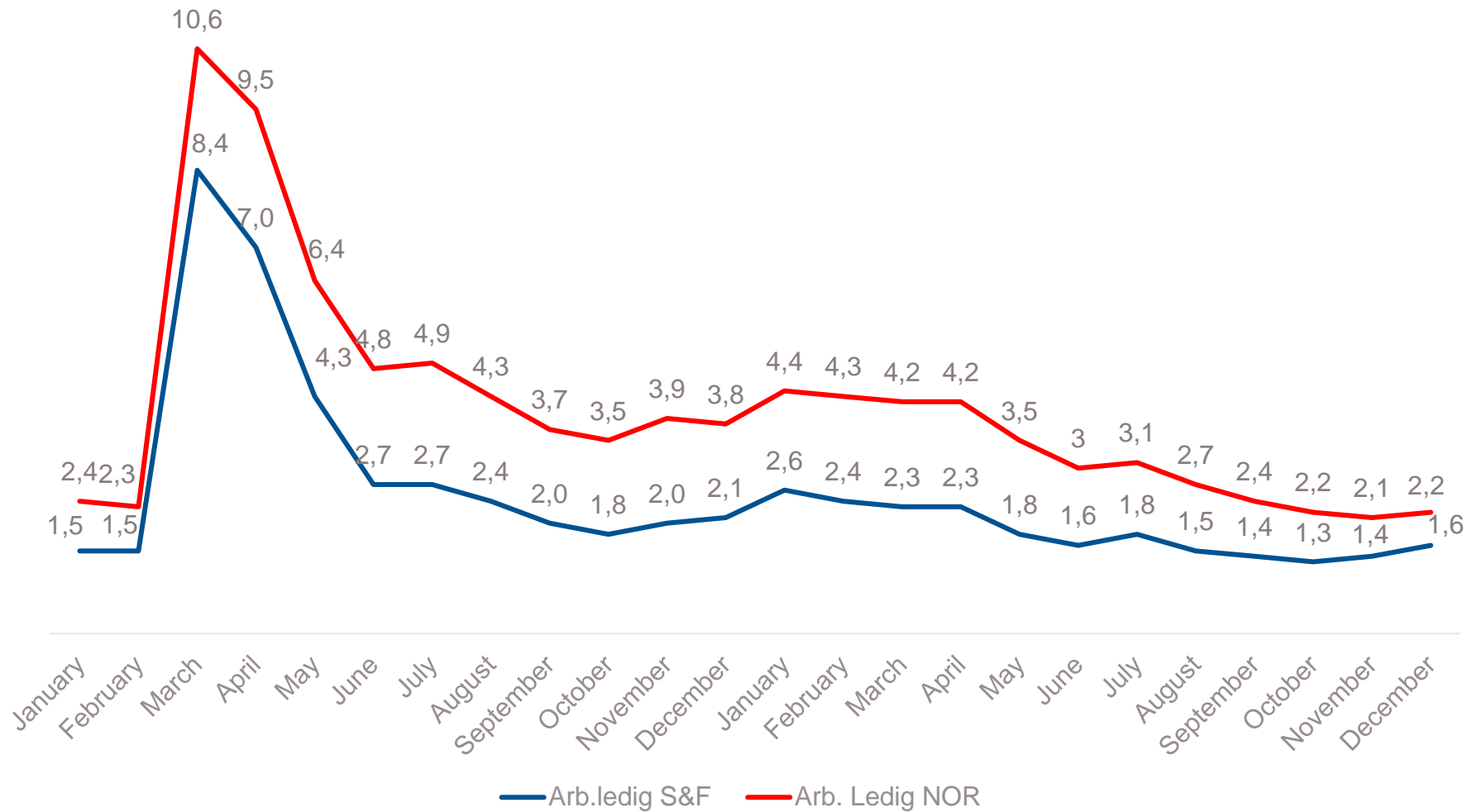


13 CLIMATE ACTION



Unemployment in Sogn og Fjordane lowest in the country

Back to pre-crisis levels



Contact information

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CEO	CFO
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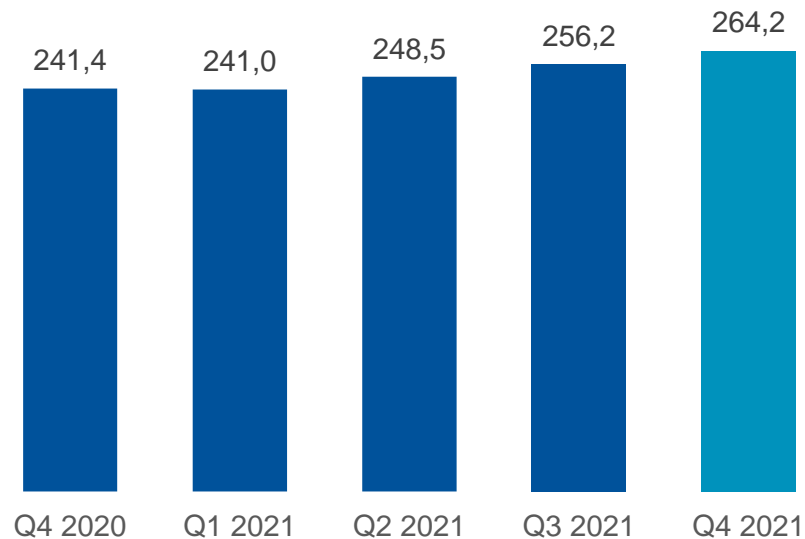


*sparebanken
sogn og fjordane*

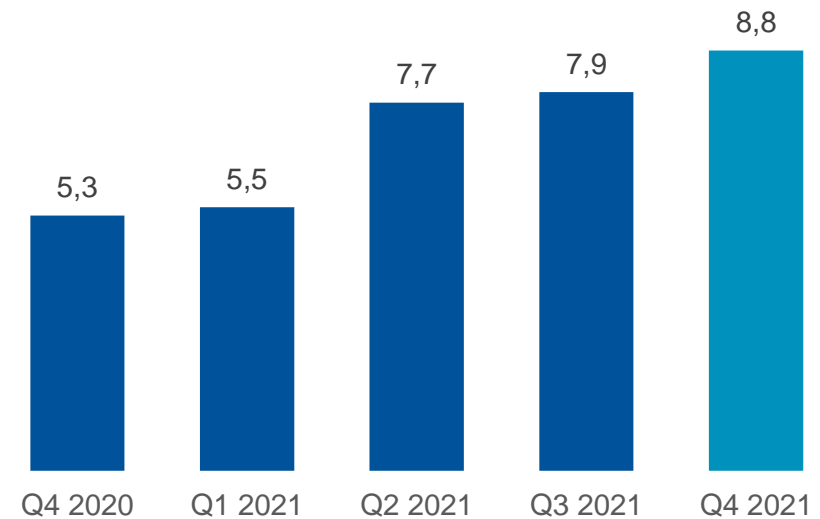
Attachments

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

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	250	235	231	229	233
Other operating income	42	38	40	37	37
Dividends and gains/losses on financial instruments	63	36	60	14	27
Net other operating income	105	74	100	51	64
Total revenues	355	309	331	279	297
Operating expenses	123	117	114	130	141
Profit/loss before impairment loss and net gain on fixed assets	232	192	217	149	155
Impairment loss	1	- 37	9	- 9	- 1
Profit/loss before taxation	231	229	208	159	156
Tax expense	35	53	37	36	37
Profit/loss after taxation	196	176	171	123	119
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	196	176	171	123	119

Consolidated financial results by quarter

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net interest income	223	202	250	248
Other operating income	34	35	32	38
Dividends and gains/losses on financial instruments	7	129	- 49	53
Net other operating income	41	164	- 17	90
Total revenues	264	366	233	338
Operating expenses	114	111	124	132
Profit/loss before impairment loss and net gain on fixed assets	149	254	109	206
Impairment loss	26	6	80	22
Profit/loss before taxation	124	248	29	183
Tax expense	29	29	17	21
Profit/loss after taxation	95	219	12	163
Remeasurements, pensions	0	0	0	- 1
COMPREHENSIVE INCOME	95	219	12	162

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	Full-year 2021	Full-year 2020
INCOME STATEMENT		
Net interest income	945	907
Dividends and gains/losses on financial instruments	173	114
Other operating income	157	138
Operating expenses	483	491
Profit/loss before impairment loss (incl. securities)	791	668
Profit/loss before impairment loss (excl. securities)	618	554
Impairment loss	- 37	112
Profit/loss before taxation	827	557
Tax expense	161	113
Profit/loss after taxation	666	444
Other comprehensive income	0	0
Comprehensive income	666	443
BALANCE SHEET		
Assets		
Gross loans and advances to customers	57 651	54 883
Loss allowance	- 307	- 353
Security investments (shares, fixed income funds, commercial paper and bonds)	7 368	7 166
Debt and equity		
Deposits from and debt to customers	32 536	30 665
Debt securities and debt to credit institutions	25 835	25 012
Equity	6 249	5 727
Total assets	65 808	62 661
Average total assets	64 604	60 722

Key figures, consolidated

KEY FIGURES

Profitability

	Full-year 2021	Full-year 2020
Net interest margin		
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,24 %	0,23 %
Operating expenses as a % of average total assets	0,75 %	0,81 %
Profit/loss before impairment loss as a % of average total assets	1,22 %	1,10 %
Profit/loss before tax as a % of average total assets	1,28 %	0,92 %
Profit/loss after tax as a % of average total assets	1,03 %	0,73 %
Comprehensive income as a % of average total assets	1,03 %	0,73 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	43,87 %	46,96 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	37,93 %	42,33 %
Impairment loss as a % of gross loans	- 0,06 %	0,20 %
Return on equity before tax 1)	15,38 %	11,05 %
Return on equity after tax 1)	12,39 %	8,80 %
Pre-tax return on equity (comprehensive income) 1)	12,39 %	8,80 %
Consolidated comprehensive income per equity certificate, in NOK	29,91	19,93
Dividend payable per equity certificate, in NOK	9,00	6,00

1) Return on equity is calculated based on opening equity excl. hybrid capital

Capital and liquidity position

Capital adequacy ratio	19,44 %	18,88 %
Core capital adequacy ratio	17,66 %	17,02 %
Core Tier 1 capital adequacy ratio	16,62 %	15,94 %
Leverage ratio	8,86 %	8,59 %
Liquidity Coverage Ratio (LCR)	140 %	157 %

Balance sheet history

Growth in total assets (year-on-year)	5,02 %	8,54 %
Growth in gross customer lending (year-on-year)	5,04 %	7,42 %
Growth in customer deposits (year-on-year)	6,10 %	7,23 %
Deposits as a % of consolidated gross lending	56,44 %	55,87 %
Deposits as a % of parent company's gross lending	94,84 %	92,88 %

Employees

Full-time equivalent employees	273	276
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