



sparebanken
sogn og fjordane



Investor presentation

Q1- 2022

Headlines Q1 2022

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



Solid growth in loans to customers: 5,6% over the past year



Increase in net interest income: NOK 257 mill. (NOK 229 mill.)



Good results from financial instruments: NOK 29 mill (NOK 14 mill.)



Loan losses: NOK 17 mill. (against reversals recognized as income NOK 9 mill)



Solid liquidity and solidity:

- LCR 162 % (176 %)
- Core Tier 1 Capital adequacy ratio: 16,8 % (15,9 %)



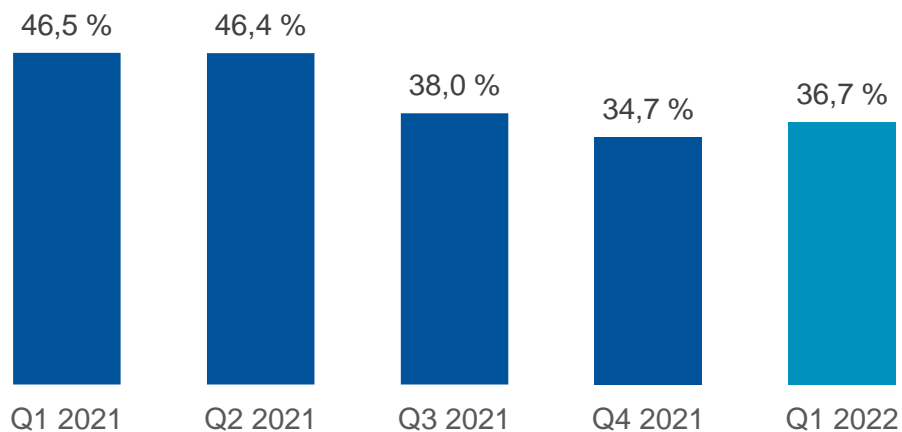
Profit per equity certificate (consolidated): kr 6,59 (kr 5,51)



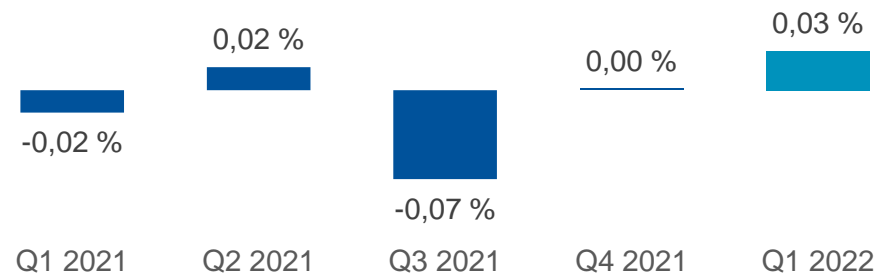
Return on equity: 10,0 % p.a. (9,1 % p.a.)

Development important key figures

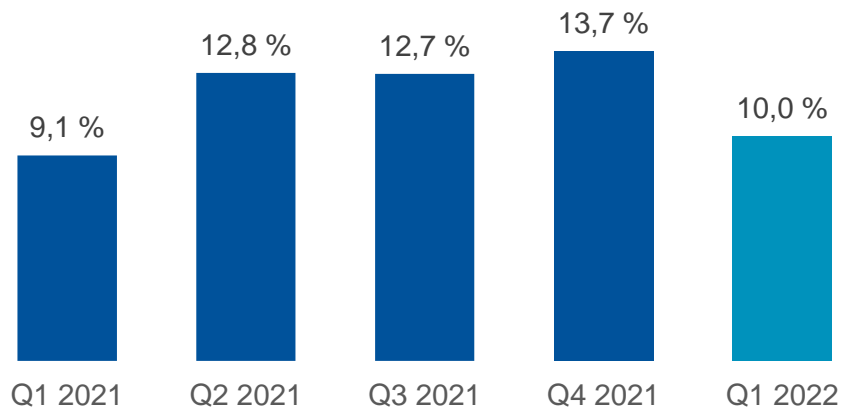
Cost/income ratio



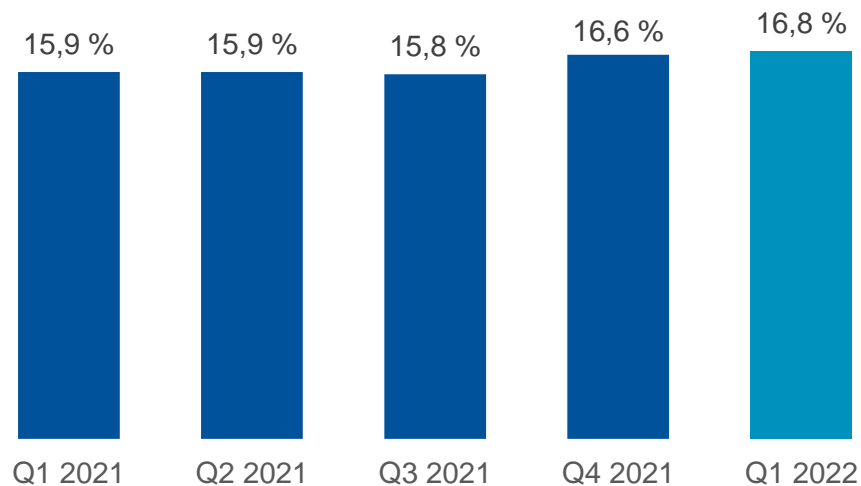
Impairment loss



Return on equity



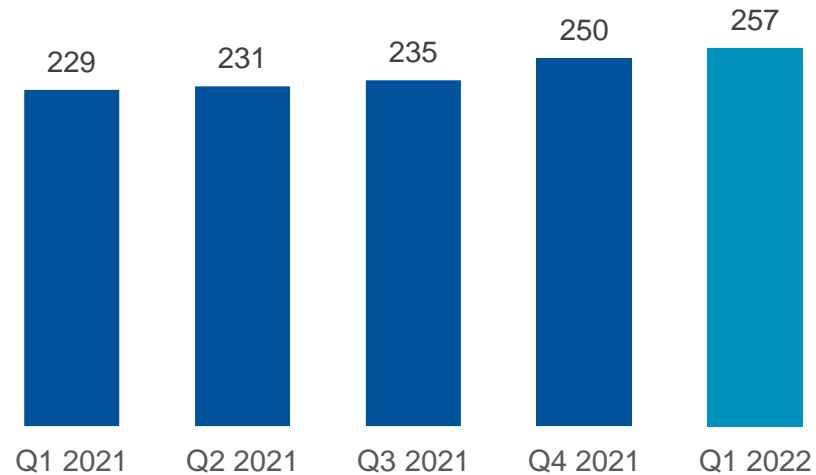
Core Tier 1 capital adequacy ratio



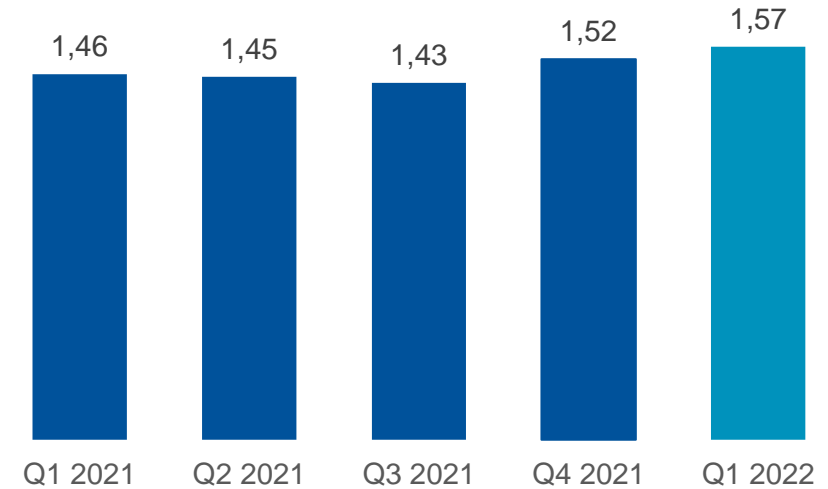
Nice growth in net interest income

Solid growth in deposits and loans and increased customer margin have contributed to growth in net interest income

Net interest income



Net interest income as a percentage of average assets

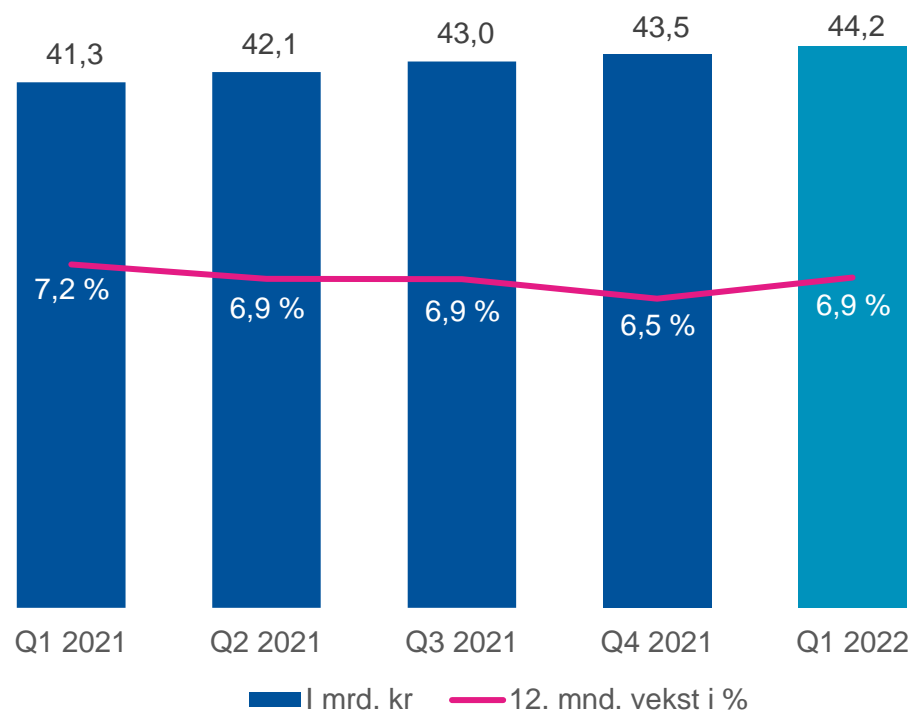


Net interest income in NOK million and as a percentage of average total assets

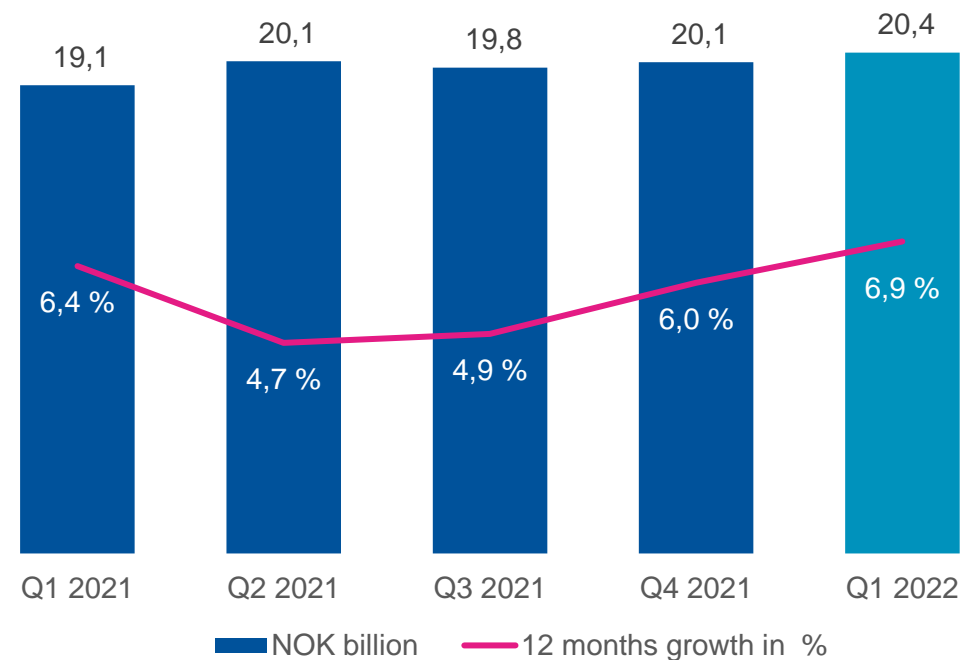
Good and stable growth in the retail market

Personal customer advice is valued by our customers

Loans retail market

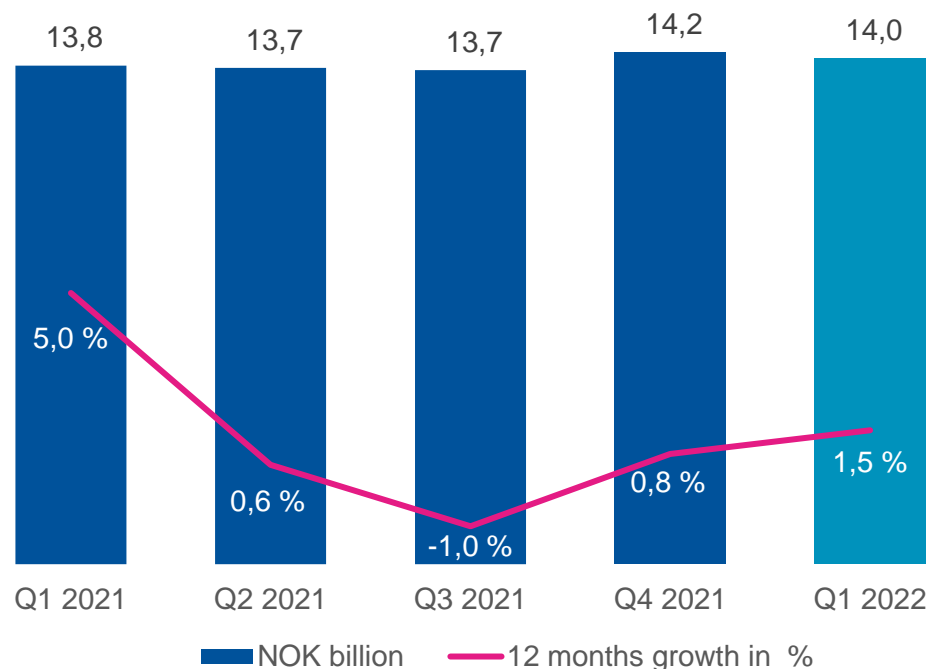


Deposits retail market

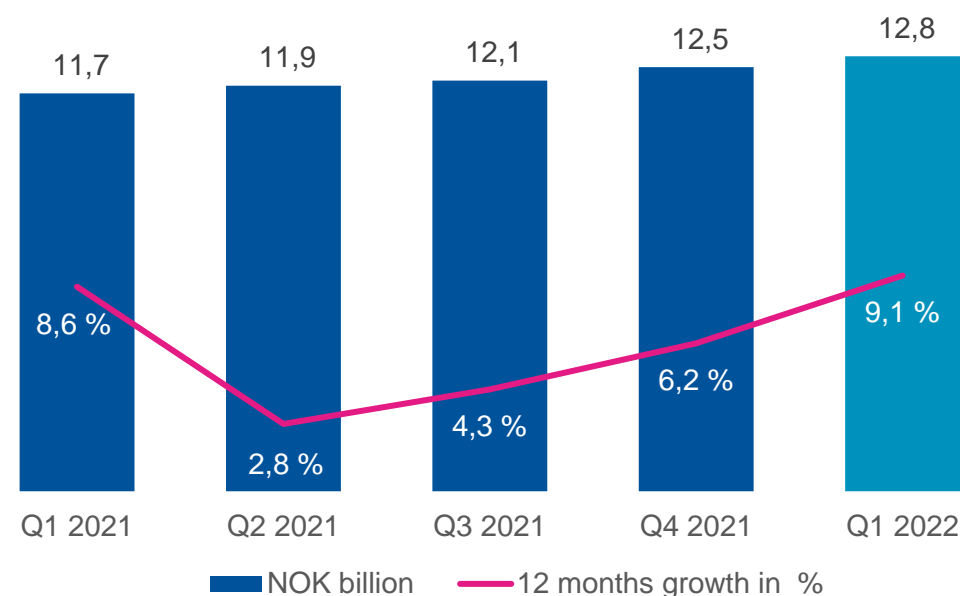


Good deposit growth but lower loan demand from companies in Sogn og Fjordane

Loans corporate market



Deposits corporate market



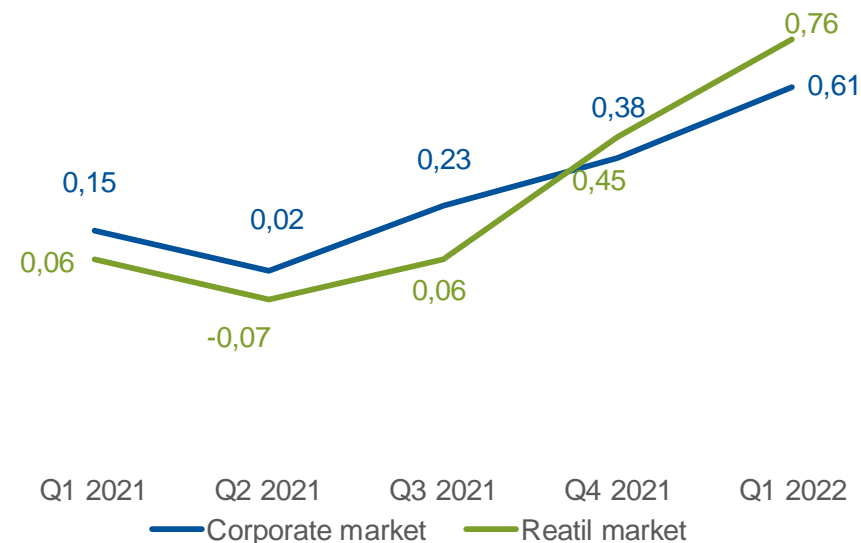
Lending margins decreased last quarter

Due to higher 3-month Nibor. An interest rate increase has been announced with effect from May 2022

Lending margins



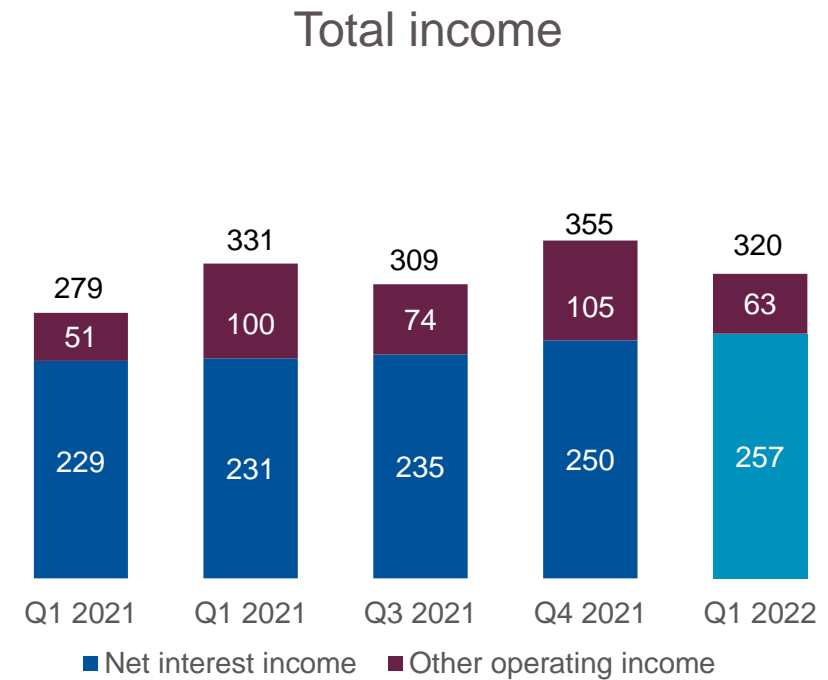
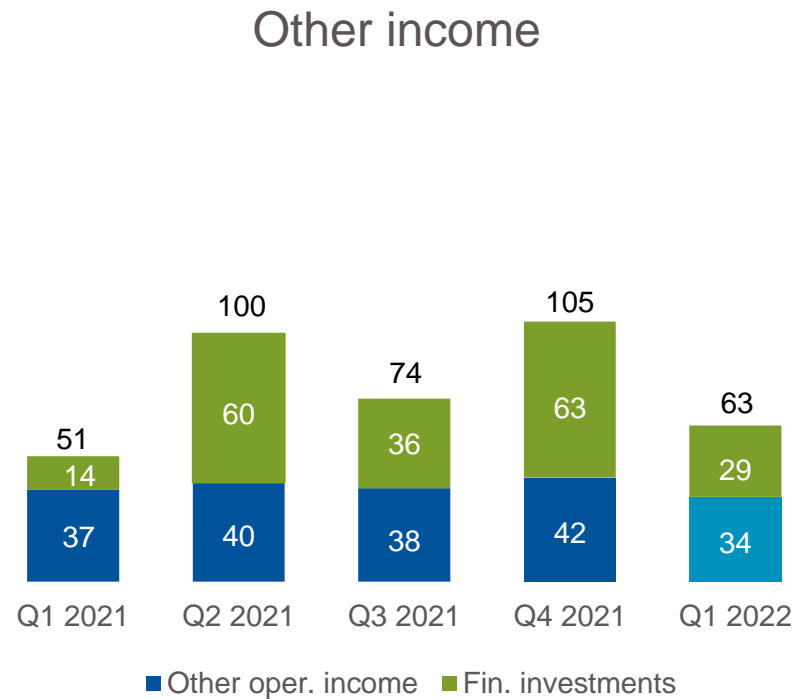
Deposit margins



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.

Reduced other income

Nice development in income from payment services and commissions from investment funds. Lower income from estate agency

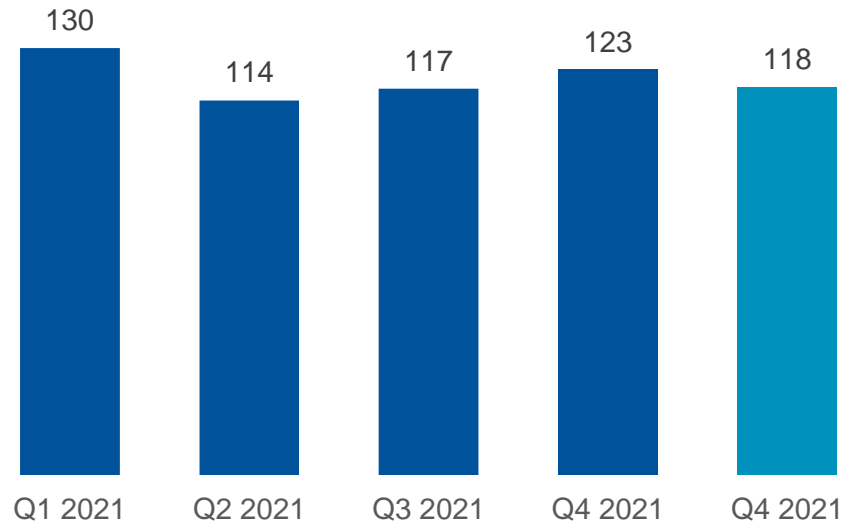


Figures per quarter in mill. NOK.

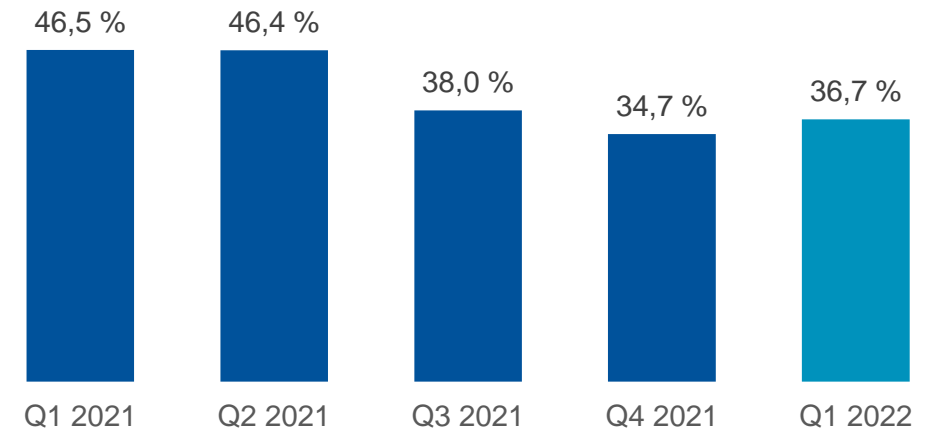
Reduced operating costs

The most significant effects from the cost program have now been implemented and we expect cost increases from Q2

Operating expenses



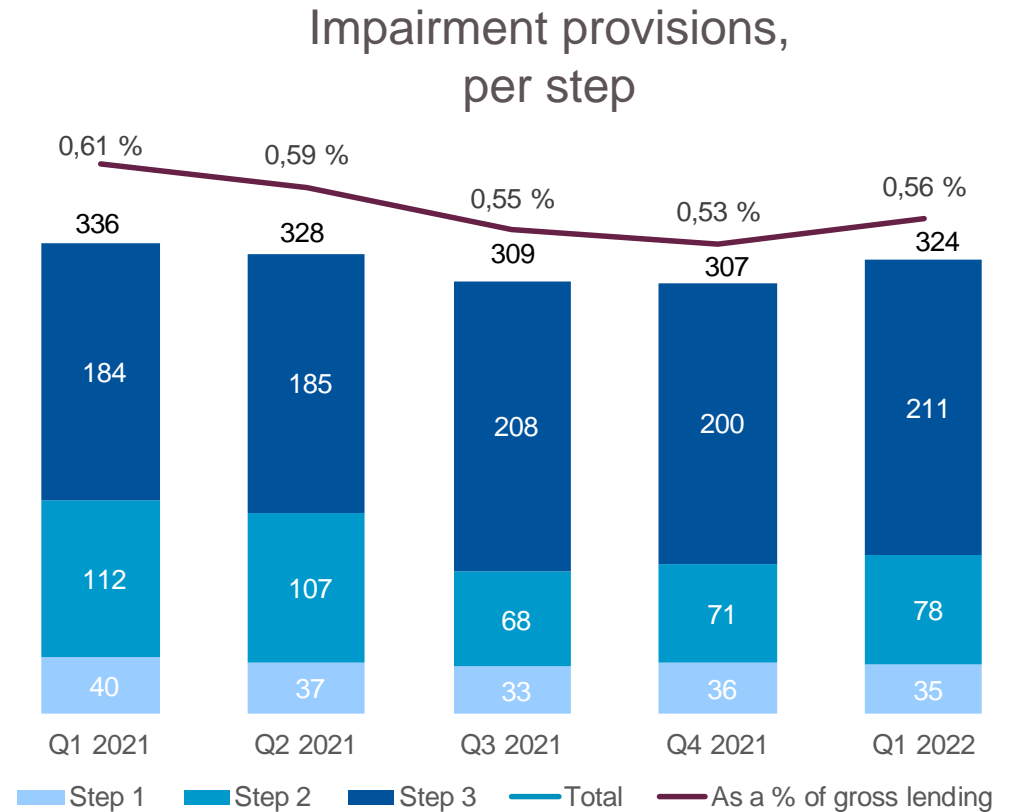
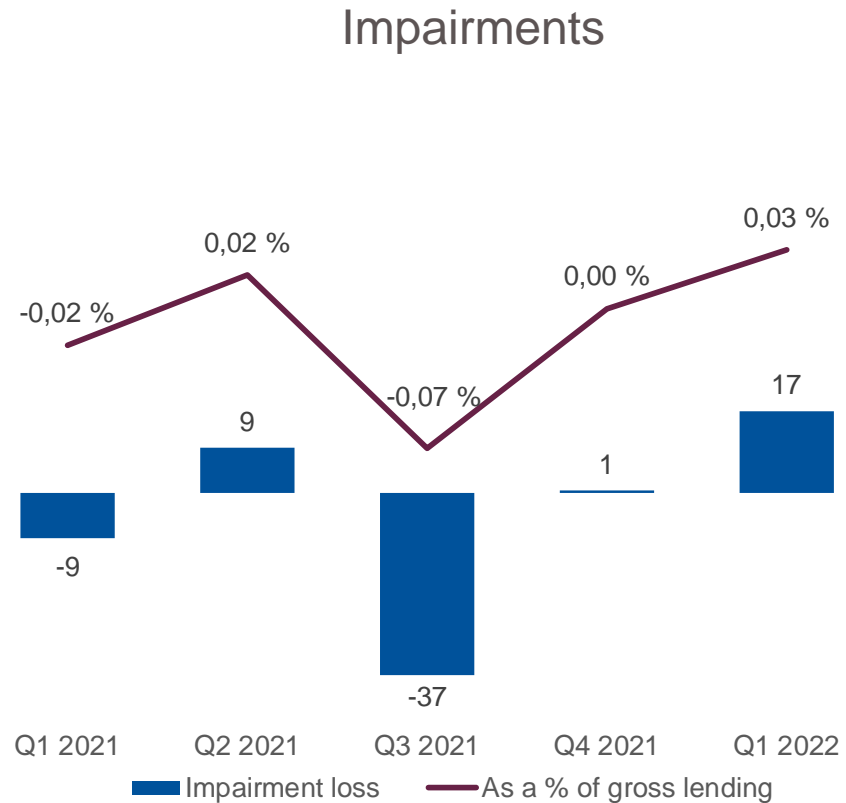
Cost/income ratio



Figures per quarter in mill. NOK.

Relative low loan losses

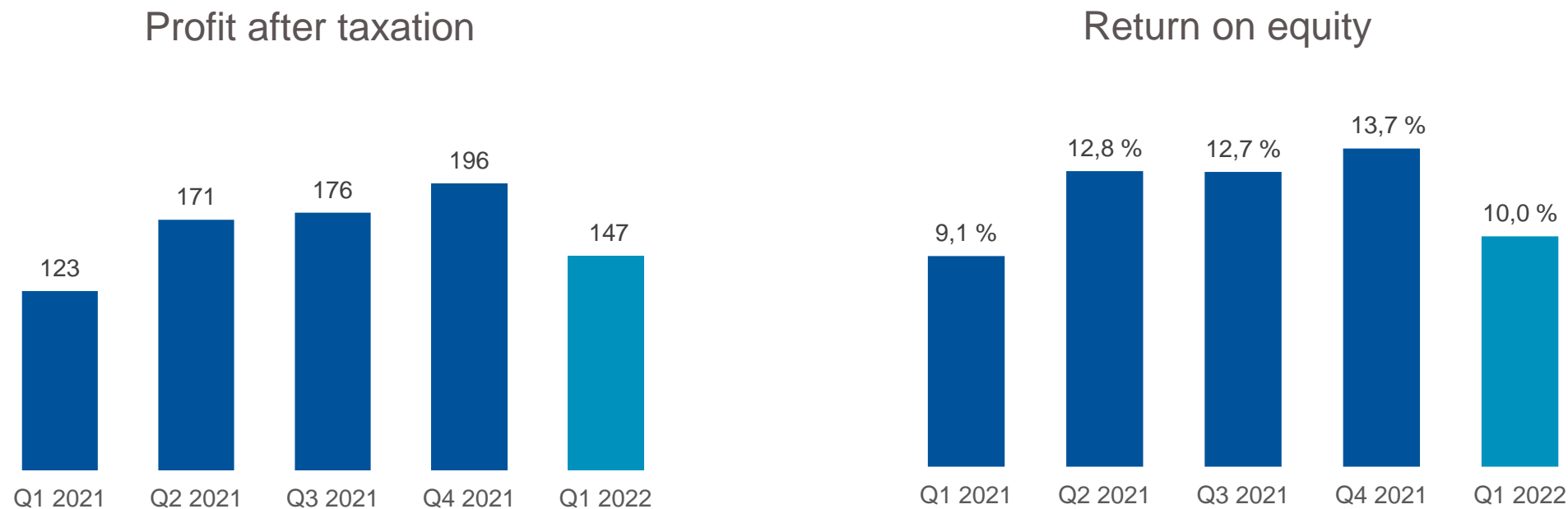
Reversal/income recognition of losses in the first quarter of last year



Figures per quarter in mill. NOK.

Good profits for the quarter and a good start in 2022

Profit improvements is due to good growth in net interest income and a good result from financial instruments

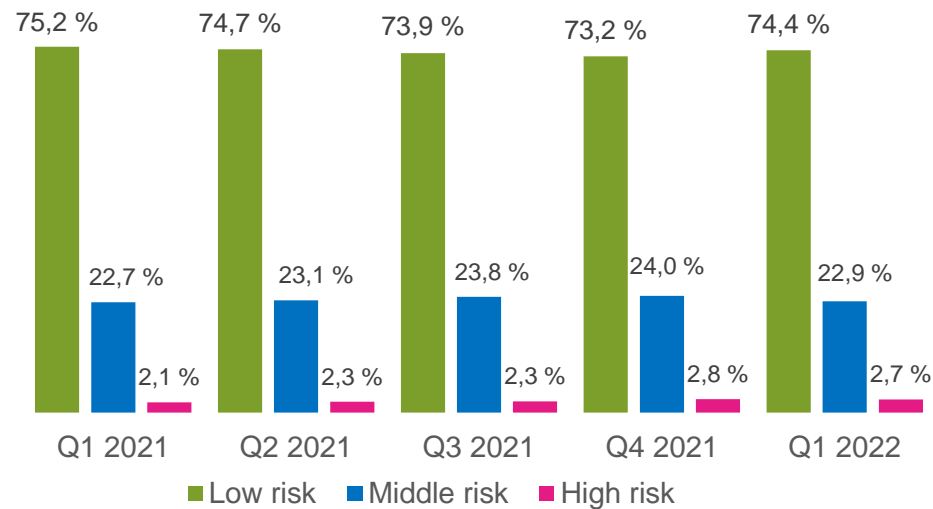


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

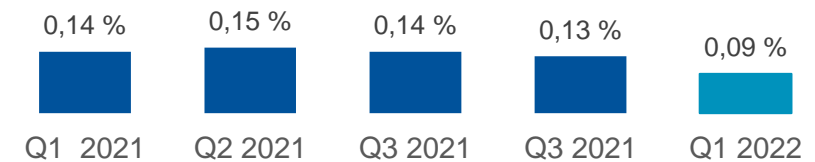
Low and stable credit risk in the Retail Market

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

Composition of risk for loans to RM



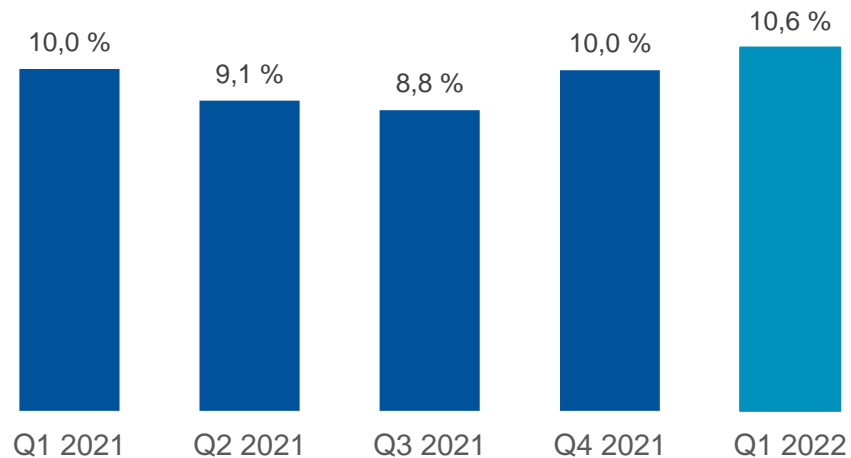
Loans to the RM in default >90 days



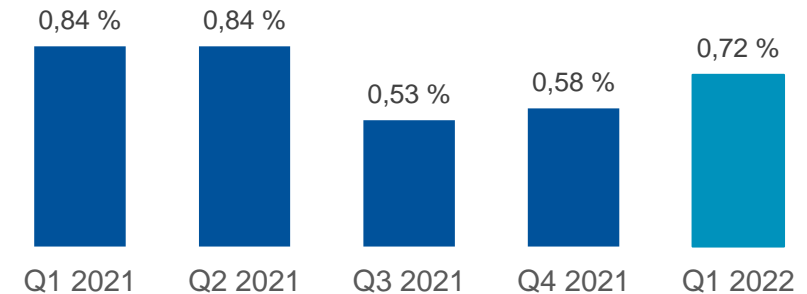
Credit risk Corporate Market

The businesses in Sogn og Fjordane is doing well and the credit risk for the Corporate Market is moderate. The increase in high risk loans is largely linked to individual customers that show weaker results as a result of covid-19

Loans to the corporate market at high risk

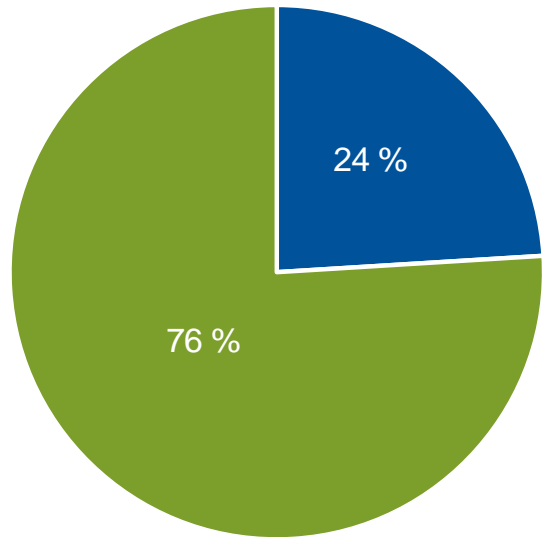


Loans to the corporate market in default > 90 days



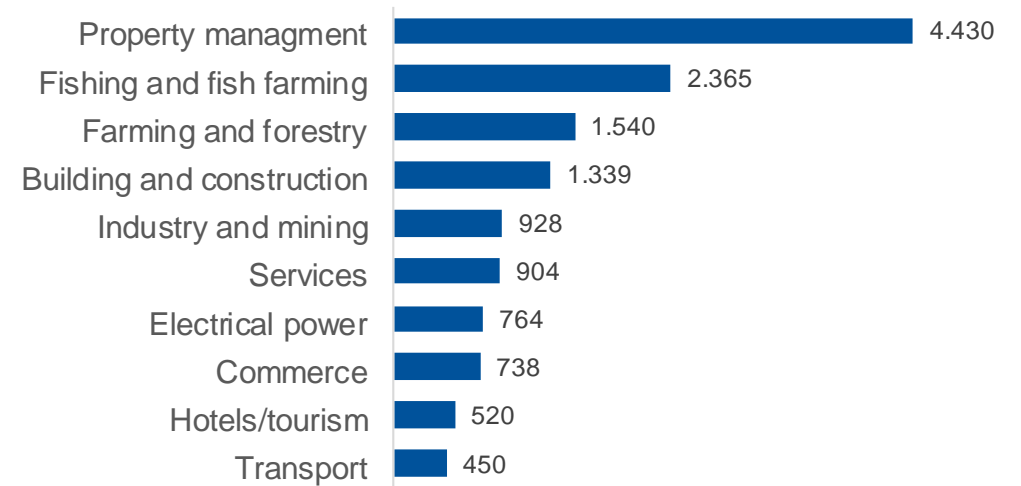
Segments and industries

Lending segments



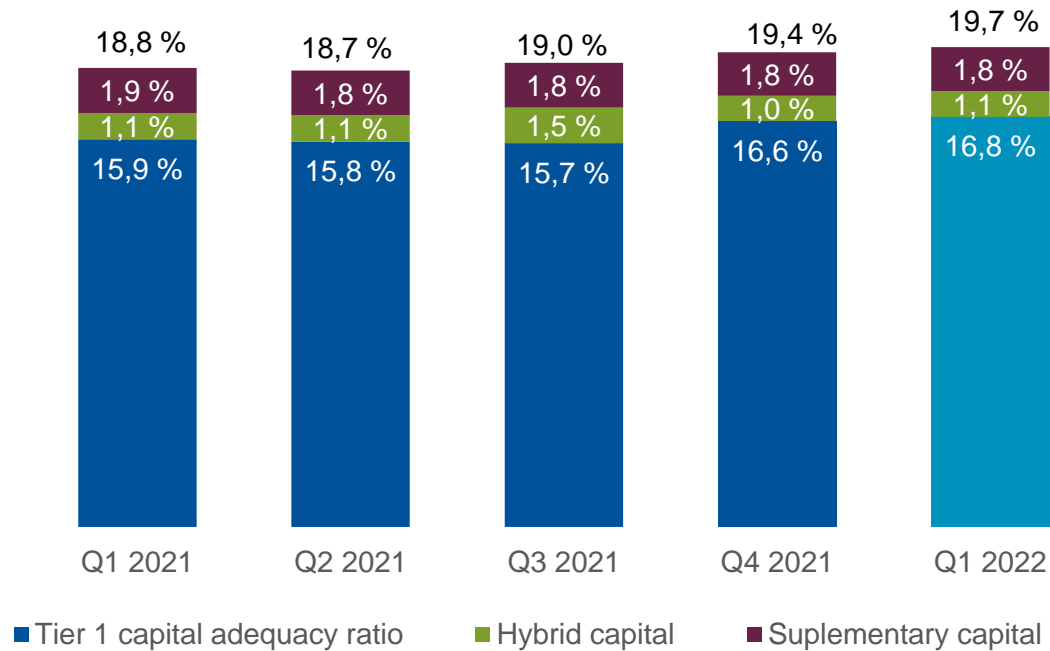
■ Corporate market ■ Retail market

Lendings to the corporate market in NOK mill.

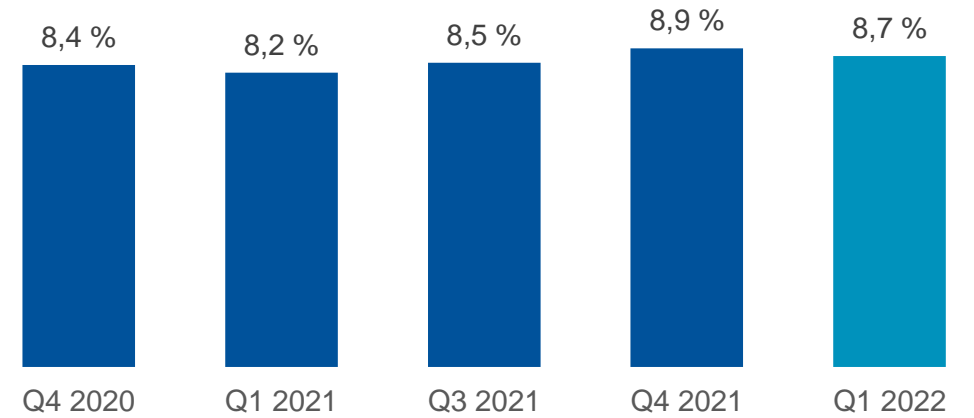


Solid capital adequacy ratio

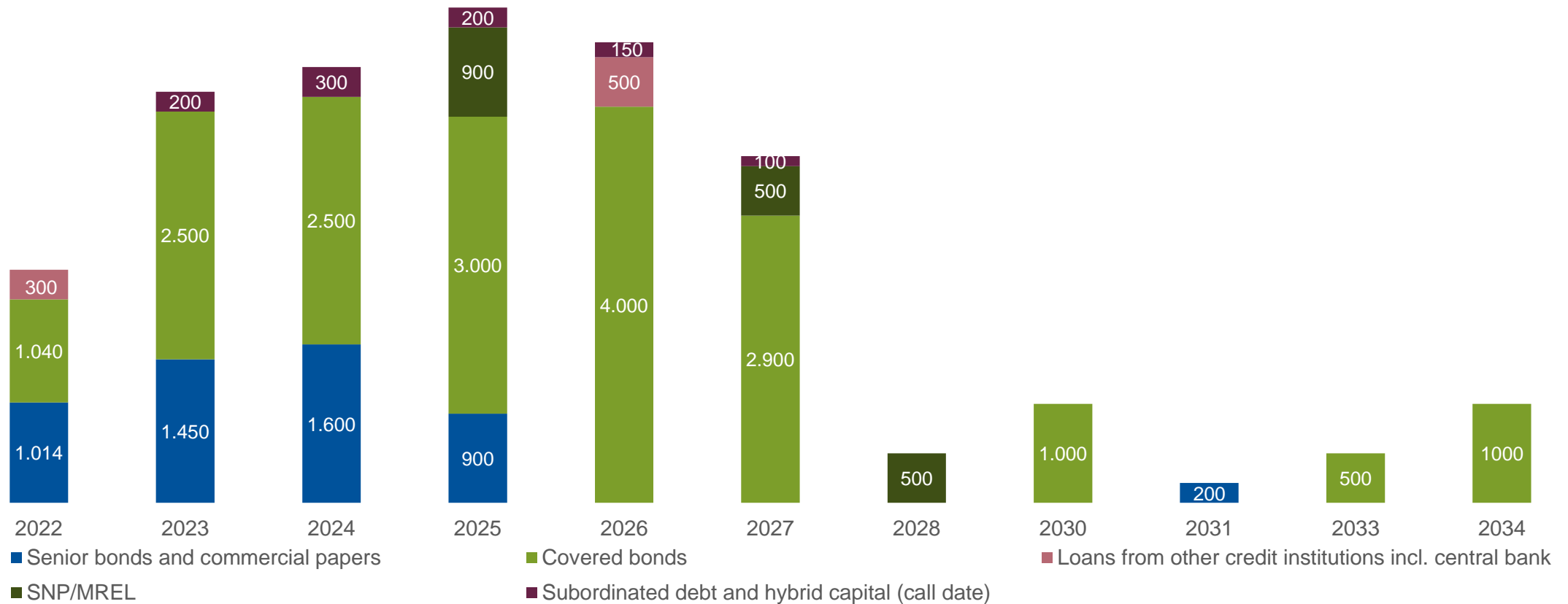
Capital adequacy ratio



Leverage ratio



Maturity structure of funding



Figures in NOK mill.



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The bank and the community

Q1 2022

Market shares in Sogn og Fjordane

Retail Market* **47,6 %**

Corporate Market* **35,6 %**

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

* Market share: Figures as of Q4 2021

**Source: SSB, Eiendomsverdi, figures as of Q4-2021

Staff savings programme

We are setting up an employee savings programme involving equity certificates, and we are giving all members of staff a starter pack worth a total of NOK 20,000.

In addition to the starter pack, employees are being offered the opportunity to buy equity certificates at a discount.

Employee ownership has many benefits, including that it gives the employees a more direct relationship to, and interest in, the value created by the Bank



Cash is being used less

The pandemic and technological developments have changed how customers make payments.

Cash is being used less, whereas mobile payments are rising sharply.

In Q1, we saw a 150 percent increase in the number of people using Apple Pay compared with the same period last year.

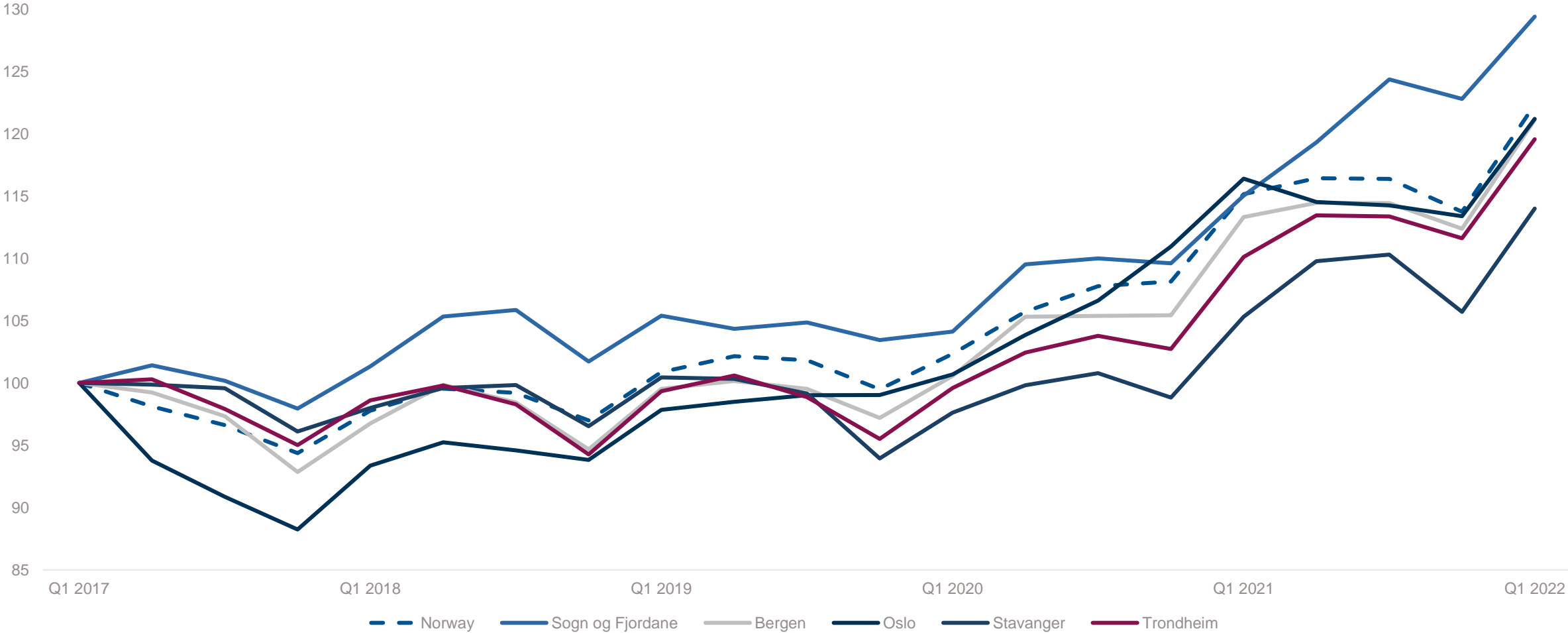
Our customers are withdrawing 44 percent less cash than they did in Q1 2019.



Over the past 5 years, house prices in Sogn og Fjordane have risen faster than both Norway as a whole and the biggest Norwegian cities

(Source: Eiendomsverdi)

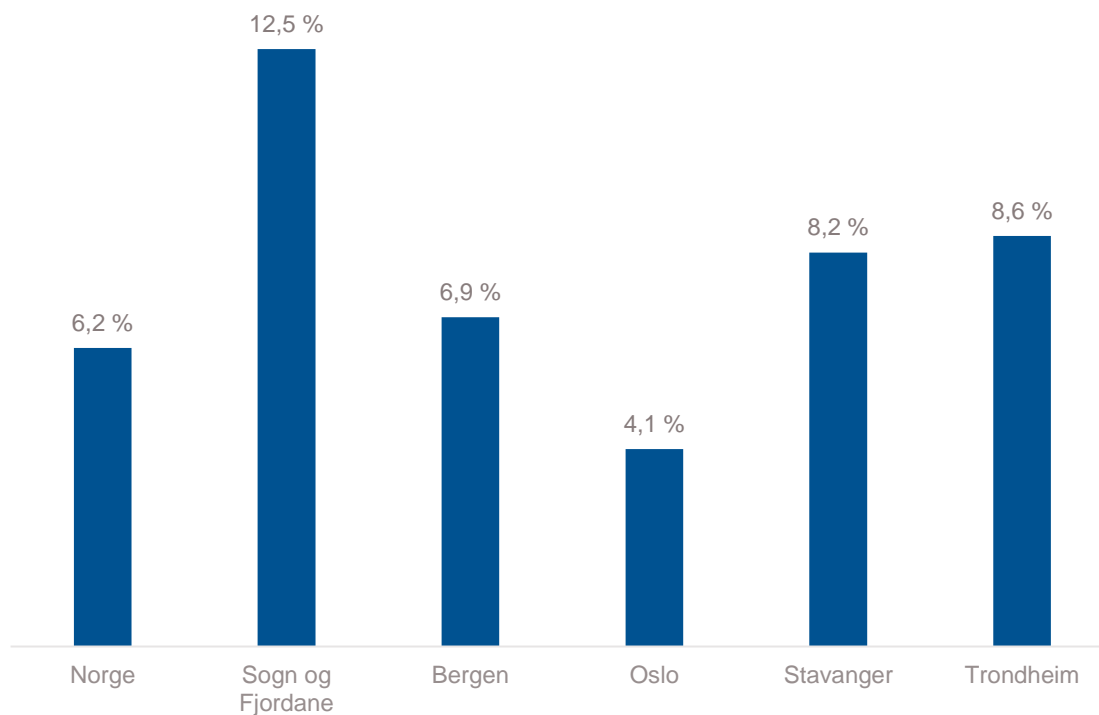
House price development last 5 year



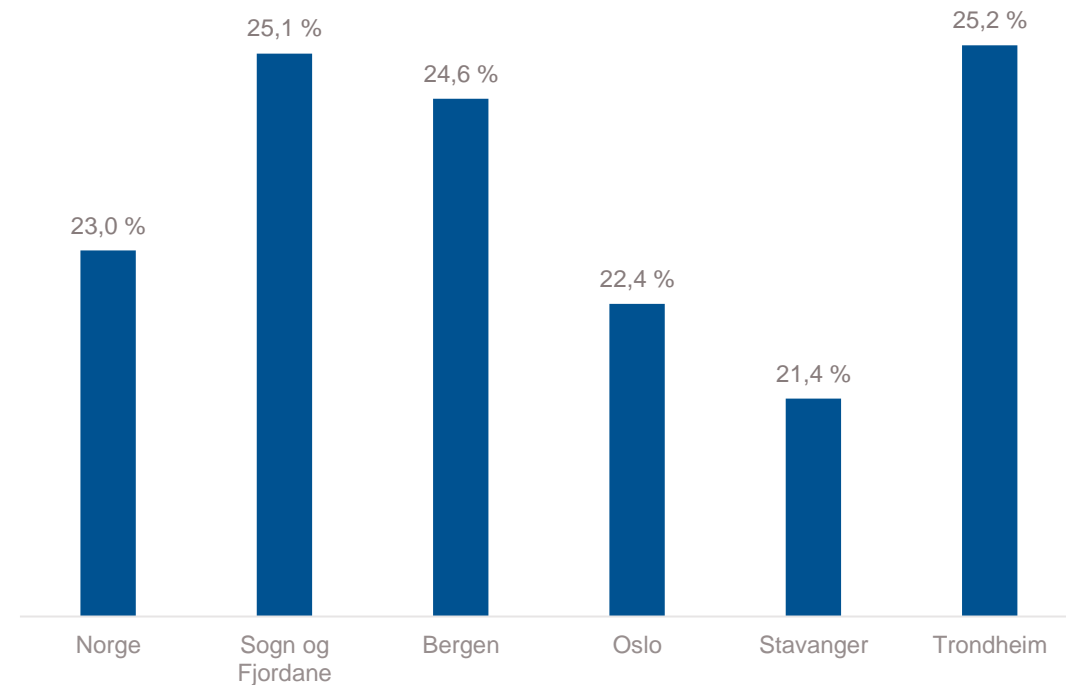
House prices in Sogn og Fjordane have risen twice as quickly as in Norway as a whole over the past 12 months

Source: Eiendomsverdi

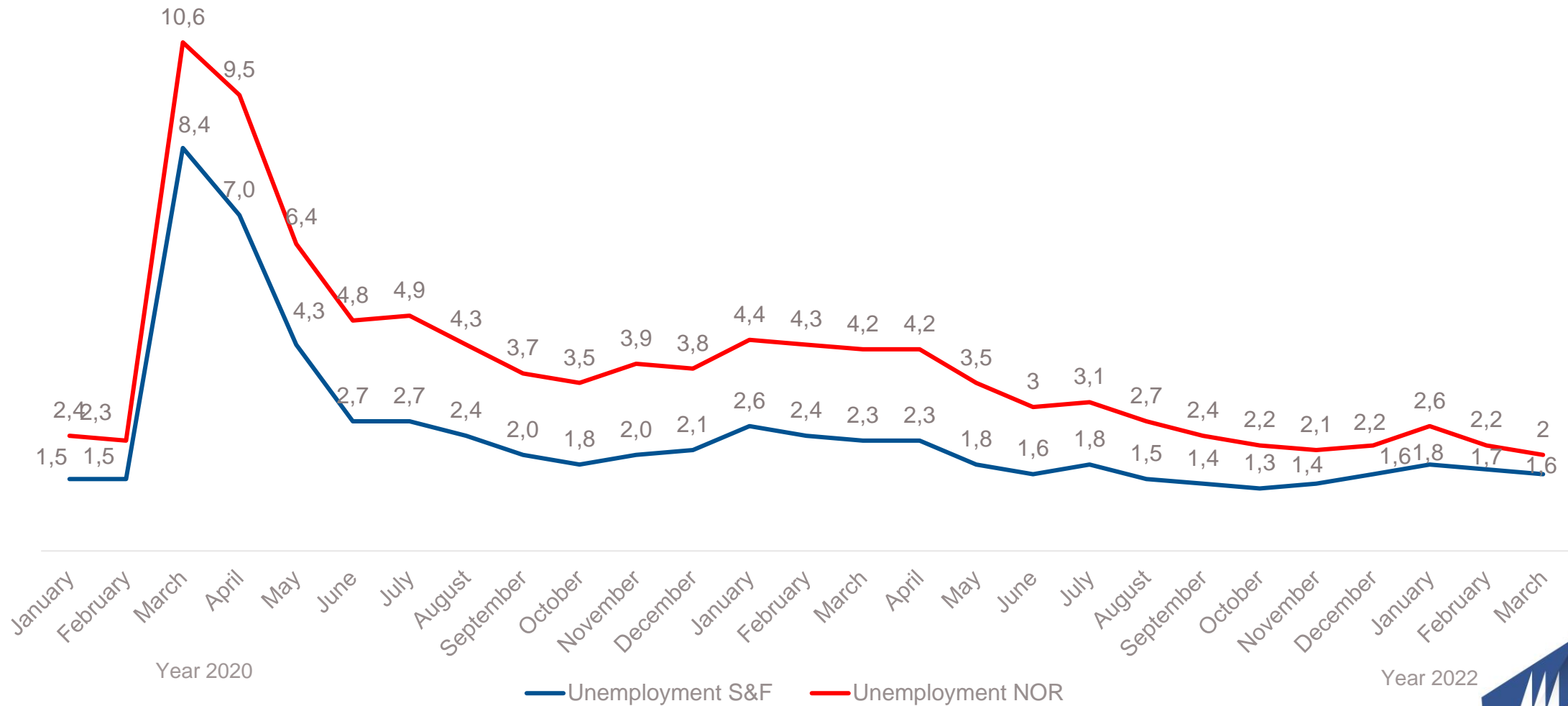
House prices over the past 12 months



House prices during the pandemic (Compared against 31/12/2019)



Unemployment in Sogn og Fjordane low



NOK 1 million to the Red Cross



In April, CEO Trond Teigene gave one million kroner to the Red Cross in Sogn og Fjordane. This money will go to help refugees and other vulnerable groups.

The duo who received the gift on behalf of the Red Cross were Dag Hovland, the Managing Director, and Jon Langeland Thomsen, who is involved in helping migrants.

So far this year, the Bank and the owner foundations have handed out NOK 29 million.

Contact information

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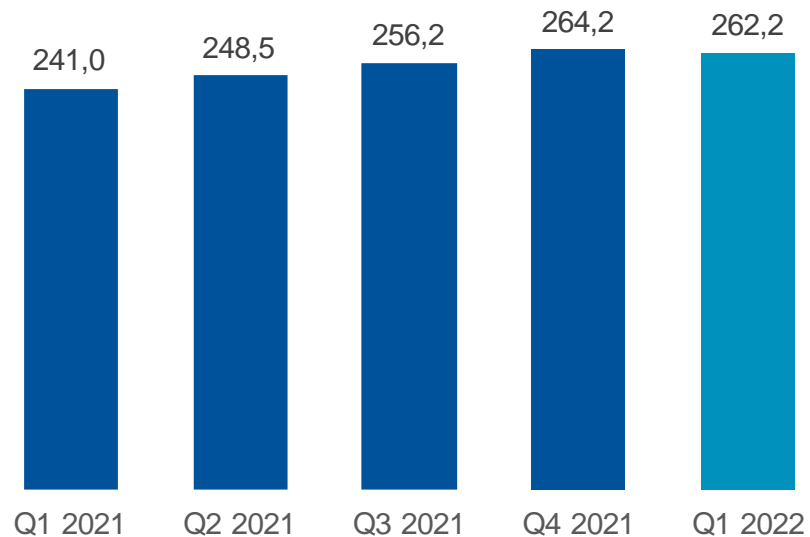


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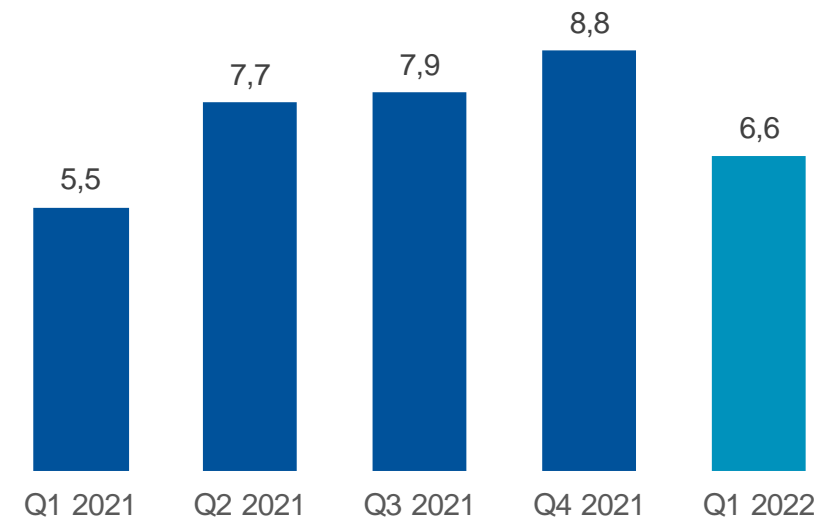
Attachments

Book value per equity certificate

Book value per equity certificate



Profit before tax per equity certificate



Figures in NOK per quarter

Consolidated financial results by quarter

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net interest income	257	250	235	231	229
Other operating income	34	42	38	40	37
Dividends and gains/losses on financial instruments	29	63	36	60	14
Net other operating income	63	105	74	100	51
Total revenues	320	355	309	331	279
Operating expenses	118	123	117	114	130
Profit/loss before impairment loss and net gain on fixed assets	203	232	192	217	149
Impairment loss	17	1	- 37	9	- 9
Profit/loss before taxation	186	231	229	208	159
Tax expense	39	35	53	37	36
Profit/loss after taxation	147	196	176	171	123
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	147	196	176	171	123

Consolidated financial results by quarter

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net interest income	233	223	202	250
Other operating income	37	34	35	32
Dividends and gains/losses on financial instruments	27	7	129	- 49
Net other operating income	64	41	164	- 17
Total revenues	297	264	366	233
Operating expenses	141	114	111	124
Profit/loss before impairment loss and net gain on fixed assets	155	149	254	109
Impairment loss	- 1	26	6	80
Profit/loss before taxation	156	124	248	29
Tax expense	37	29	29	17
Profit/loss after taxation	119	95	219	12
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	119	95	219	12

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	Q1 2022	Q1 2021	Full-year 2021
INCOME STATEMENT			
Net interest income	257	229	945
Dividends and gains/losses on financial instruments	29	14	173
Other operating income	34	37	157
Operating expenses	118	130	483
Profit/loss before impairment loss (incl. securities)	203	149	791
Profit/loss before impairment loss (excl. securities)	174	136	618
Impairment loss	17	- 9	- 37
Profit/loss before taxation	186	159	827
Tax expense	39	36	161
Profit/loss after taxation	147	123	666
Other comprehensive income	0	0	0
Comprehensive income	147	123	666
BALANCE SHEET			
Assets			
Gross loans and advances to customers	58 183	55 118	57 651
Loss allowance	- 324	- 336	- 307
Security investments (shares, fixed income funds, commercial paper and bonds)	7 885	8 078	7 368
Debt and equity			
Deposits from and debt to customers	33 226	30 828	32 536
Debt securities and debt to credit institutions	26 201	26 029	25 835
Equity	6 204	5 717	6 249
Total assets	67 323	63 864	65 808
Average total assets	66 364	63 389	64 604

Key figures, consolidated

	2022	Q1 2021	Full-year 2021
KEY FIGURES			
Profitability			
Net interest margin	1,57 %	1,46 %	1,46 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,21 %	0,23 %	0,24 %
Operating expenses as a % of average total assets	0,71 %	0,82 %	0,75 %
Profit/loss before impairment loss as a % of average total assets	1,22 %	0,94 %	1,22 %
Profit/loss before tax as a % of average total assets	1,12 %	1,00 %	1,28 %
Profit/loss after tax as a % of average total assets	0,88 %	0,77 %	1,03 %
Comprehensive income as a % of average total assets	0,88 %	0,77 %	1,03 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	40,36 %	48,82 %	43,87 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	36,74 %	46,46 %	37,93 %
Impairment loss as a % of gross loans	0,03 %	- 0,02 %	- 0,06 %
Return on equity before tax 1)	12,60 %	11,81 %	15,38 %
Return on equity after tax 1)	9,95 %	9,13 %	12,39 %
Pre-tax return on equity (comprehensive income) 1)	9,95 %	9,13 %	12,39 %
Consolidated comprehensive income per equity certificate, in NOK	6,59	5,51	29,91
Dividend payable per equity certificate, in NOK			9,00
<i>1) Return on equity is calculated based on opening equity excl. hybrid capital</i>			
Capital and liquidity position			
Capital adequacy ratio	19,65 %	18,79 %	19,44 %
Core capital adequacy ratio	17,84 %	16,94 %	17,66 %
Core Tier 1 capital adequacy ratio	16,79 %	15,87 %	16,62 %
Leverage ratio	8,65 %	8,40 %	8,86 %
Liquidity Coverage Ratio (LCR)	162 %	176 %	140 %
Balance sheet history			
Growth in total assets (year-on-year)	5,42 %	8,53 %	5,02 %
Growth in gross customer lending (year-on-year)	5,56 %	6,62 %	5,04 %
Growth in customer deposits (year-on-year)	7,78 %	7,19 %	6,10 %
Deposits as a % of consolidated gross lending	57,11 %	55,93 %	56,44 %
Deposits as a % of parent company's gross lending	99,70 %	95,29 %	94,84 %
Employees			
Full-time equivalent employees	269	272	273