



*sparebanken
sogn og fjordane*

Investor presentation

Q2- 2022

Headlines Q2 2022

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



Solid growth in loans to the Retail Market: 7,3 % over the past year



Increase in net interest income: NOK 268 mill. (NOK 231 mill.)



Negativt results from financial instruments: NOK -11 mill (NOK 60 mill.)



Loan losses: NOK 13 mill. (against reversals recognised as income NOK 9 mill)



Solid liquidity and solidity:

- **LCR 166 % (194 %)**
- **Core Tier 1 Capital adequacy ratio: 17,1 % (15,8 %)**



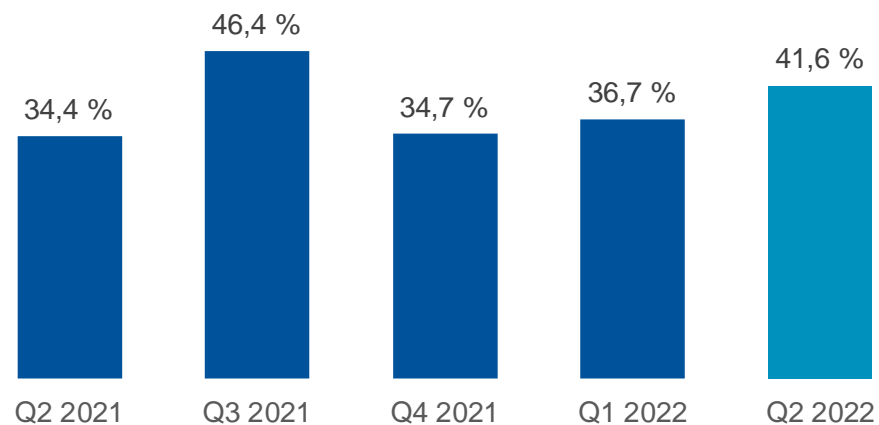
Profit per equity certificate (consolidated): kr 6,41 (kr 7,69)



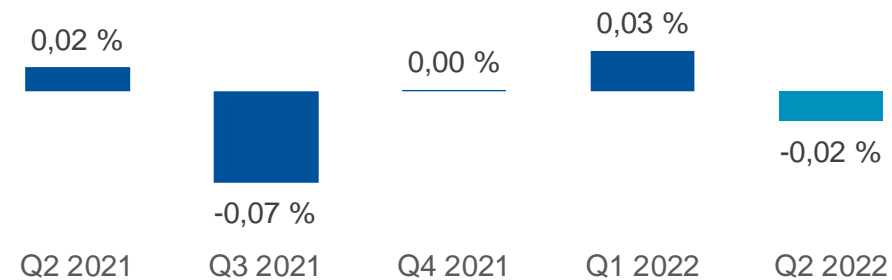
Return on equity: 9,8 % p.a. (12,7 % p.a.)

Development important key figures

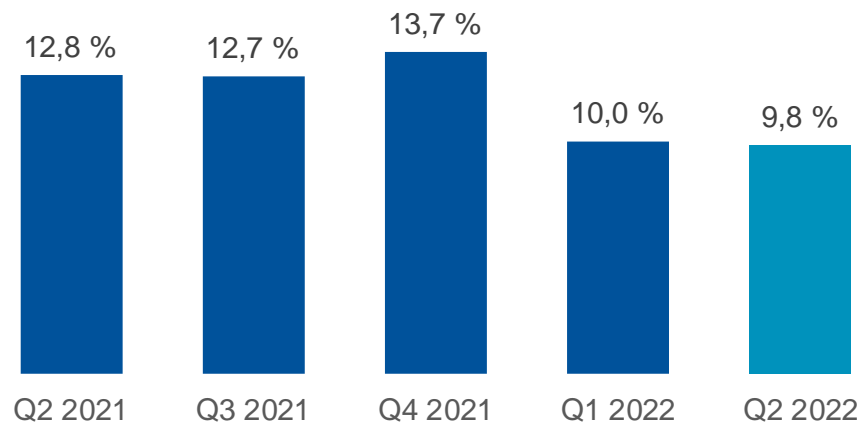
Cost/income ratio



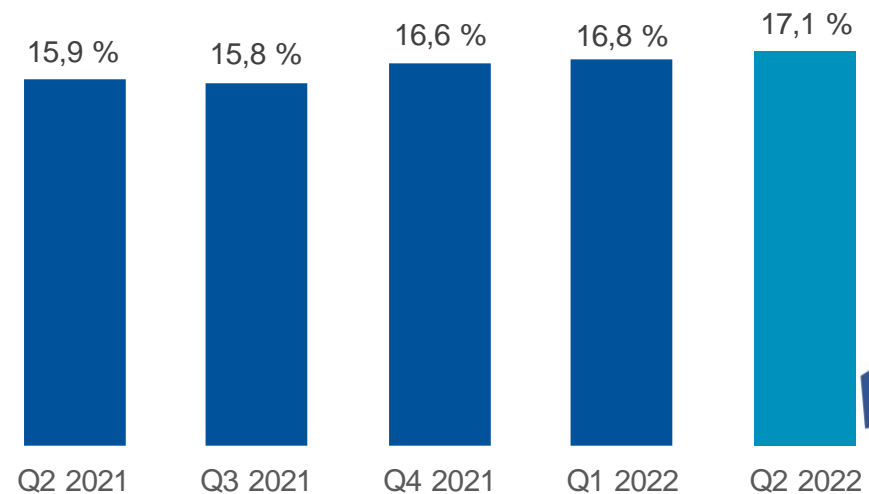
Impairment loss



Return on equity



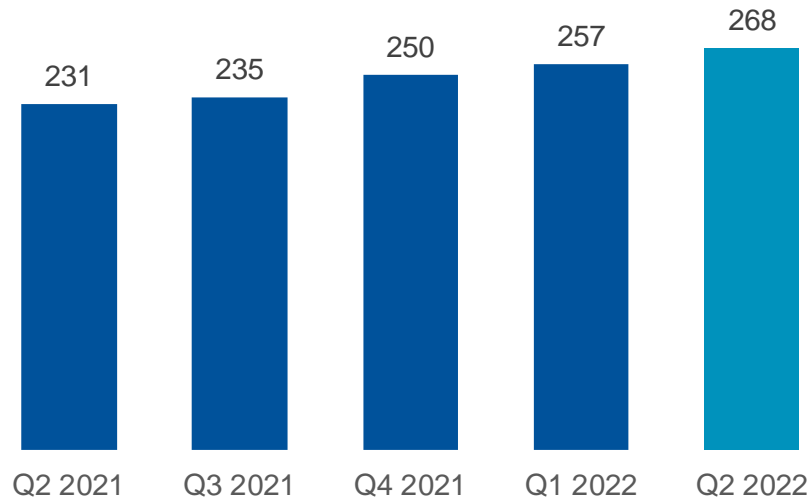
Core Tier 1 capital adequacy ratio



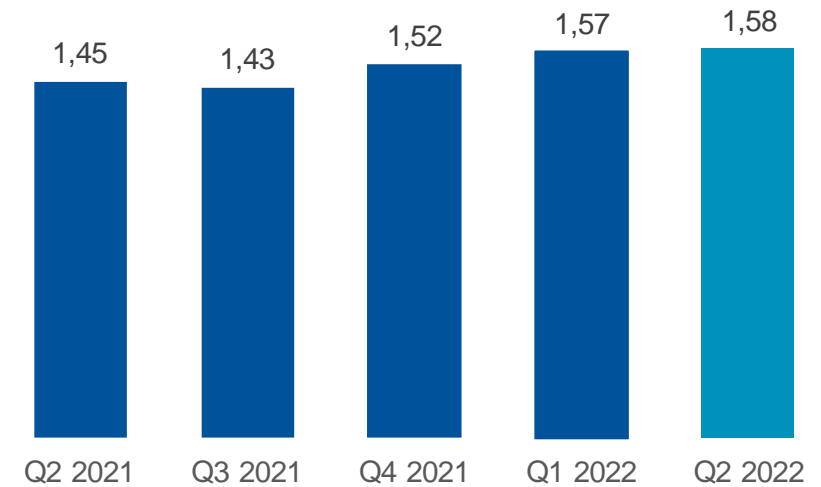
Nice development in net interest income

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

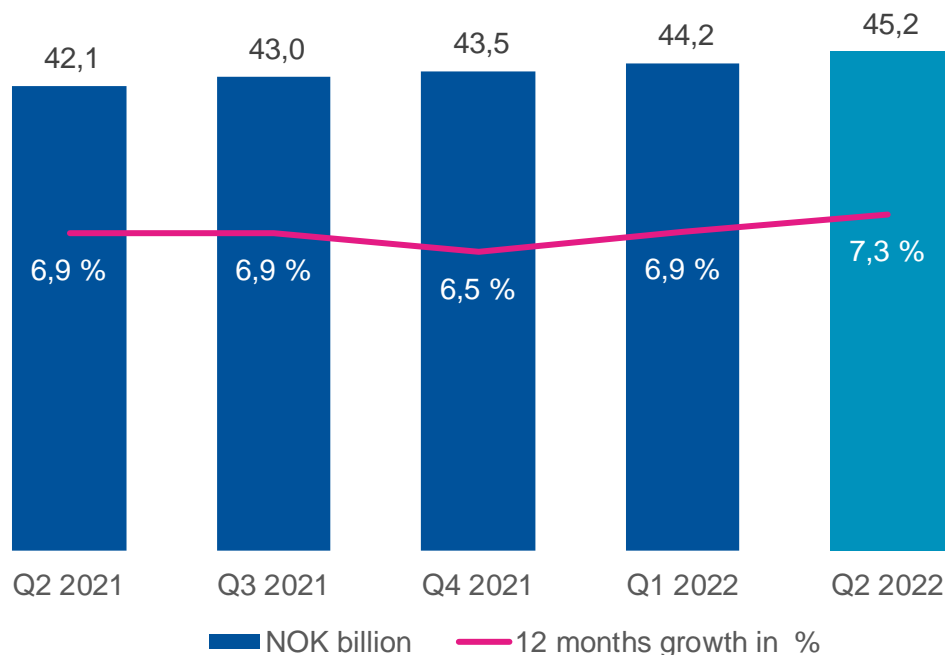


Net interest income in NOK million and as a percentage of average total assets

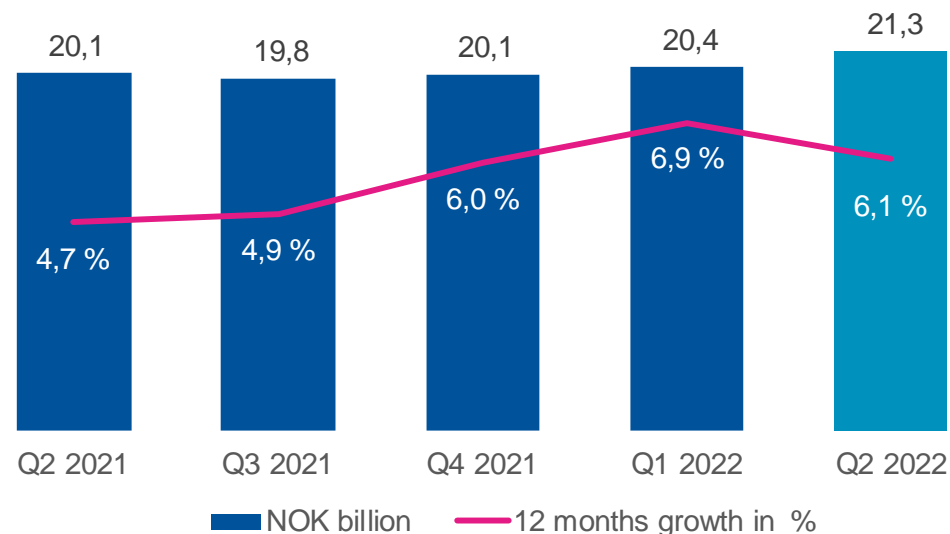
Strong growth in the Retail Market

The bank is working hard to attract new customers, particularly in the Retail Market, in order to increase the growth further

Loans retail market

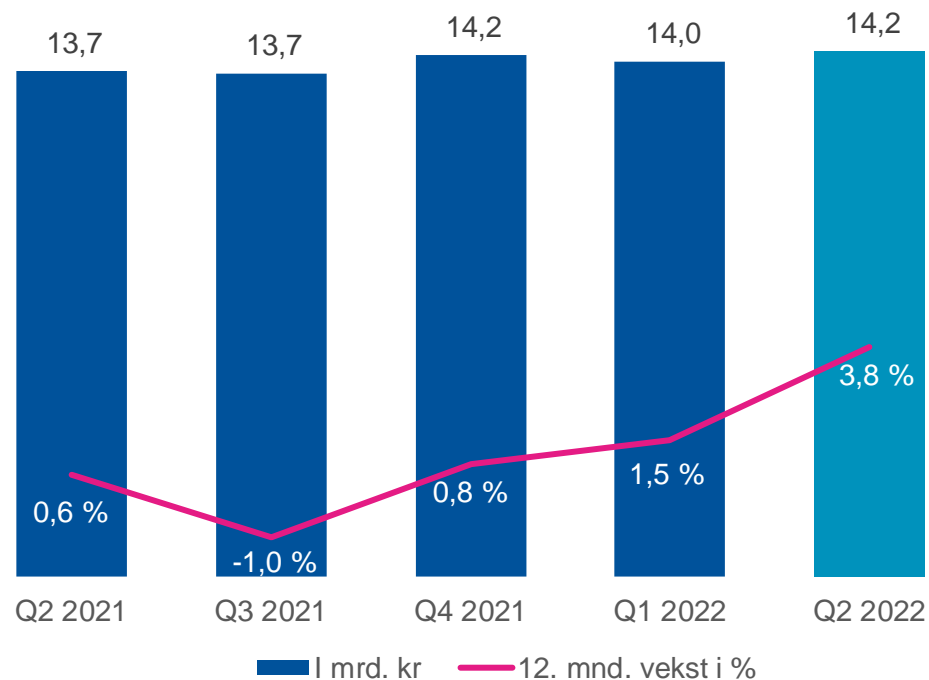


Deposits retail market

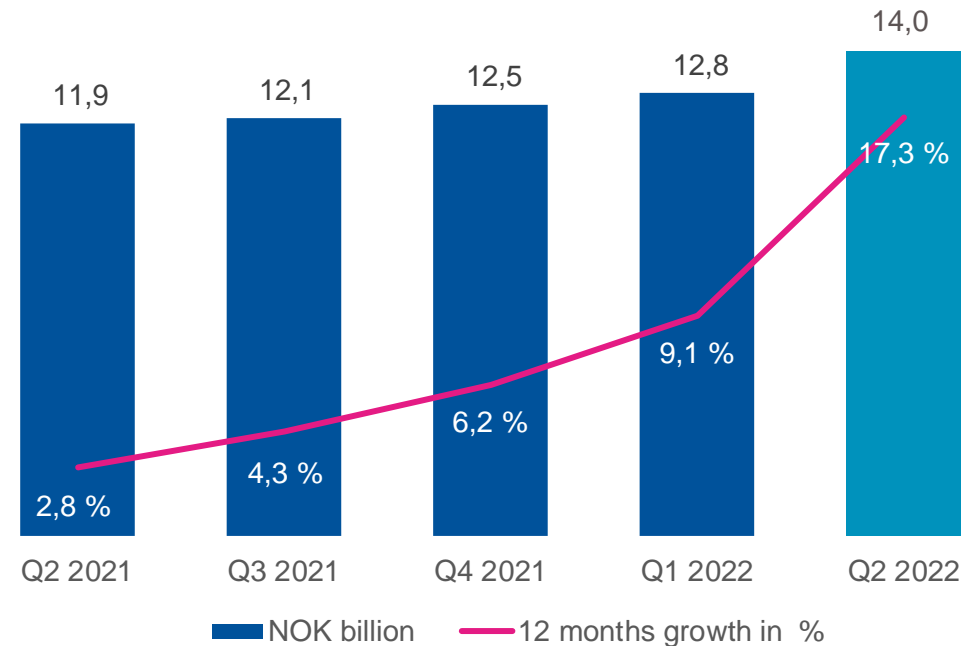


Strong deposit growth in the Corporate Market

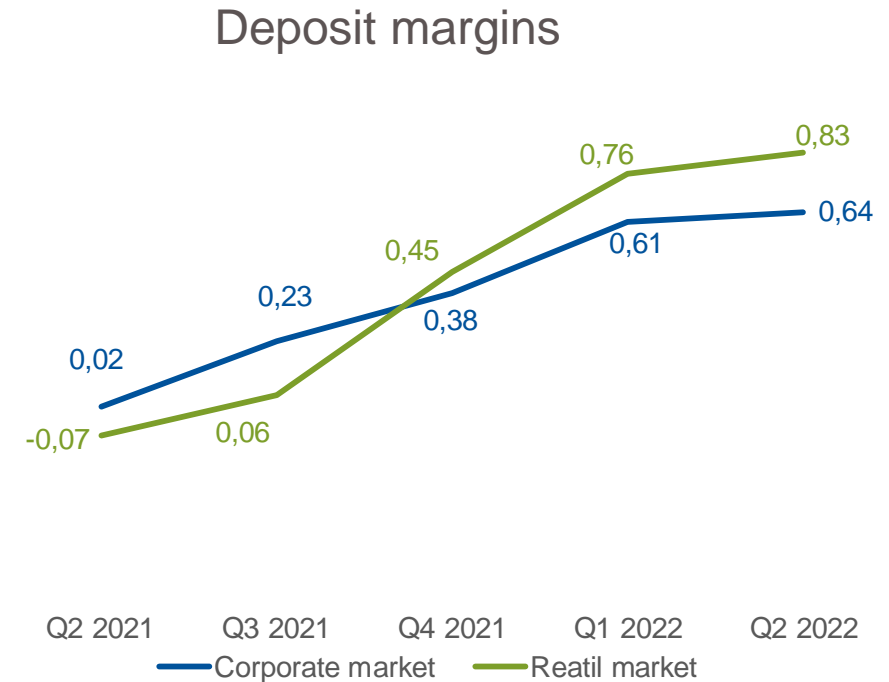
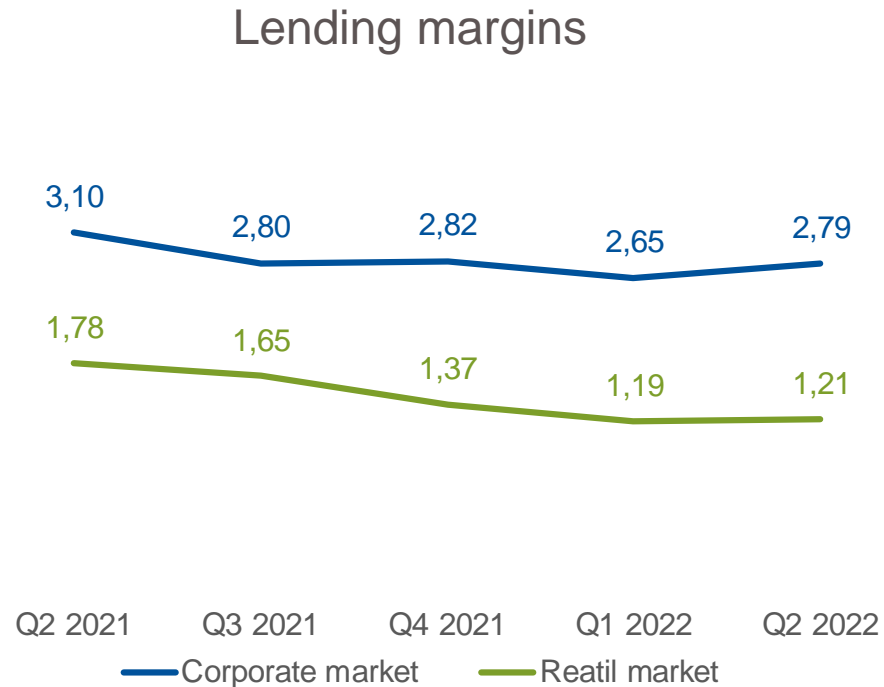
Loans Corporate Market



Deposits Corporate Market



The lending margin to the Corporate Market increased in the last quarter

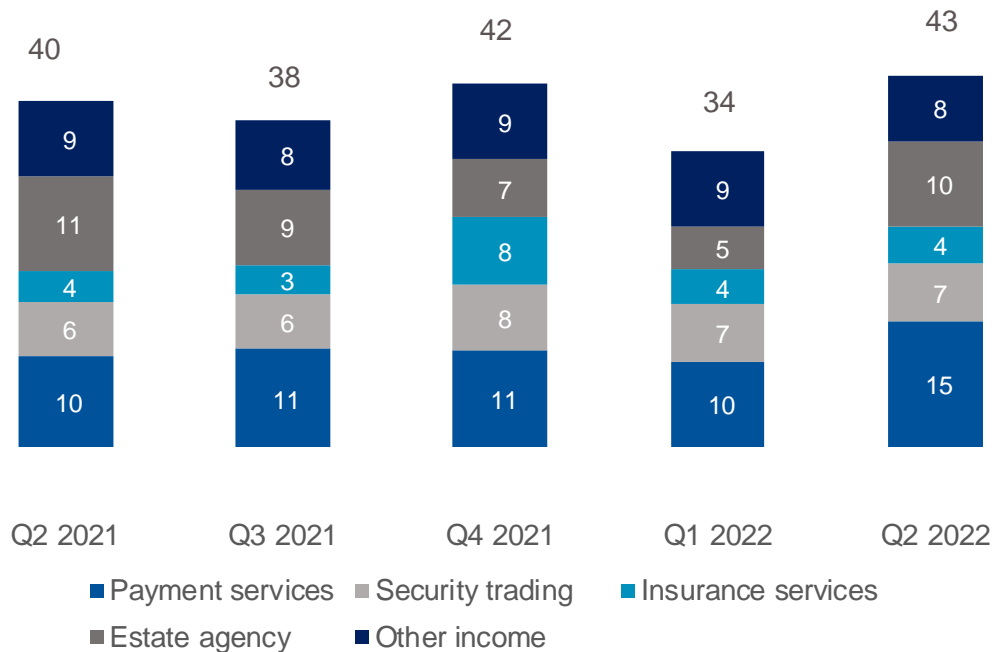


Shows deposit and lending rates for deposits and loans from customers measured against 3 month Nibor. The graph includes both deposit and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

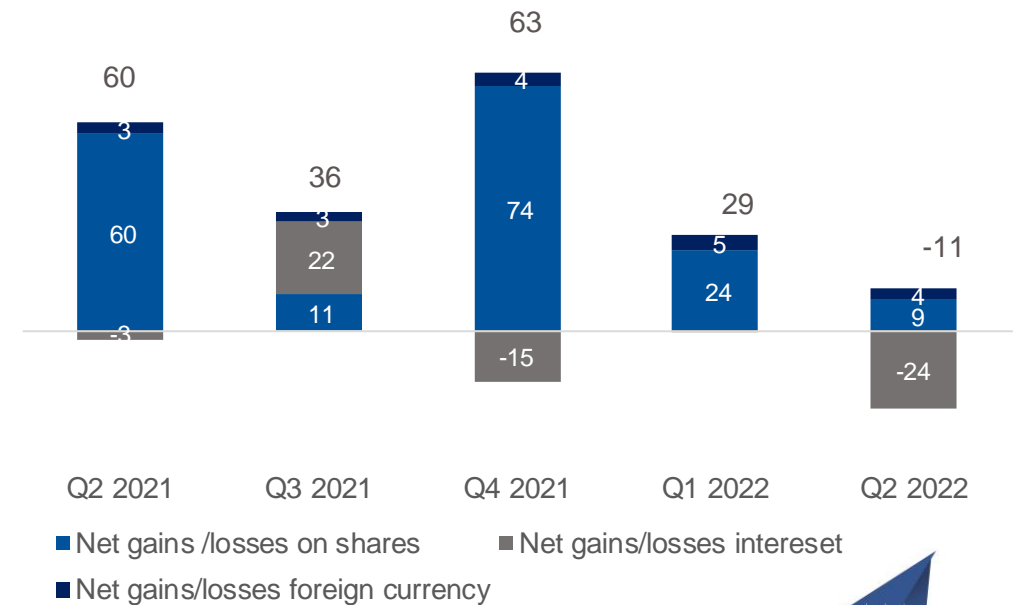
Development in underlying interest rates give a negative result in financial instruments

Increased income from payment services and savings products results in solid growth in other income

Other income



Total income

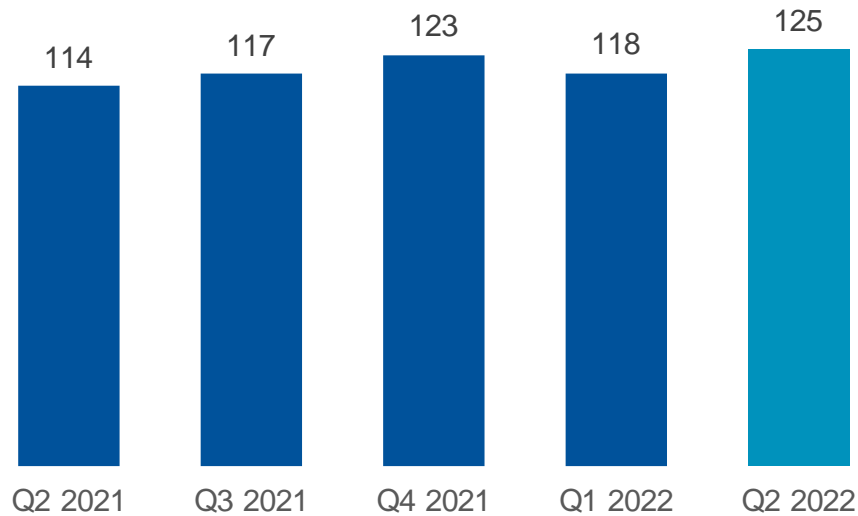


Figures per quarter in mill. NOK.

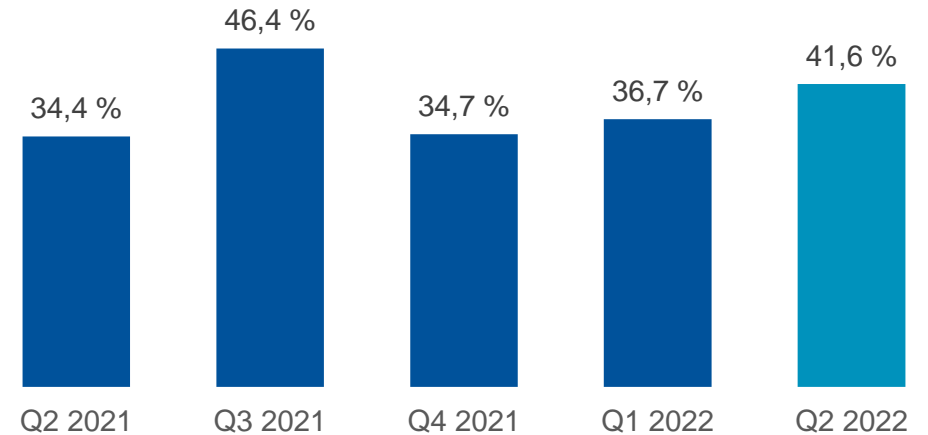
Increase in personnel cost and growth in our business activities result in cost growth

The increase is due to e.g. introduction of an employee equity certificate ownership scheme

Operating expenses



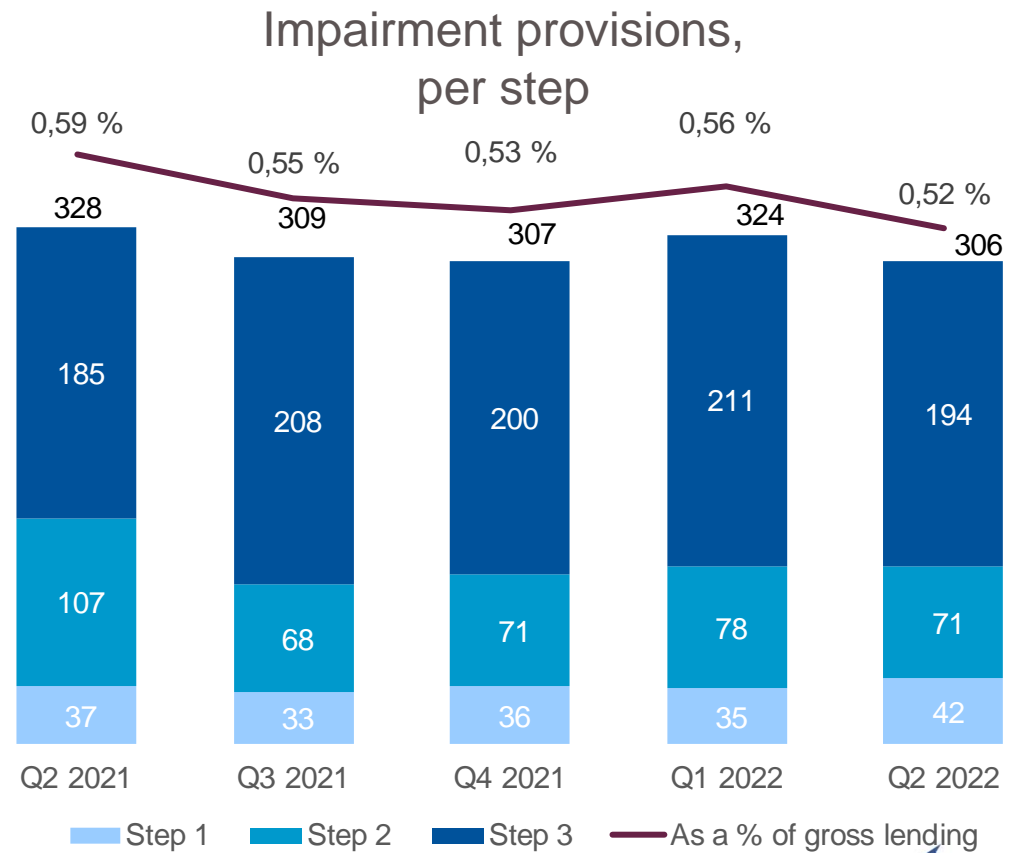
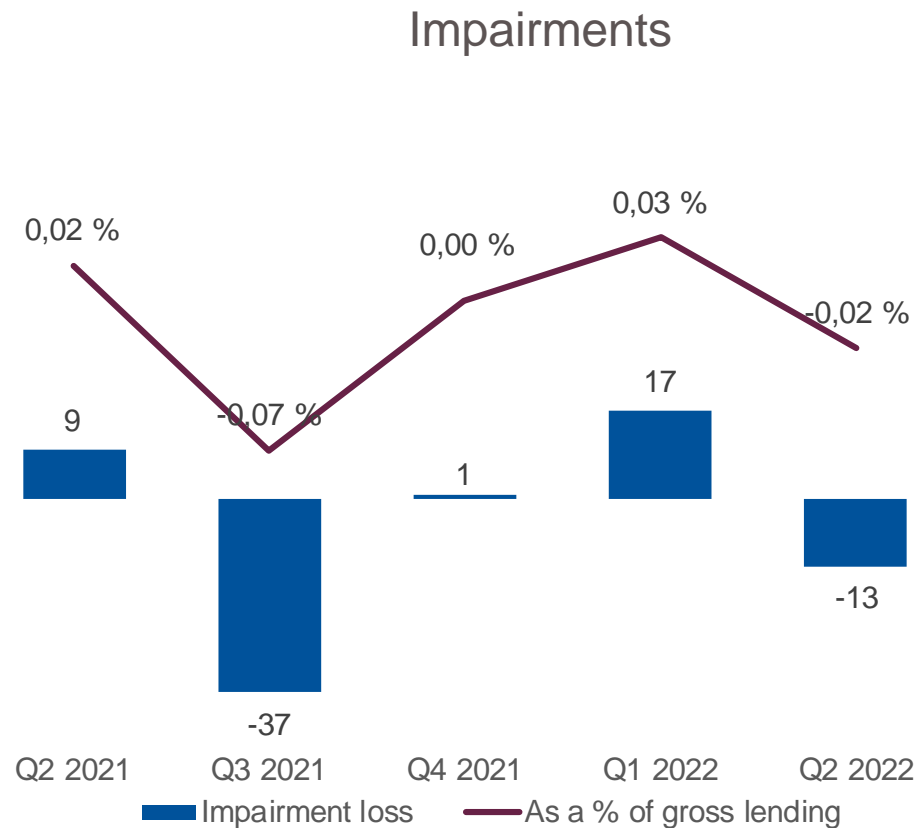
Cost/income ratio



Figures per quarter in mill. NOK.

Loan losses

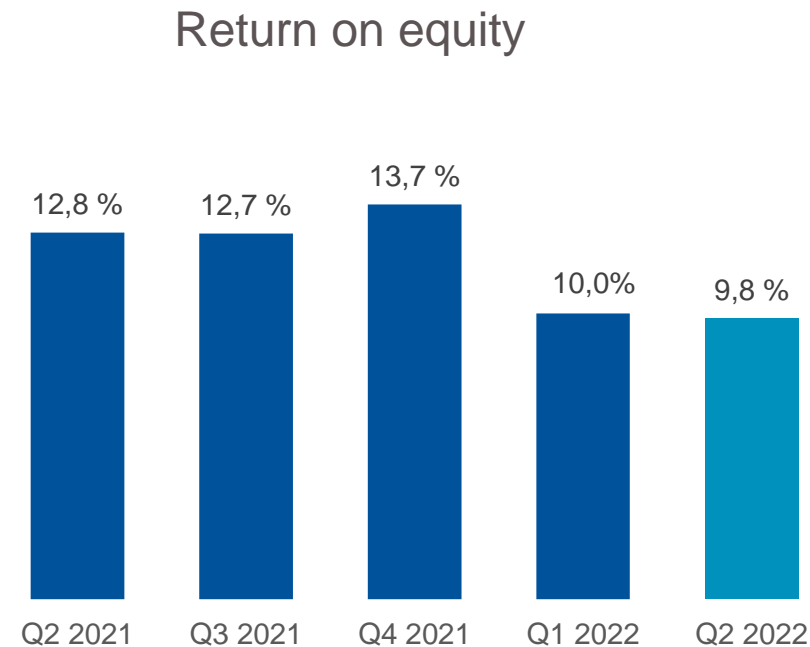
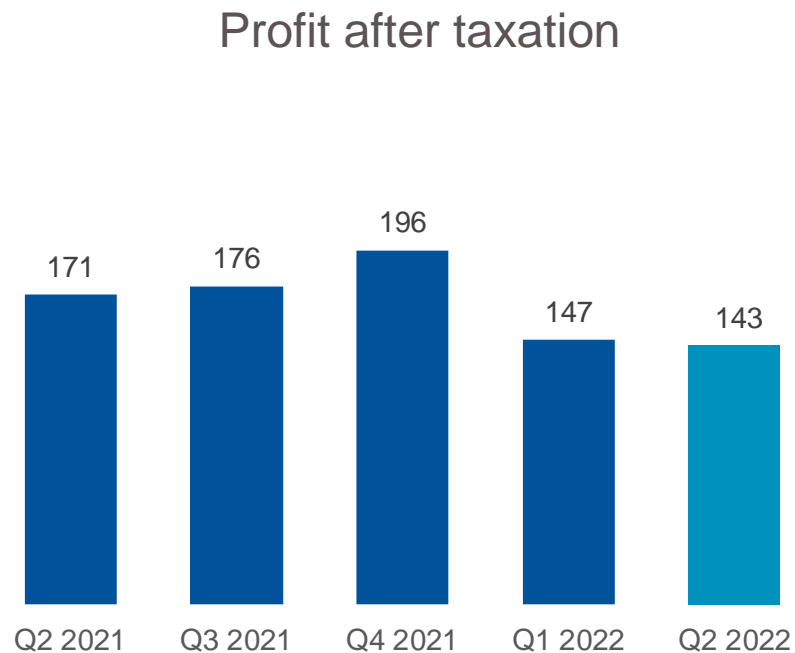
Reversal/income recognition of losses in the quarter



Figures per quarter in mill. NOK.

Satisfactory result

The decline is due to a negative result from financial instruments, against a particularly good result in the second quarter of last year

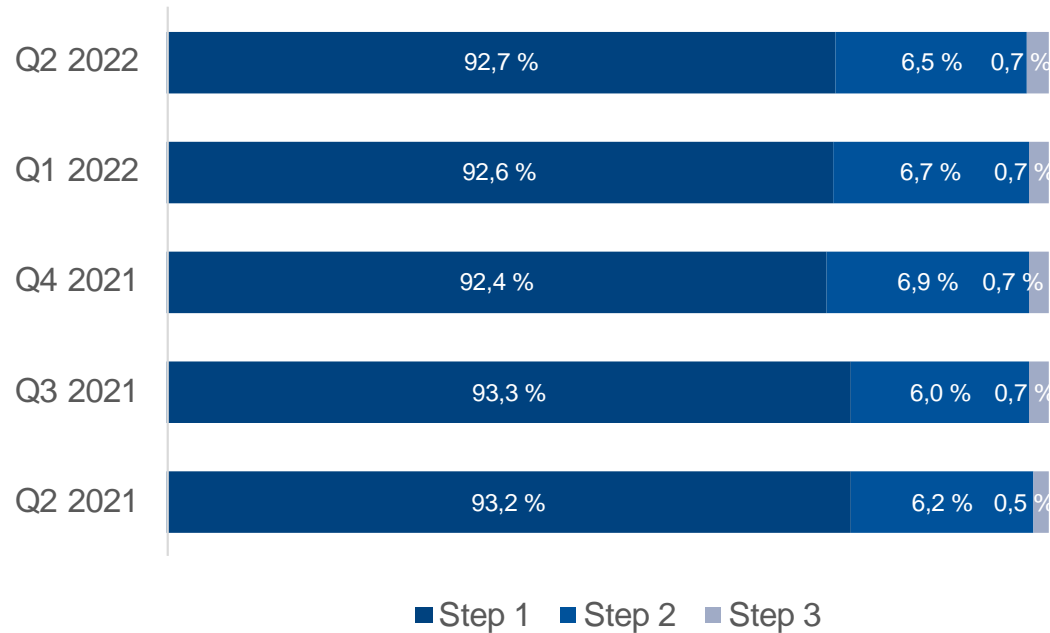


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

Low and stable credit risk in the Retail Market

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

Gross lending RM in % distributed per step



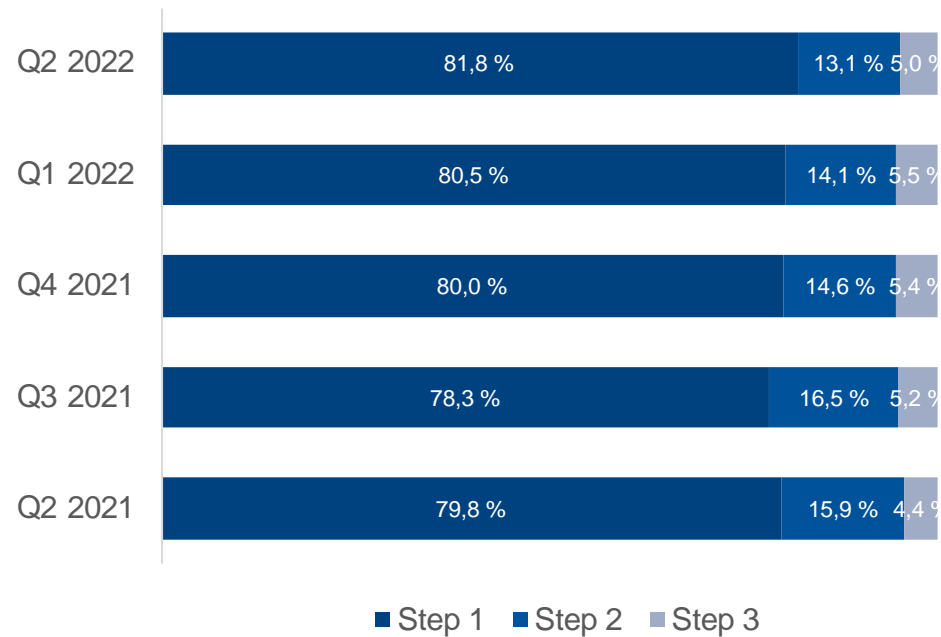
Loans to the RM in default >90 days



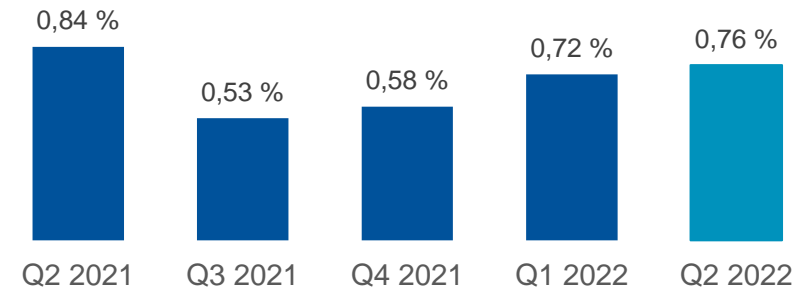
Credit risk Corporate Market

The business community in Sogn og Fjordane is doing well and the credit risk for the Corporate Market is moderat

Gross lending CM in % distributed per step

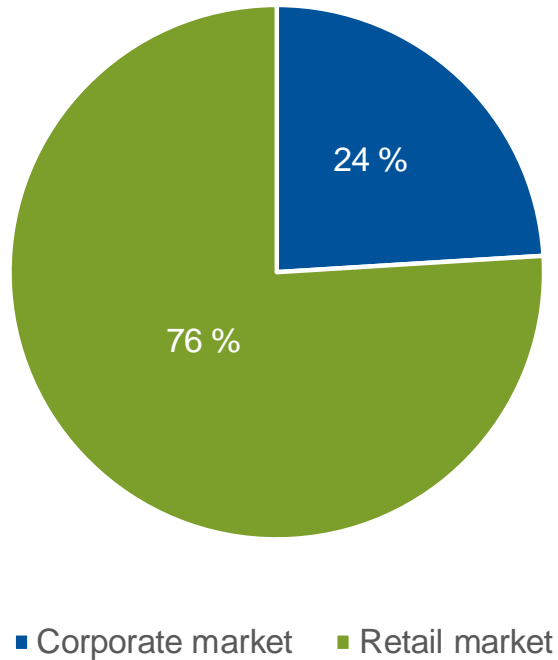


Loans to the corporate market in default > 90 days

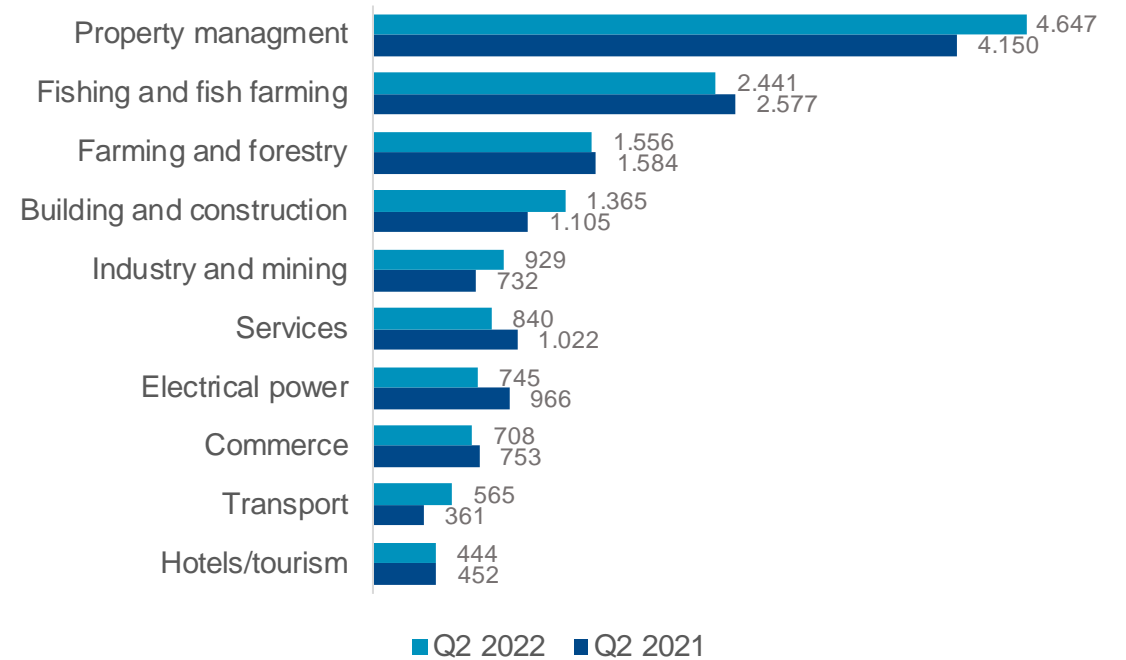


Segments and industries

Lending segments



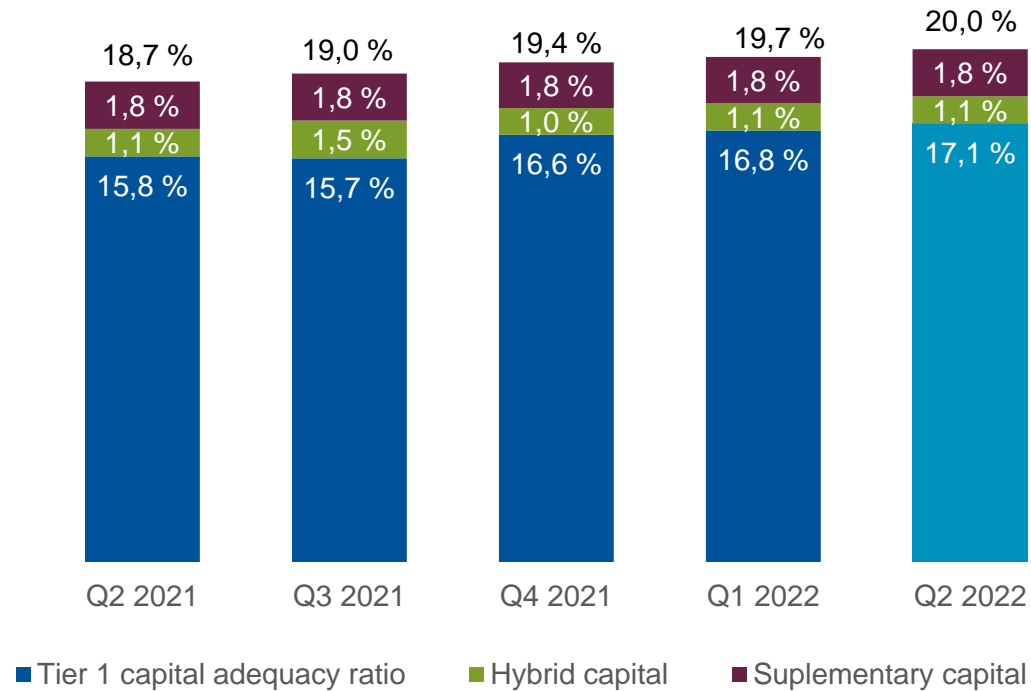
Lendings to the corporate market in NOK mill.



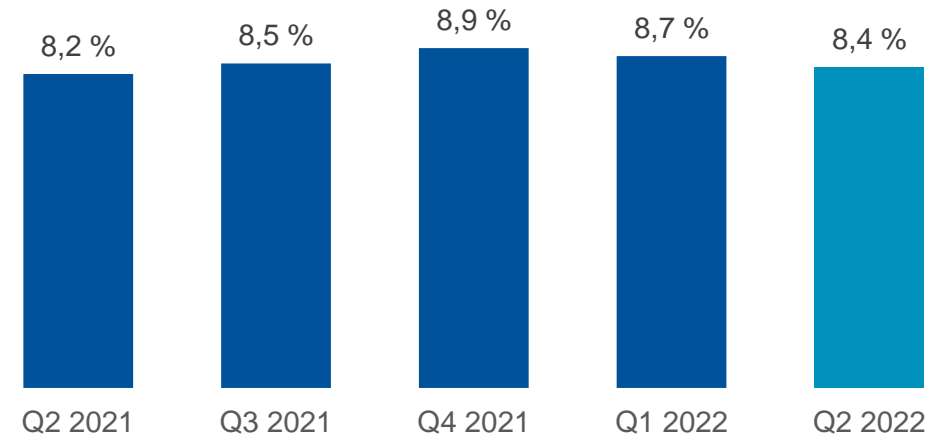
Solid capital adequacy ratio

Capital adequacy is strengthened as a result of the introduction of CRR2/CRD5, while strong lending growth reduces the increase

Capital adequacy ratio

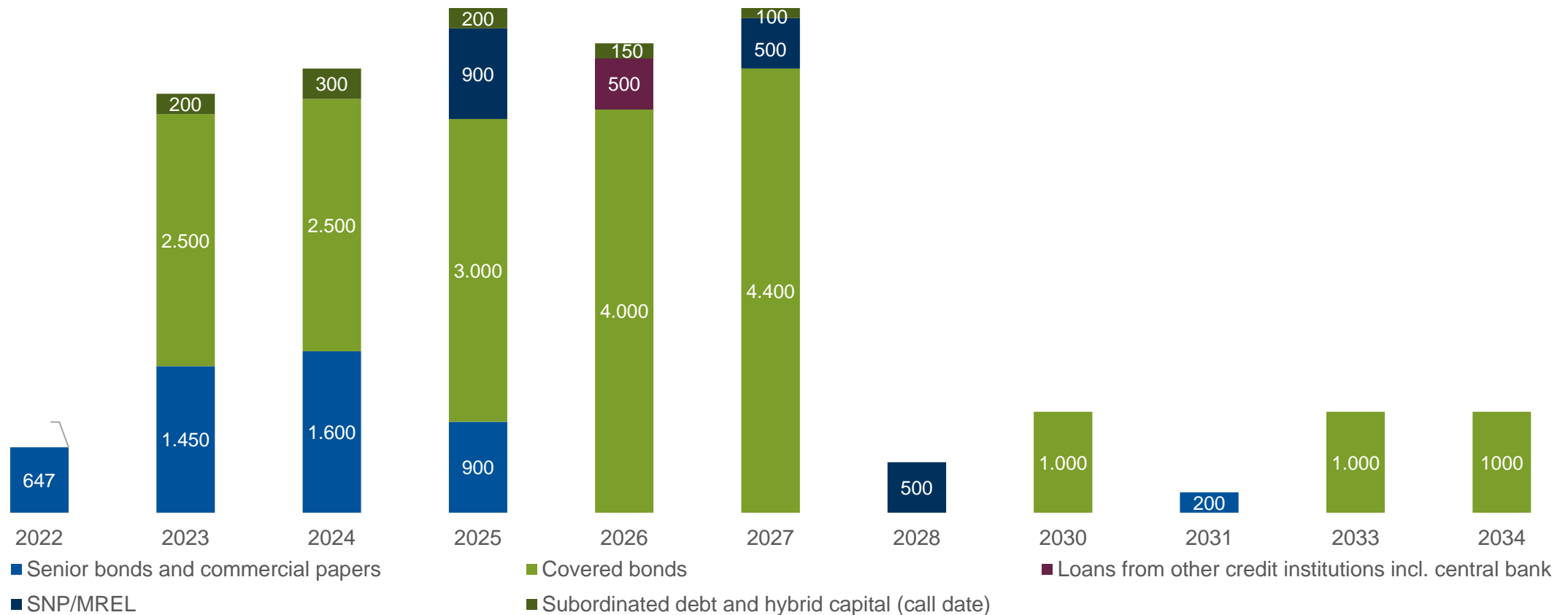


Leverage ratio



Capital adequacy is reported excluding profit so far this year. Including the result as of 30.06 and after proportional deduction of gifts and dividends, core Tier 1 capital adequacy ratio would be 17,7% at the end of Q2 2022.

Maturity structure of funding



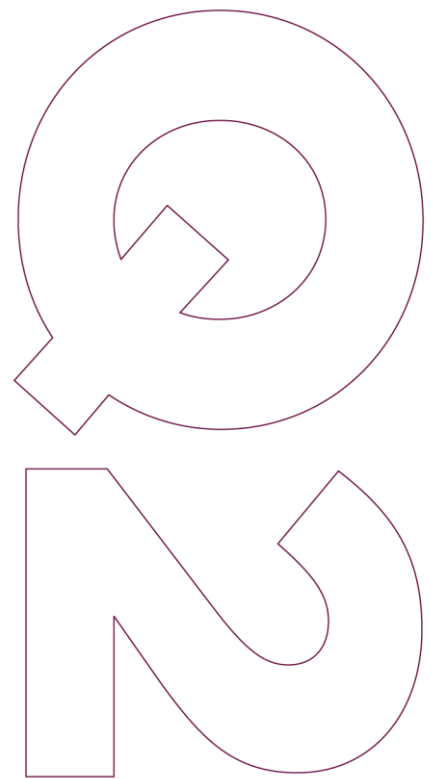
Figures in NOK mill.



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The bank and the community

Q2 2022



We are contributing to the business conference «Heilekonferansen» in Sunnfjord, which will be held on 25 to 26 of August

It has finally been a full-scale festival summer. We are sponsoring Malakoff, Utkant and Førdefestivalen, and nothing pleases us more than happy crowds of people.

On June 15th the local branch in Øvre Årdal moved into new office premises.





Lending milestone to the Private Market

In the second quarter, the bank has 1.0 billion in net lending growth to private customers.

It is the first time we have passed the billion mark in loan growth to private customers in a single quarter.

8 of 10 new customers live outside Sogn og Fjordane.



Market shares in Sogn og Fjordane

Retail Market* **47,9 %**

Corporate Market* **34,2 %**

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

* Market share: Figures as of Q1 2022

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

2 million extra to BUA

Free lending of activity equipment has been a success.

In January 2021 Sparebankstiftinga Sogn og Fjordane, which gives gifts from the surplus of Sparebanken Sogn og Fjordane, set aside NOK 1,9 million for the establishment of BUA equipment centers and other similar lending schemes in the municipalities of Sogn og Fjordane.

Now they have added 2 millions extra, and the funds have already been distributed.



In the picture: Magn Henning Helgås surprises Bua Sunnfjord with Hilde Iren Rivedal.

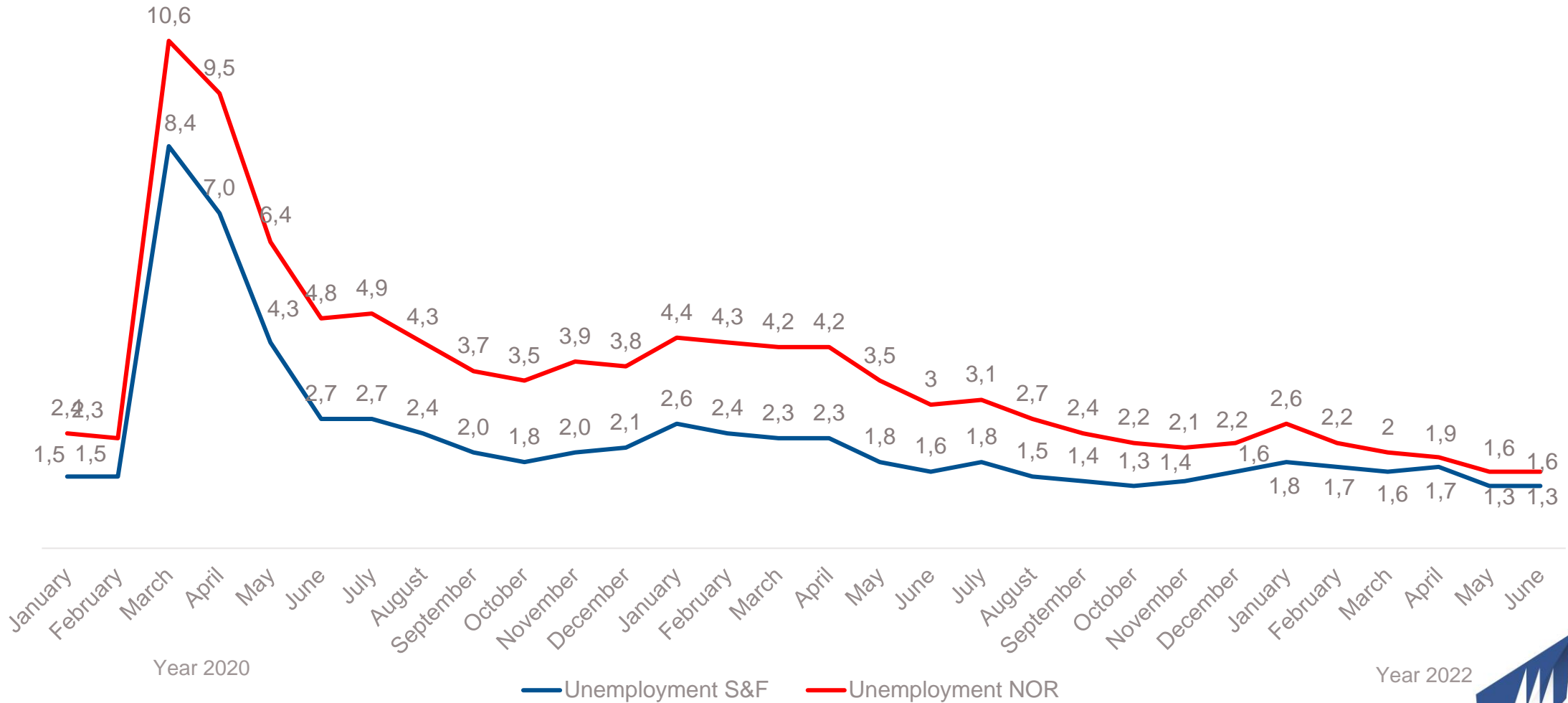
A meeting place for the business community

After two years of pandemic, it is good to meet again. We started June with a breakfast meeting for the business community in Sunnfjord

At the same meeting we gave NOK 750 000 of our surplus to Framtidsfylket, which will be used for recruitment courses for the business community in the region.



Unemployment in Sogn og Fjordane is low



Contact information

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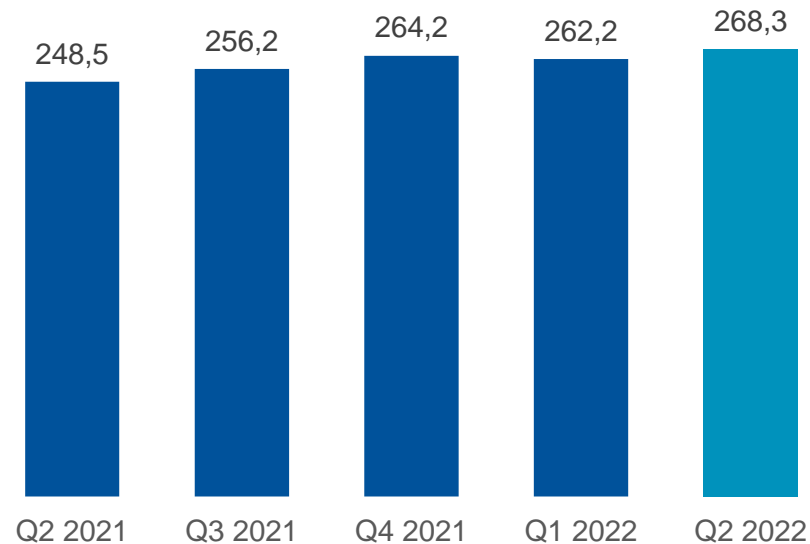


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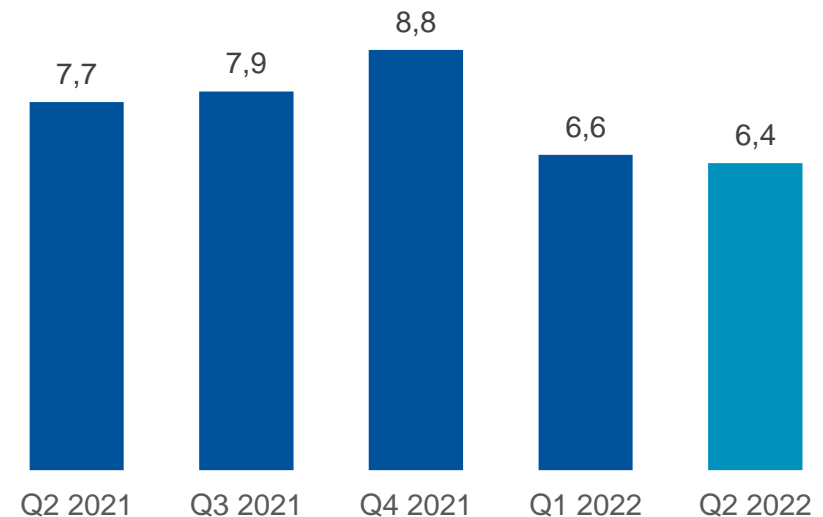
Attachments

Book value per equity certificate

Book value per equity certificate



Profit before taxation per equity certificate



Figures in NOK per quarter

Consolidated financial results by quarter

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net interest income	268	257	250	235	231
Other operating income	43	34	42	38	40
Dividends and gains/losses on financial instruments	- 11	29	63	36	60
Net other operating income	32	63	105	74	100
Total revenues	300	320	355	309	331
Operating expenses	125	118	123	117	114
Profit/loss before impairment loss and net gain on fixed assets	175	203	232	192	217
Impairment loss	- 13	17	1	- 37	9
Profit/loss before taxation	188	186	231	229	208
Tax expense	45	39	35	53	37
Profit/loss after taxation	143	147	196	176	171
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	143	147	196	176	171

Consolidated financial results by quarter

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net interest income	229	233	223	202
Other operating income	37	37	34	35
Dividends and gains/losses on financial instruments	14	27	7	129
Net other operating income	51	64	41	164
Total revenues	279	297	264	366
Operating expenses	130	141	114	111
Profit/loss before impairment loss and net gain on fixed assets	149	155	149	254
Impairment loss	- 9	- 1	26	6
Profit/loss before taxation	159	156	124	248
Tax expense	36	37	29	29
Profit/loss after taxation	123	119	95	219
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	123	119	95	219

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	H1 2022	H1 2021	Full-year 2021
INCOME STATEMENT			
Net interest income	525	459	945
Dividends and gains/losses on financial instruments	18	74	173
Other operating income	77	77	157
Operating expenses	242	243	483
Profit/loss before loan impairment loss (incl. securities)	378	367	791
Profit/loss before impairment loss (excl. securities)	360	294	618
Impairment loss	4	0	- 37
Profit/loss before taxation	374	367	827
Tax expense	84	73	161
Profit/loss after taxation	290	294	666
Other comprehensive income	0	0	0
Comprehensive income	290	294	666
BALANCE SHEET			
Assets			
Gross loans and advances to customers	59 468	55 861	57 651
Loss allowance	- 306	- 328	- 307
Security investments (shares, fixed income funds, commercial paper and bonds)	8 973	8 753	7 368
Debt and equity			
Deposits from and debt to customers	35 335	32 036	32 536
Debt securities and debt to credit institutions	26 327	26 593	25 835
Equity	6 340	5 885	6 249
Total assets	69 582	65 690	65 808
Average total assets	67 123	63 964	64 604

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	H1 2022	H1 2021	Full-year 2021
Net interest margin	1,58 %	1,45 %	1,46 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,23 %	0,24 %	0,24 %
Operating expenses as a % of average total assets	0,72 %	0,76 %	0,75 %
Profit/loss before impairment loss as a % of average total assets	1,13 %	1,15 %	1,22 %
Profit/loss before tax as a % of average total assets	1,11 %	1,15 %	1,28 %
Profit/loss after tax as a % of average total assets	0,86 %	0,92 %	1,03 %
Comprehensive income as a % of average total assets	0,86 %	0,92 %	1,03 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	40,25 %	45,27 %	43,87 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	39,08 %	39,81 %	37,93 %
Impairment loss as a % of gross loans	0,01 %	0,00 %	- 0,06 %
Return on equity before tax 1)	12,67 %	13,65 %	15,38 %
Return on equity after tax 1)	9,83 %	10,94 %	12,39 %
Pre-tax return on equity (comprehensive income) 1)	9,83 %	10,94 %	12,39 %
Consolidated comprehensive income per equity certificate, in NOK	12,98	13,20	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	19,95 %	18,69 %	19,44 %
Core capital adequacy ratio	18,12 %	16,85 %	17,66 %
Core Tier 1 capital adequacy ratio	17,05 %	15,78 %	16,62 %
Leverage ratio	8,37 %	8,18 %	8,86 %
Liquidity Coverage Ratio (LCR)	166 %	194 %	140 %
NSFR consolidated	127 %		
NSFR parent company	144 %		
Balance sheet history			
Growth in total assets (year-on-year)	5,92 %	7,10 %	5,02 %
Growth in gross customer lending (year-on-year)	6,46 %	5,27 %	5,04 %
Growth in customer deposits (year-on-year)	10,30 %	3,99 %	6,10 %
Deposits as a % of consolidated gross lending	59,42 %	57,35 %	56,44 %
Deposits as a % of parent company's gross lending	104,17 %	98,14 %	94,84 %
Employees			
Full-time equivalent employees	276	271	273