



*sparebanken
sogn og fjordane*



Investor presentation

Q3- 2022

Headlines Q3 2022

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



Good growth in loans to the Retail Market: 7,0 % over the past year



Increase in net interest income: NOK 291 mill. (NOK 235 mill.)



Negative results from financial instruments: NOK -18 mill (NOK 36 mill.)



Loan losses: NOK 2 mill. (against reversals recognised as income NOK 37 mill)



Solid liquidity and solidity:

- **LCR 135 % (153 %)**
- **Core Tier 1 Capital adequacy ratio: 16,8 % (15,7 %)**



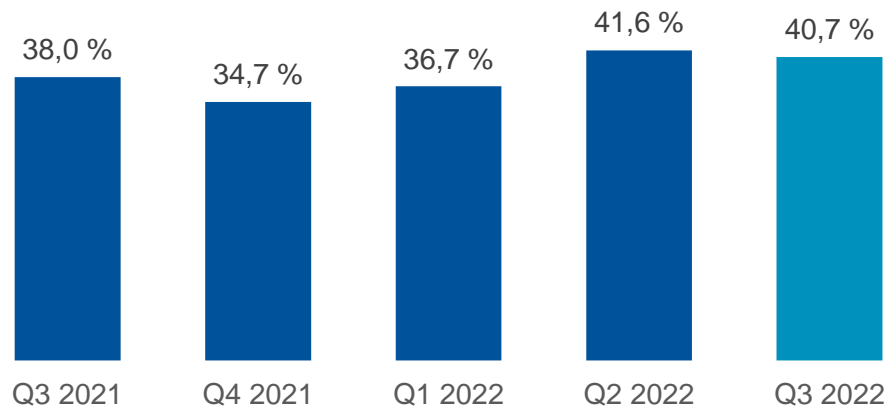
Profit per equity certificate (consolidated): kr 6,42 (kr 7,91)



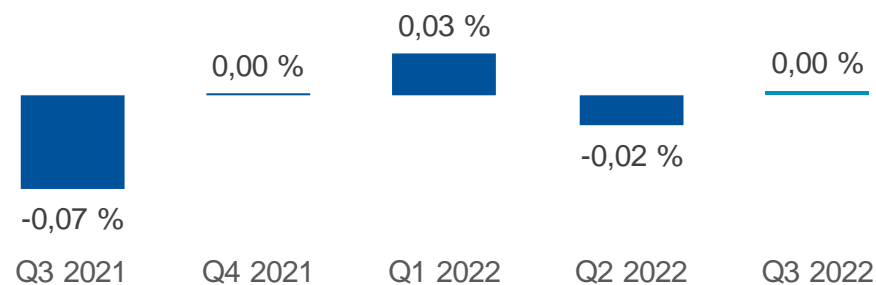
Return on equity: 9,6 % p.a. (12,7 % p.a.)

Development important key figures

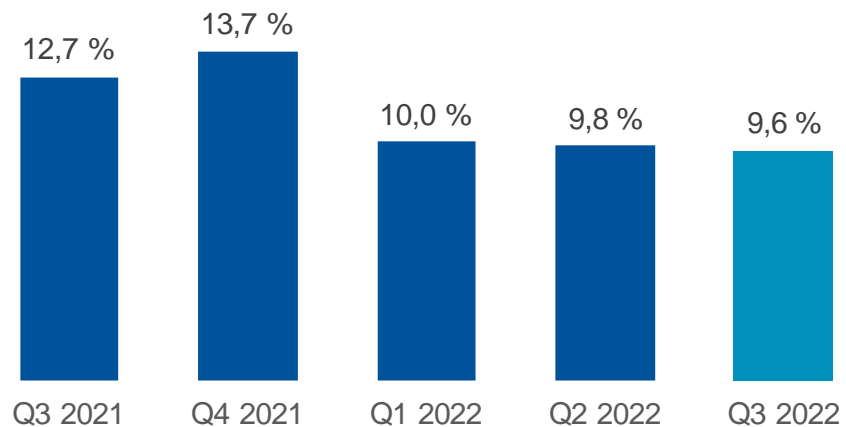
Cost/income ratio



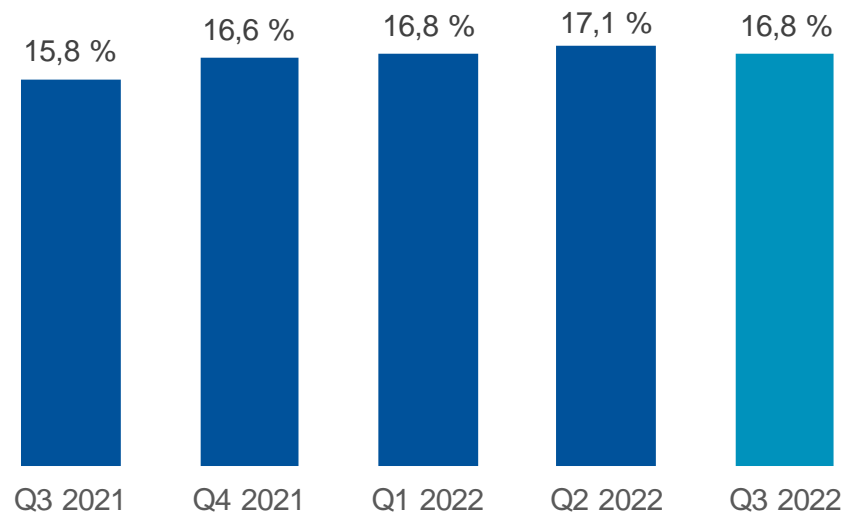
Impairment loss



Return on equity



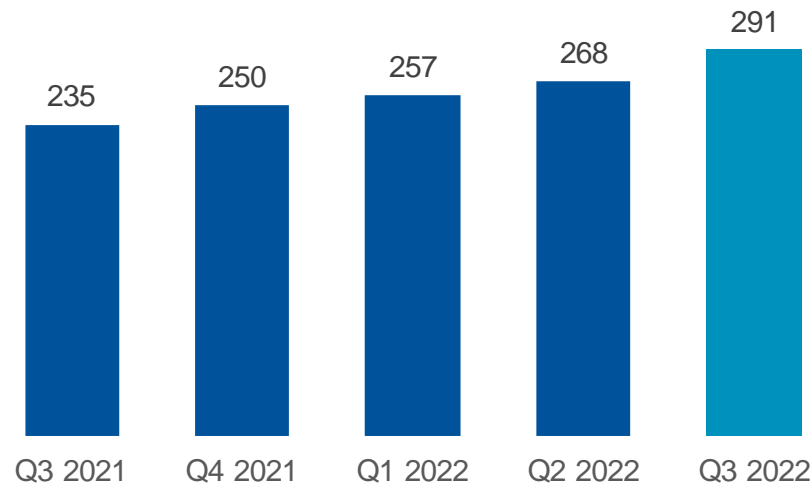
Core Tier 1 capital adequacy ratio



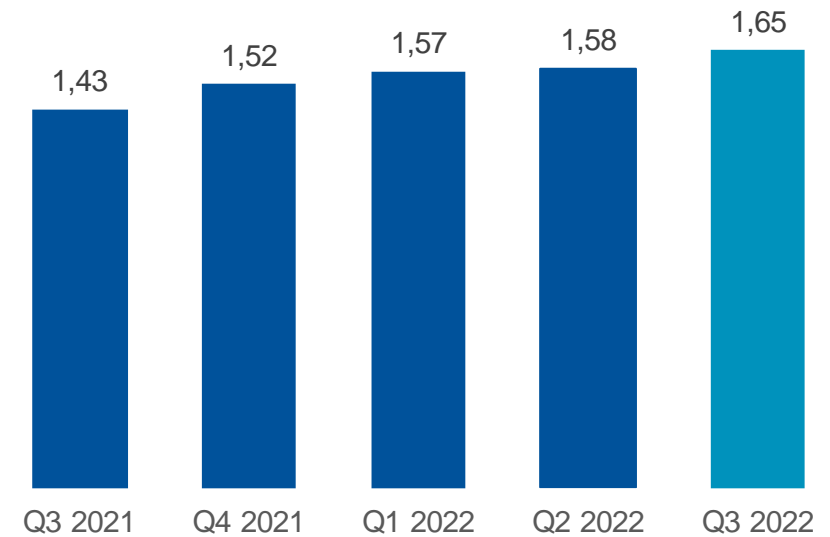
Solid growth in net interest income

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

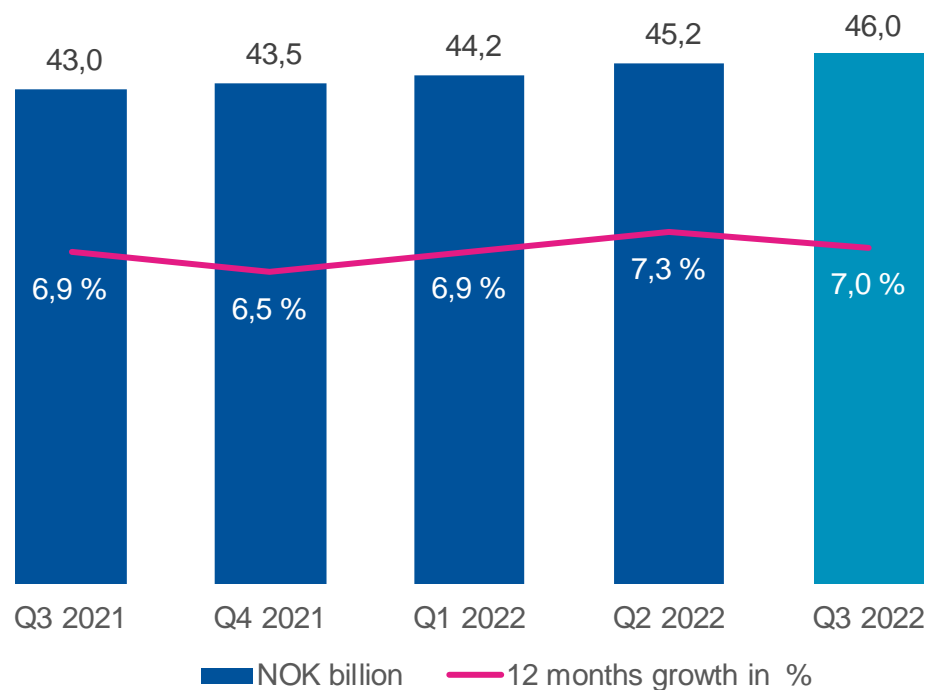


Net interest income in NOK million and as a percentage of average total assets

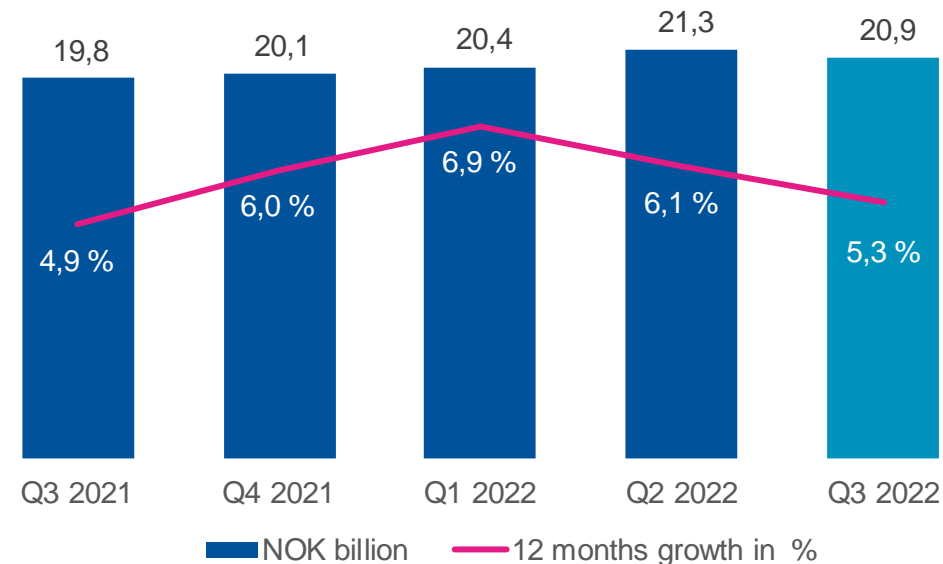
Nice growth in the Retail Market

The bank is working hard to attract new customers, particularly in the Retail Market

Loans retail market

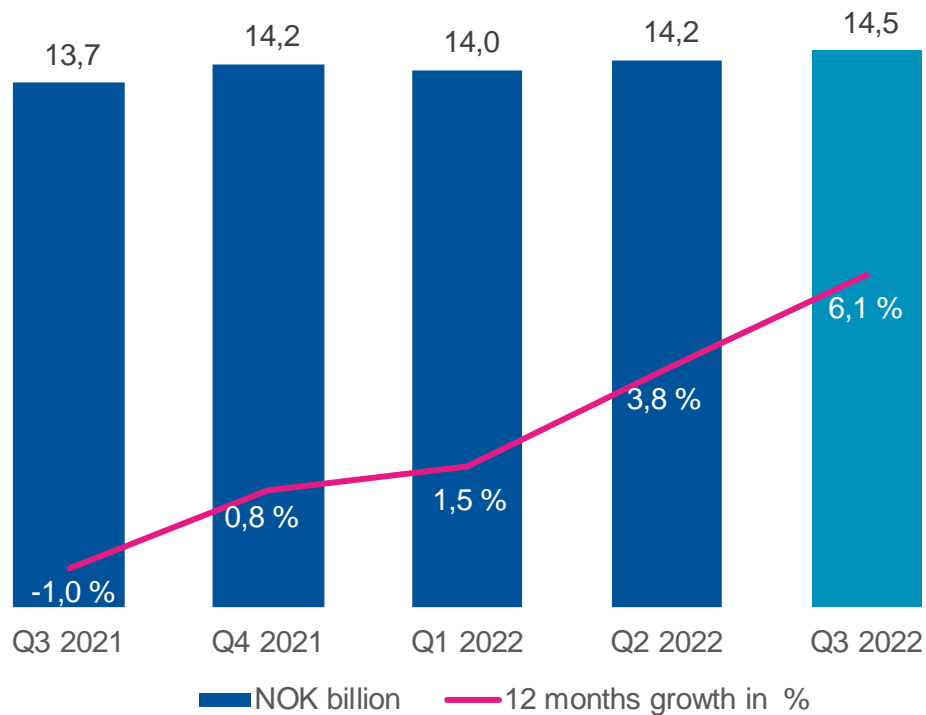


Deposits retail market

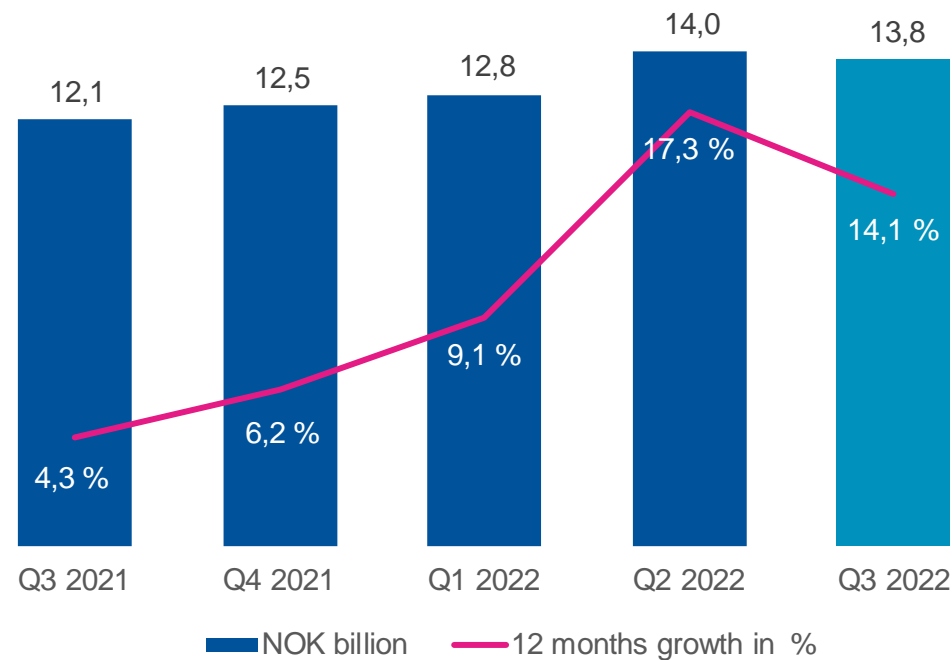


Good growth in the Corporate Market

Loans Corporate Market



Deposits Corporate Market



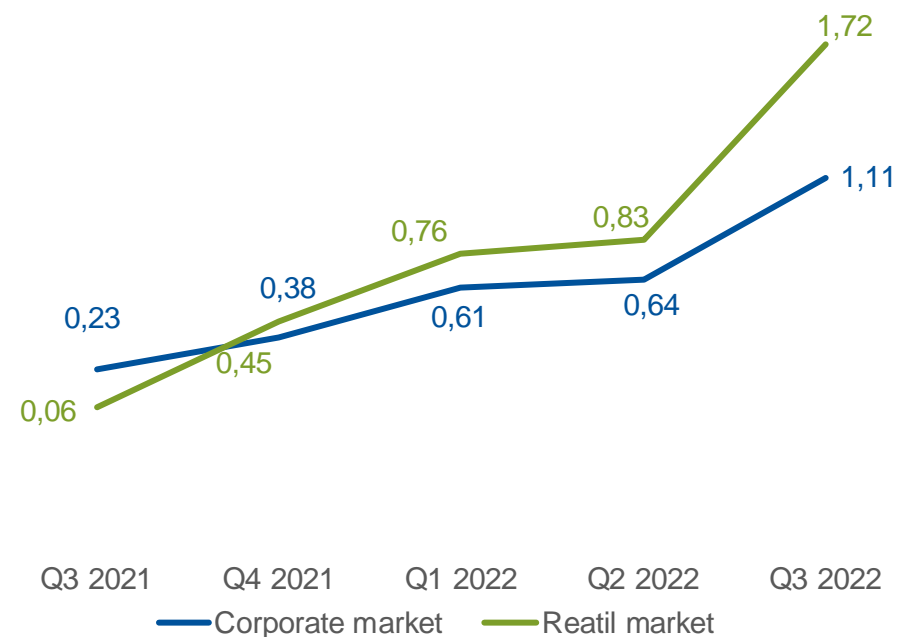
Customer margins are changing

Two new interest rate increases have been announced. First with main effect from October 10th, and the next interest rate change has main effect from November 9th

Lending margins



Deposit margins

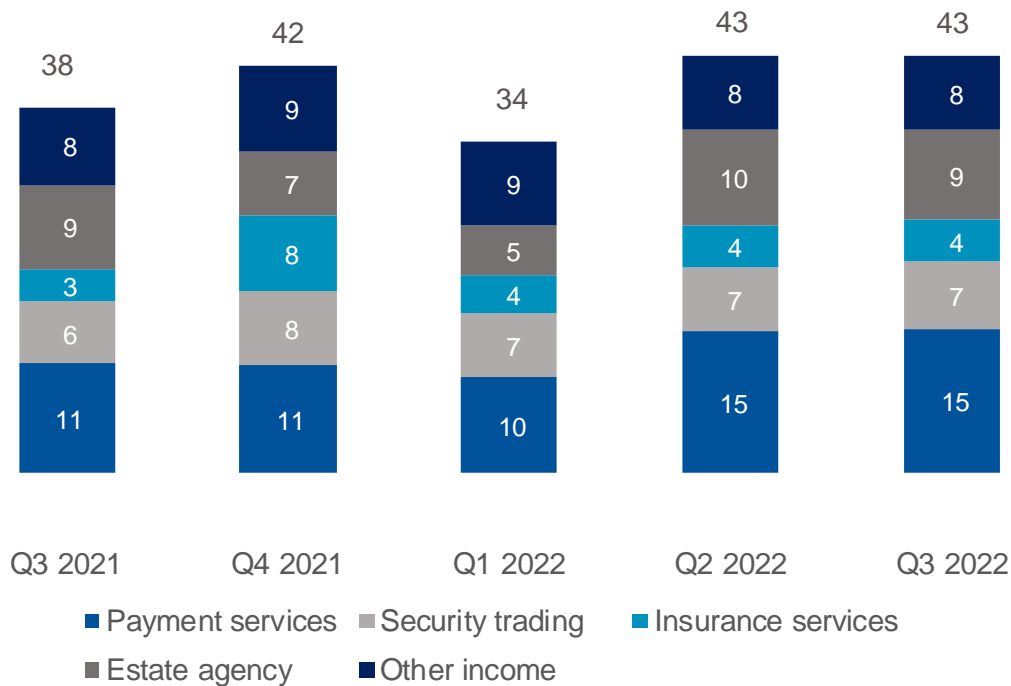


Shows deposit and lending rates for deposits and loans from customers measured against 3 month Nibor. The graph includes both deposit and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

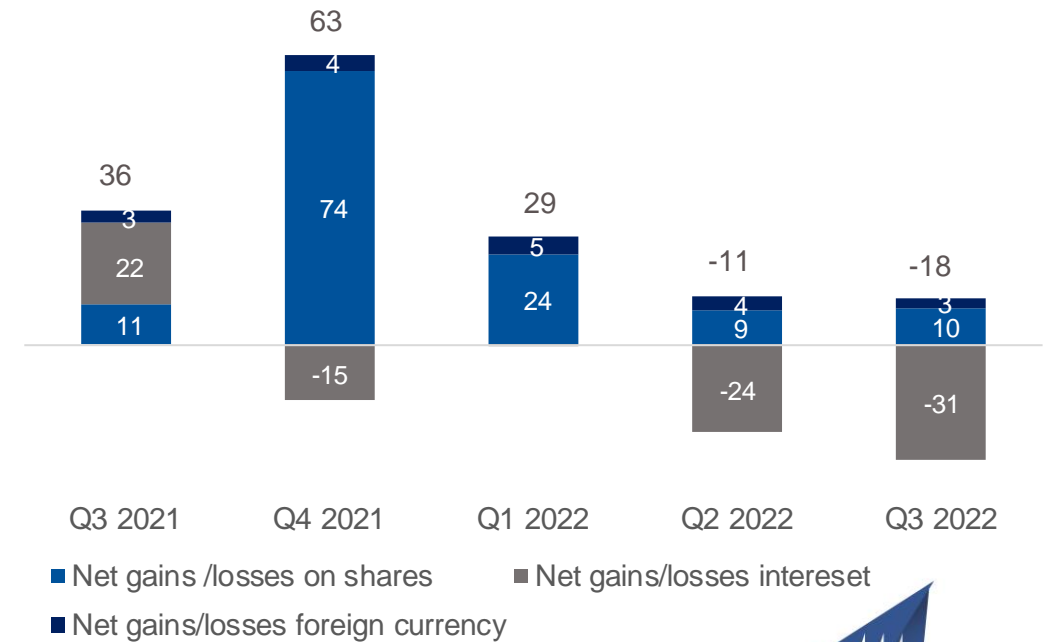
Decrease in net other income is related to financial instruments and underlying interest rates

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

Other income



Total income

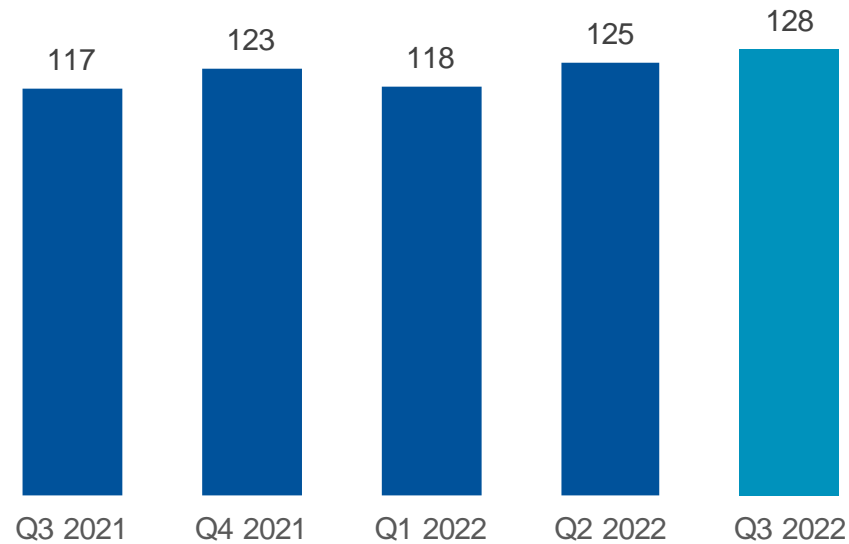


Figures per quarter in mill. NOK.

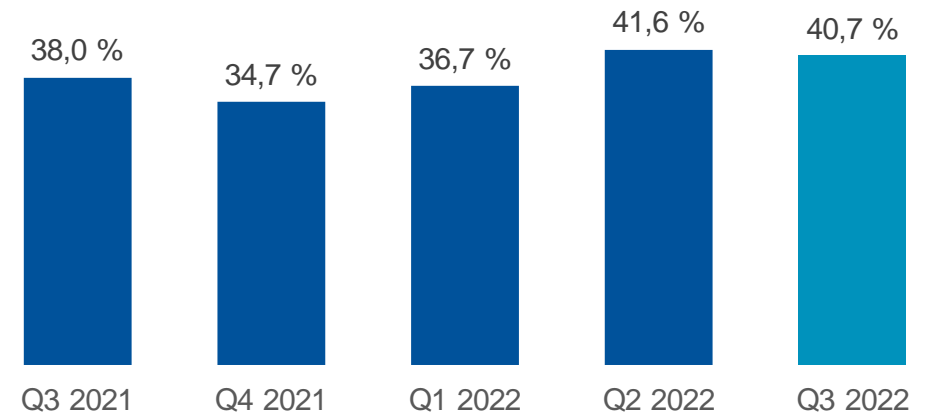
Increase in operating costs

Due to general wage growth, inflation, growth in our business and IT costs linked to joint strategic projects within our partnership with Frende

Operating expenses



Cost/income ratio

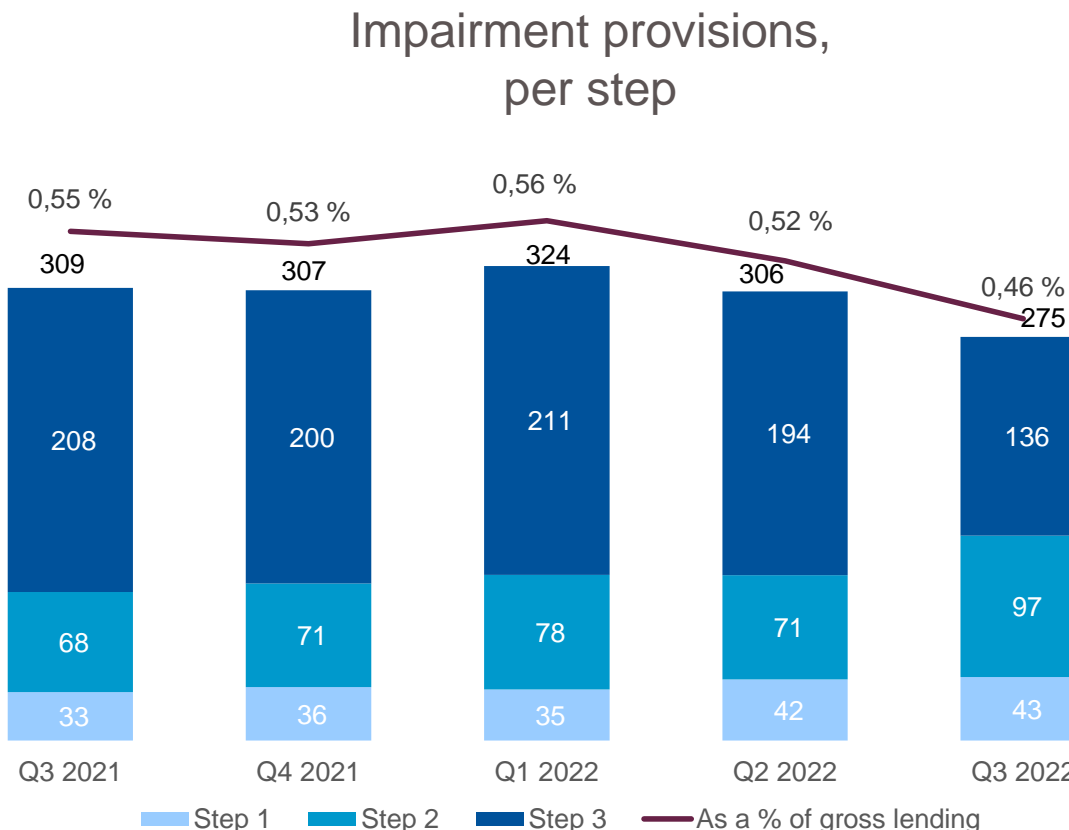
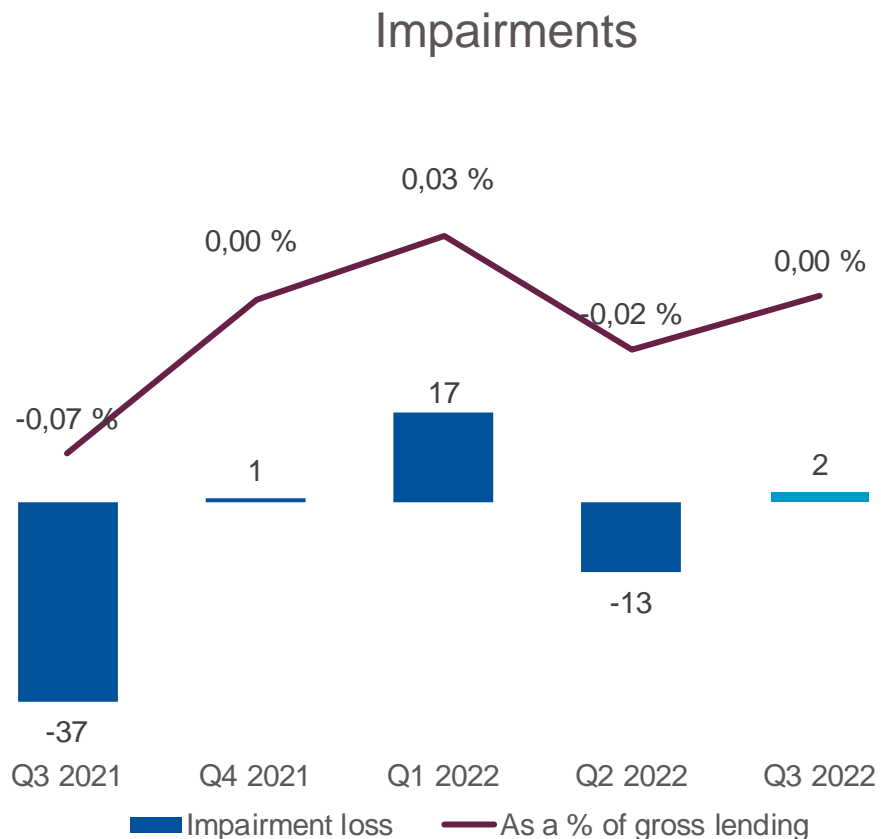


Figures per quarter in mill. NOK.

Reduction in impairment provisions

The reduction in the impairment provisions is mainly due to improvements in individual impairments.

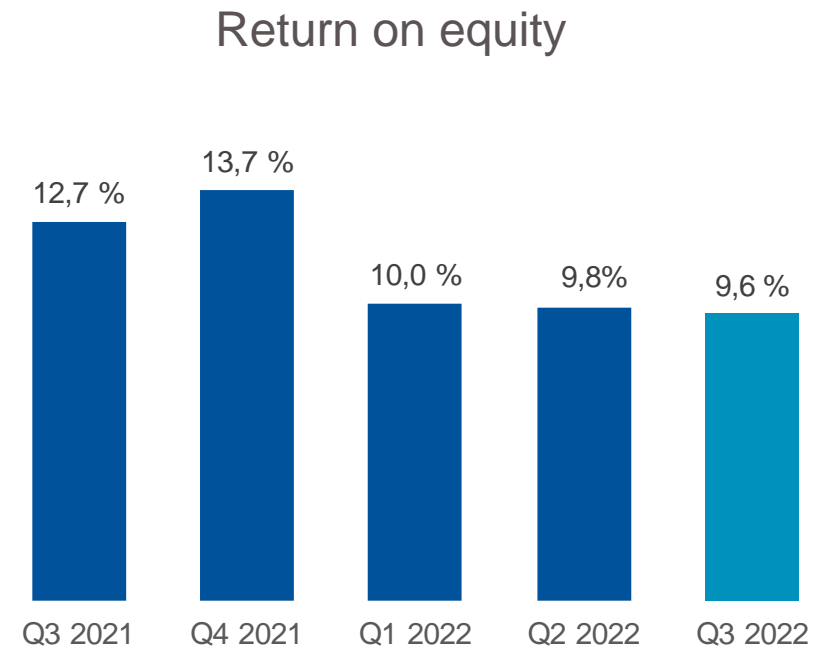
Meanwhile, model based impairments rose on account of macroeconomic conditions



Figures per quarter in mill. NOK.

Good result

The decline in profit from Q2 last year is due to the negative contribution from financial instruments, and that last year we had reversals of expected credit losses

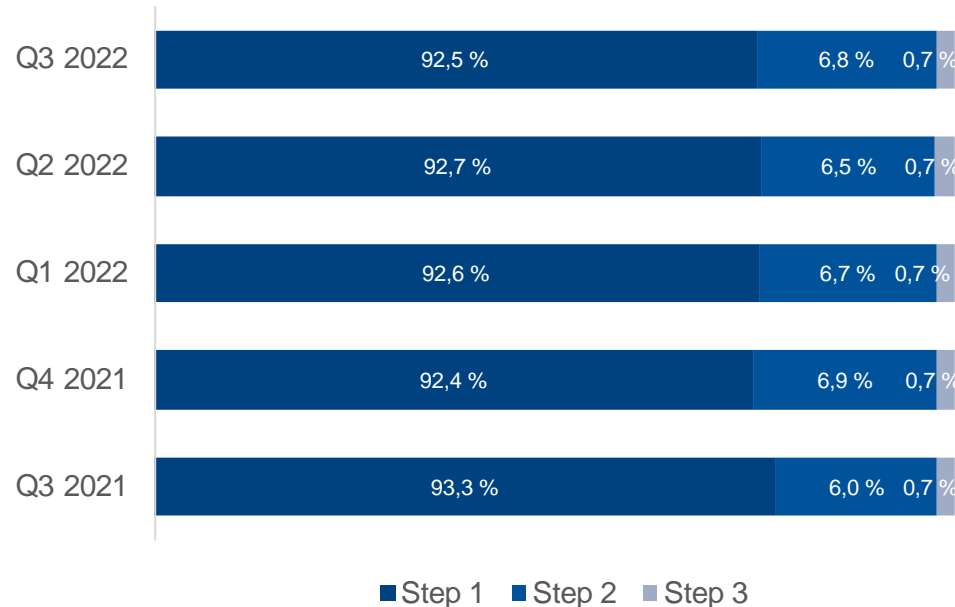


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

Credit risk in the Retail Market is assessed as low

Due to developments in the macroeconomic situation with high interest rates and high general inflation, it is expected that the credit risk will increase somewhat going forward

Gross lending RM in % distributed per step



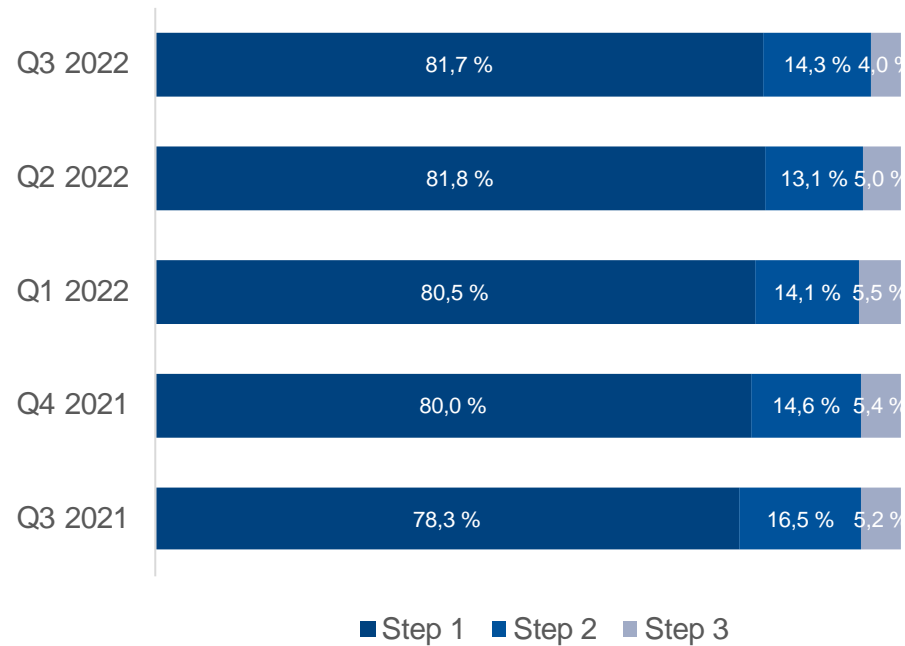
Loans to the RM in default >90 days



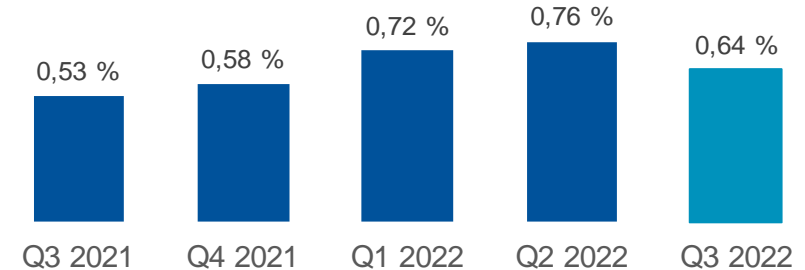
Credit risk Corporate Market is moderate

We are close to the customers and monitor how the macroeconomic situation has an impact on the business community in Sogn og Fjordane

Gross lending CM in % distributed per step

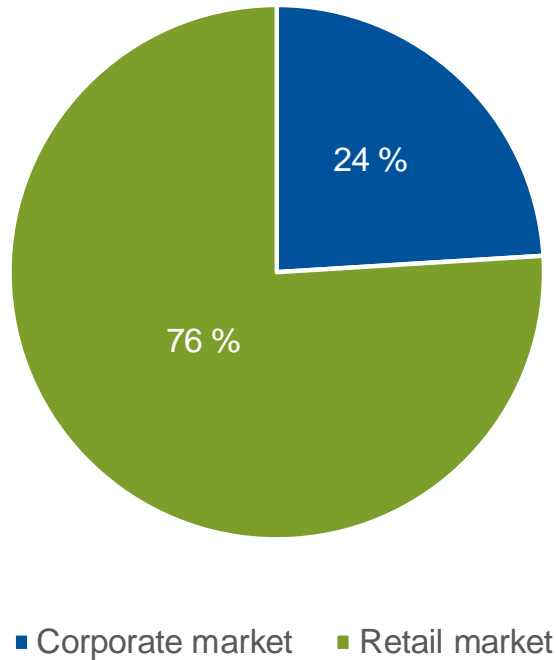


Loans to the corporate market in default > 90 days

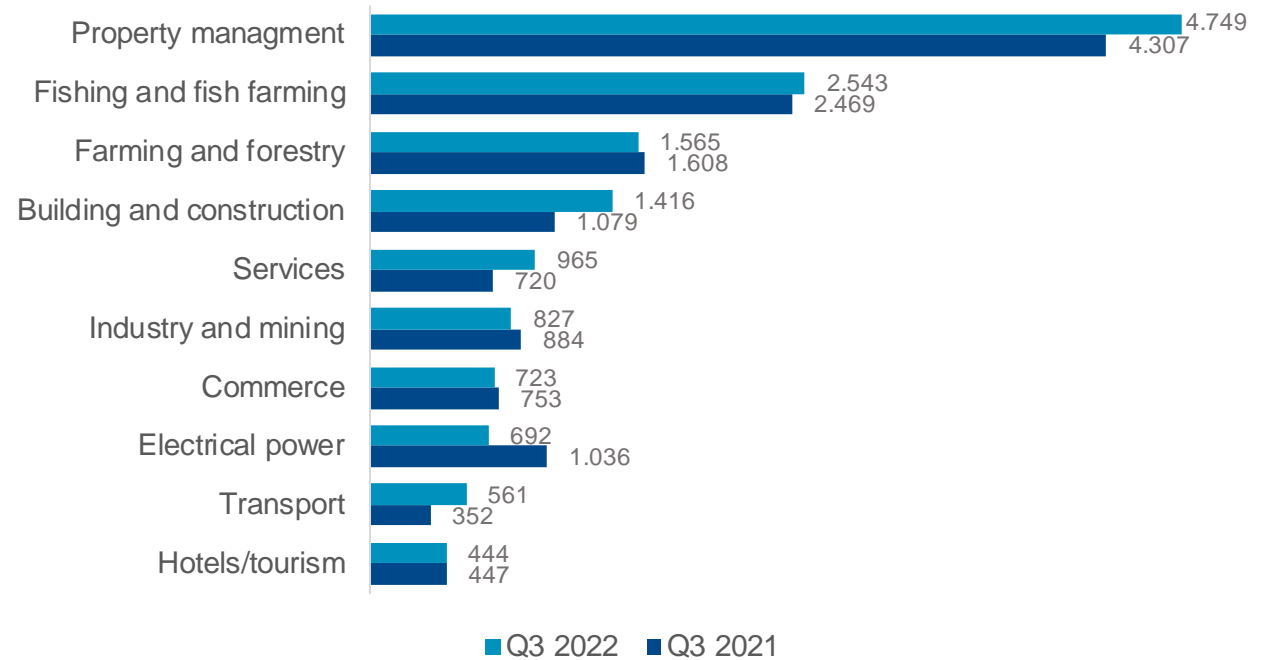


Segments and industries

Lending segments

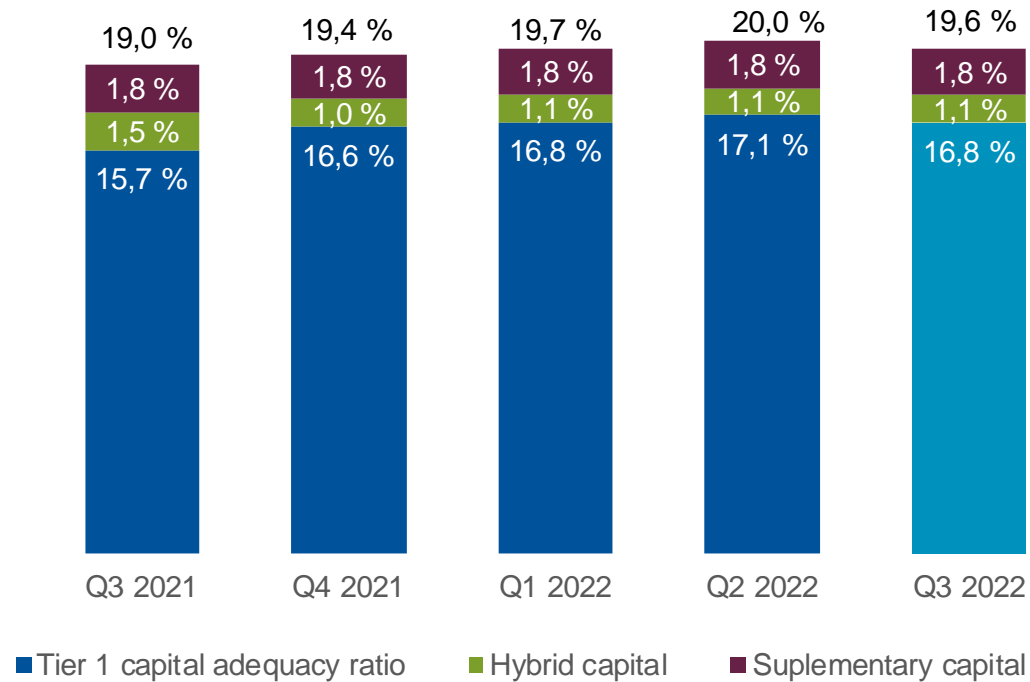


Lendings to the corporate market in NOK mill.

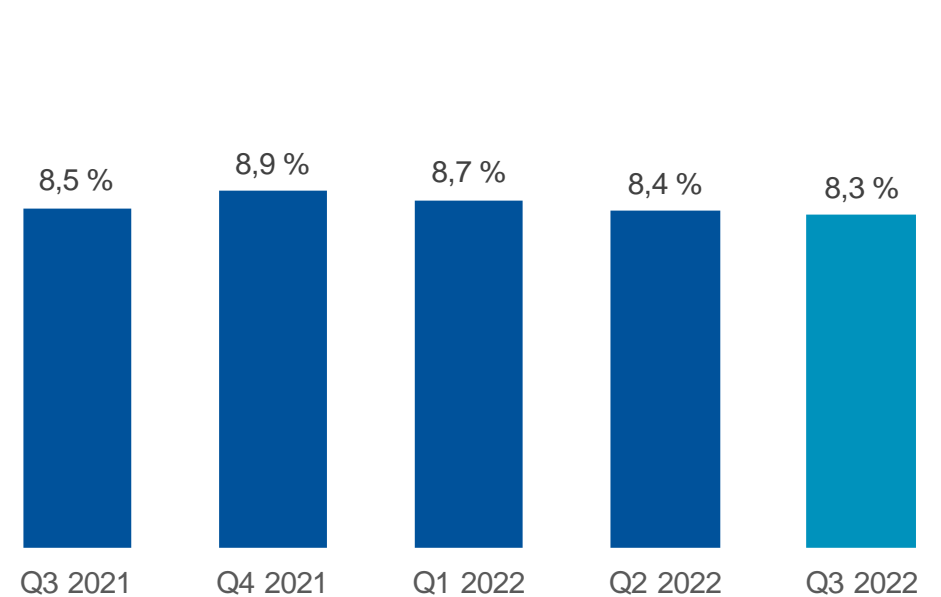


Solid capital adequacy ratio

Capital adequacy ratio

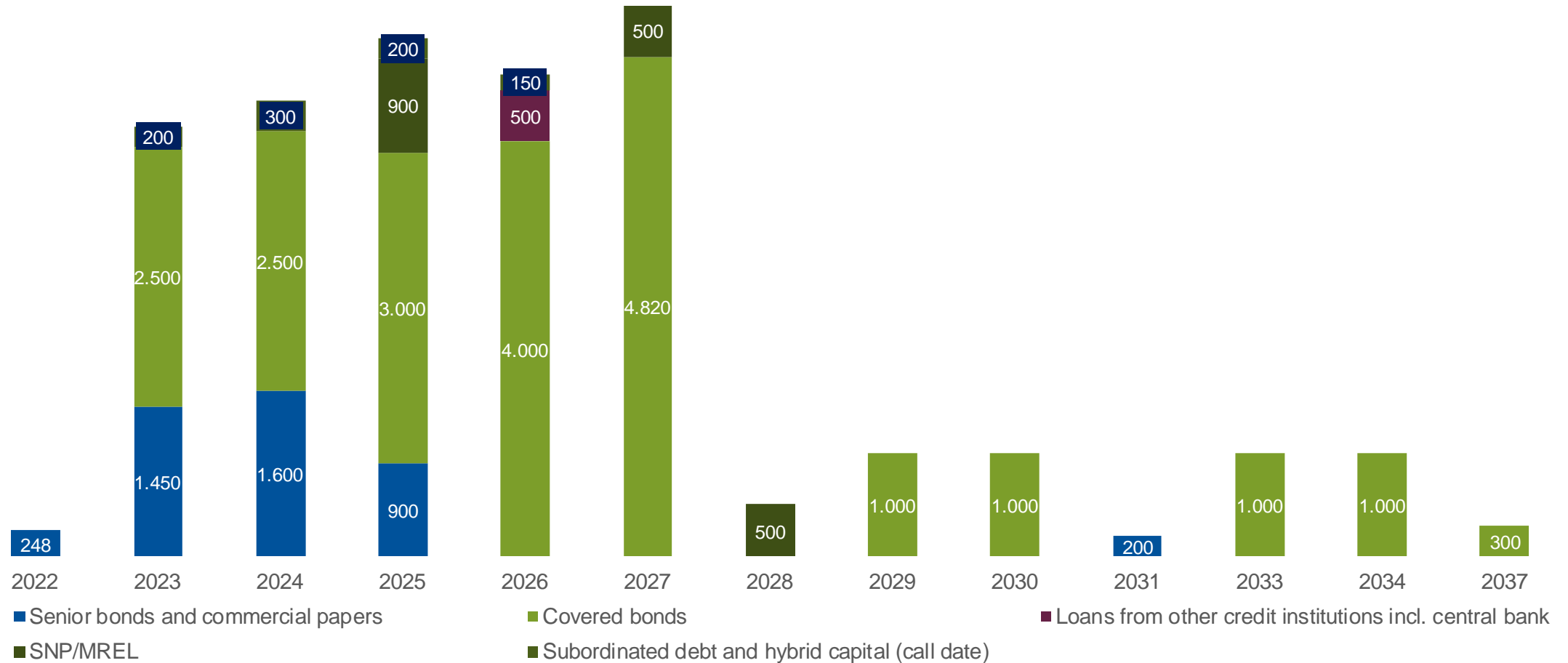


Leverage ratio



Capital adequacy is reported excluding profit so far this year. Including the result as of 30.09 and after proportional deduction of gifts and dividends, core Tier 1 capital adequacy ratio would be 17,7%.

Maturity structure of funding



Figures in NOK mill.

Market shares in Sogn og Fjordane

Retail Market* **48,1 %**

Corporate Market* **34,6 %**

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

*Market share : Figures as of Q2 2022

**Market share : Figures as Q4-21

Source: *SSB, Early Warning ** Eiendomsverdi,



Best reputation for the 4th year in a row

*EPSI 2022

Rising prices – how they are affecting our customers

In the third quarter of 2022, our customers spent 12 percent more at petrol station than the year before

Spending in grocery stores were 7,8 percent higher in the third quarter than a year earlier

There has been a small (0,2 percentage point) increase in customers on interest only payments





The shift to digital payments we saw during the pandemic continues. In September 2022, cash withdrawals by our customers were 45 percent lower than in September 2019

NOK 350 000 in grants for local talent

The grants were allocated by Sparebankstiftinga Sogn og Fjordane, which manages the bank's profits.

Seven winners from the fields of sport and culture can celebrate receiving NOK 50,000 each

Pictured: Biathletes Emilie Flo Stavik and Maren Hjelmeset Kirkeeide from Stryn, who both received grants.



Proud members of the trainee scheme

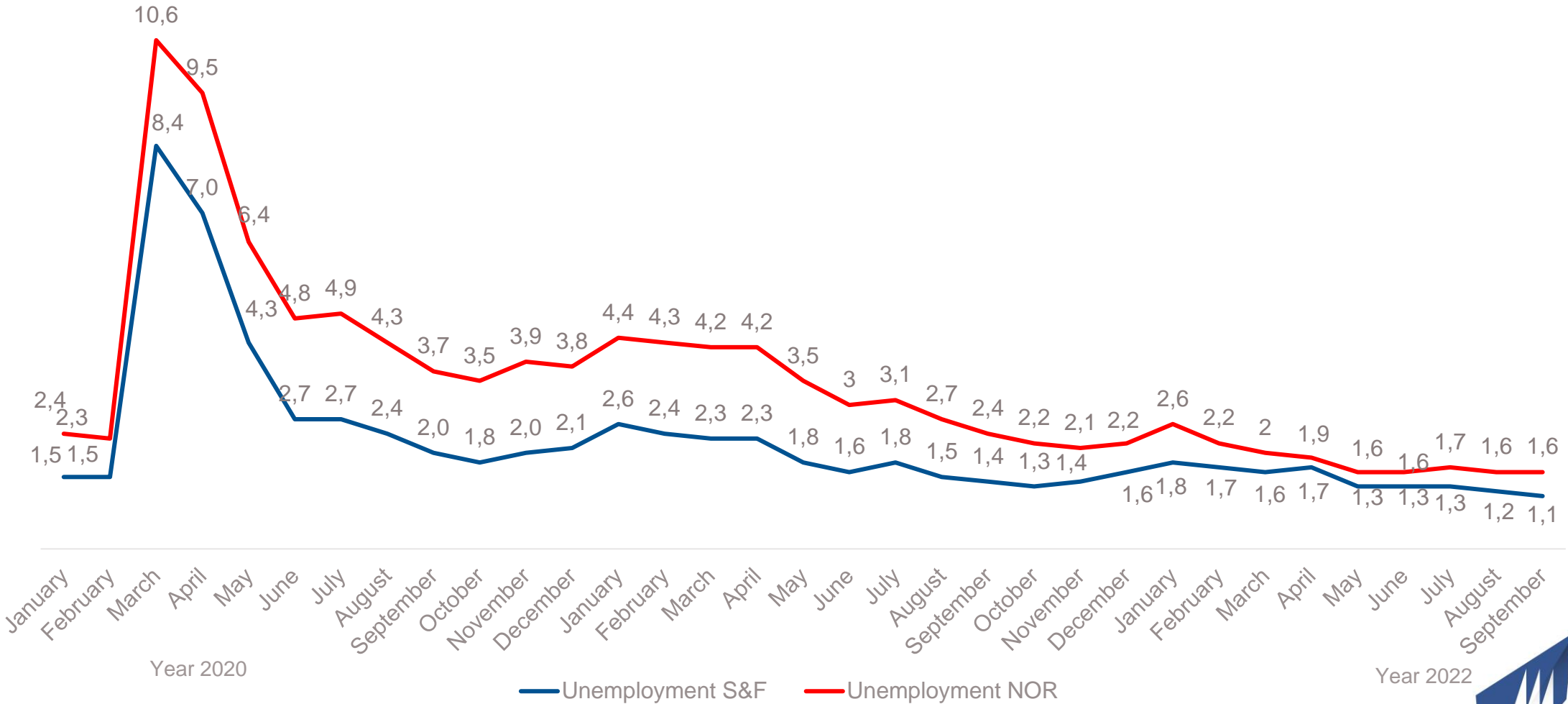
Sparebanken Sogn og Fjordane led the creation of *Framtidsfylket* in 2009, and every year since then it has had trainees through the scheme.

This year, 35 trainees have found placements all over Vestlandet.

This includes two trainees in the bank: Sustainability trainee Henrik Hundershagen and corporate banking centre trainee Vilde Sørbotten Johansen. Here pictured with CEO Trond Teigene.



The national unemployment rate has leveled off. In Sogn og Fjordane, it continues to decrease and is at a very low level



Contact information

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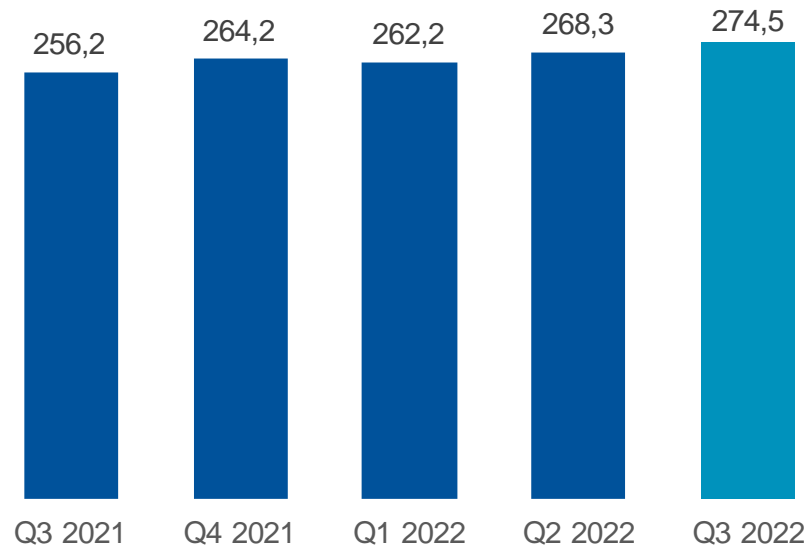


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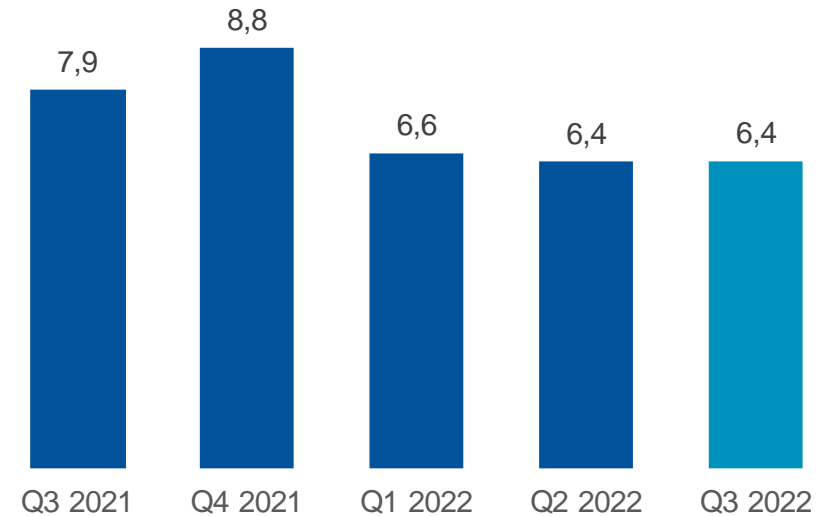
Attachments

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

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net interest income	291	268	257	250	235
Other operating income	43	43	34	42	38
Dividends and gains/losses on financial instruments	- 18	- 11	29	63	36
Net other operating income	25	32	63	105	74
Total revenues	315	300	320	355	309
Operating expenses	128	125	118	123	117
Profit/loss before impairment loss and net gain on fixed assets	187	175	203	232	192
Impairment loss	2	- 13	17	1	- 37
Profit/loss before taxation	185	188	186	231	229
Tax expense	42	45	39	35	53
Profit/loss after taxation	143	143	147	196	176
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	143	143	147	196	176

Consolidated financial results by quarter

	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net interest income	231	229	233	223
Other operating income	40	37	37	34
Dividends and gains/losses on financial instruments	60	14	27	7
Net other operating income	100	51	64	41
Total revenues	331	279	297	264
Operating expenses	114	130	141	114
Profit/loss before impairment loss and net gain on fixed assets	217	149	155	149
Impairment loss	9	- 9	- 1	26
Profit/loss before taxation	208	159	156	124
Tax expense	37	36	37	29
Profit/loss after taxation	171	123	119	95
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	171	123	119	95

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	30 Sept. 2022	30 Sept. 2021	31 Dec. 2021
INCOME STATEMENT			
Net interest income	816	694	945
Dividends and gains/losses on financial instruments	0	110	173
Other operating income	120	115	157
Operating expenses	371	360	483
Profit/loss before impairment loss (incl. securities)	565	559	791
Profit/loss before impairment loss (excl. securities)	565	449	618
Impairment loss	6	- 37	- 37
Profit/loss before taxation	559	596	827
Tax expense	126	126	161
Profit/loss after taxation	433	470	666
Other comprehensive income	0	0	0
Comprehensive income	433	470	666
BALANCE SHEET			
Assets			
Gross loans and advances to customers	60 467	56 631	57 651
Loss allowance	- 275	- 309	- 307
Security investments (shares, fixed income funds, commercial paper and bonds)	8 335	7 701	7 368
Debt and equity			
Deposits from and debt to customers	34 675	31 919	32 536
Debt securities and debt to credit institutions	27 570	25 806	25 835
Equity	6 480	6 186	6 249
Total assets	70 486	65 040	65 808
Average total assets	67 900	64 324	64 604

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	30 Sept. 2022	30 Sept. 2021	31 Dec. 2021
KEY FIGURES			
Profitability			
Net interest margin	1,61 %	1,44 %	1,46 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,24 %	0,24 %	0,24 %
Operating expenses as a % of average total assets	0,73 %	0,75 %	0,75 %
Profit/loss before impairment loss as a % of average total assets	1,11 %	1,16 %	1,22 %
Profit/loss before tax as a % of average total assets	1,10 %	1,24 %	1,28 %
Profit/loss after tax as a % of average total assets	0,85 %	0,97 %	1,03 %
Comprehensive income as a % of average total assets	0,85 %	0,97 %	1,03 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	39,60 %	44,50 %	43,87 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	39,62 %	39,19 %	37,93 %
Impairment loss as a % of gross loans	0,01 %	- 0,07 %	- 0,06 %
Return on equity before tax 1)	12,64 %	14,78 %	15,38 %
Return on equity after tax 1)	9,80 %	11,66 %	12,39 %
Pre-tax return on equity (comprehensive income) 1)	9,80 %	11,66 %	12,39 %
Consolidated comprehensive income per equity certificate, in NOK	19,41	21,11	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	19,63 %	19,00 %	19,44 %
Core capital adequacy ratio	17,82 %	17,17 %	17,66 %
Core Tier 1 capital adequacy ratio	16,77 %	15,71 %	16,62 %
Leverage ratio	8,27 %	8,46 %	8,86 %
Liquidity Coverage Ratio (LCR)	135 %	153 %	140 %
NSFR, consolidated	124 %		
NSFR, parent company	139 %		
Balance sheet history			
Growth in total assets (year-on-year)	8,37 %	4,70 %	5,02 %
Growth in gross customer lending (year-on-year)	6,77 %	4,85 %	5,04 %
Growth in customer deposits (year-on-year)	8,64 %	4,66 %	6,10 %
Deposits as a % of consolidated gross lending	57,34 %	56,36 %	56,44 %
Deposits as a % of parent company's gross lending	100,69 %	96,05 %	94,84 %
Employees			
Full-time equivalent employees	279	269	273