



*sparebanken
sogn og fjordane*

Investor presentation

Q1- 2024

Headlines Q1 2024

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



Solid growth in loans : 3.4% last 12 months



Increase in net interest income: NOK 387 mill. (NOK 350 mill.)



Results from financial instruments: NOK 28 (NOK 14 mill.)



Loan losses: Impairment gain NOK 10 mill. (NOK 4 mill.)



Solid liquidity and solidity:

- **LCR 210 % (153 %)**
- **Core Tier 1 Capital adequacy ratio: 17.6 % (17.2 %)**



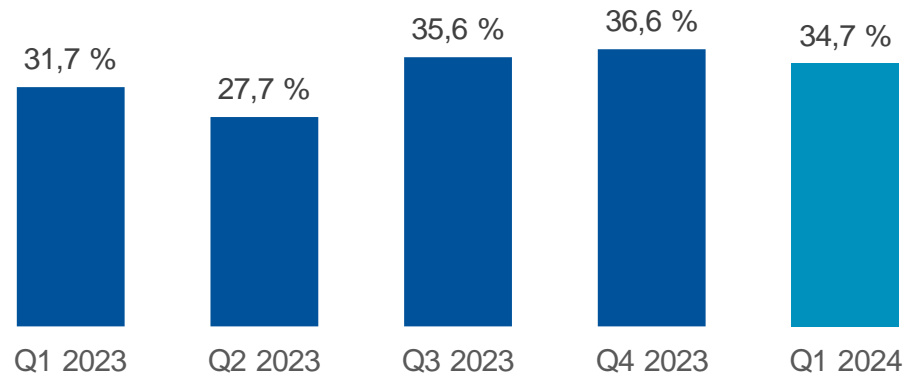
Profit per equity certificate (consolidated): kr 10,36 (kr 9,35)



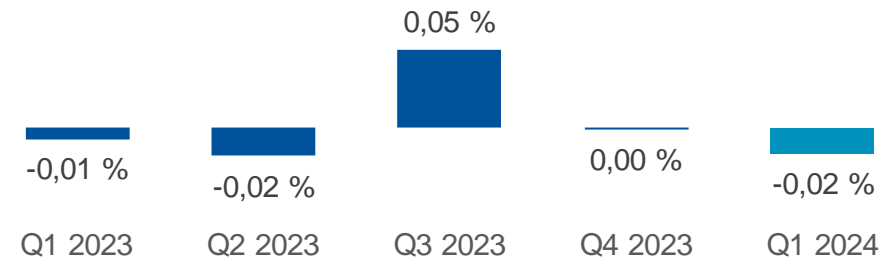
Return on equity: 13.4 % p.a. (13.1 % p.a.)

Development important key figures

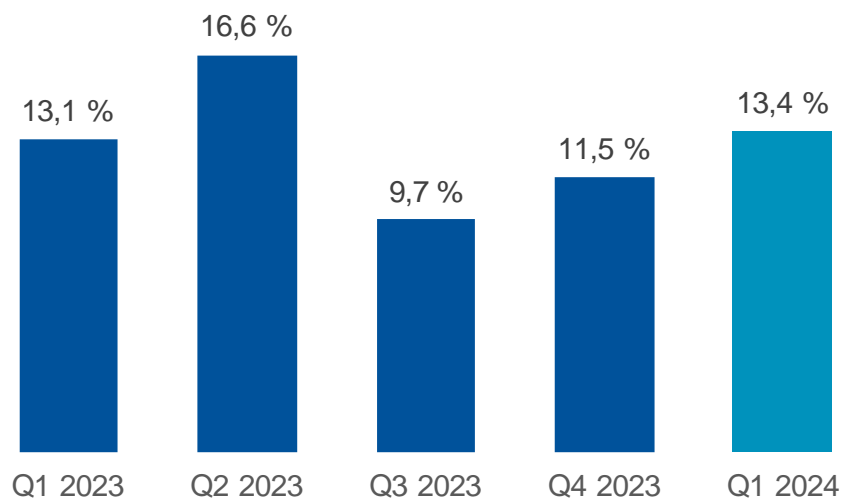
Cost/income ratio



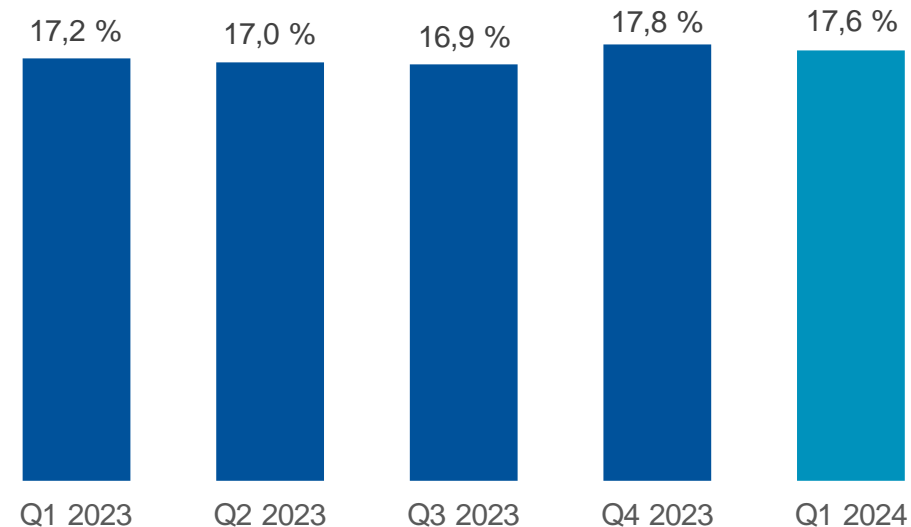
Impairment loss



Return on equity



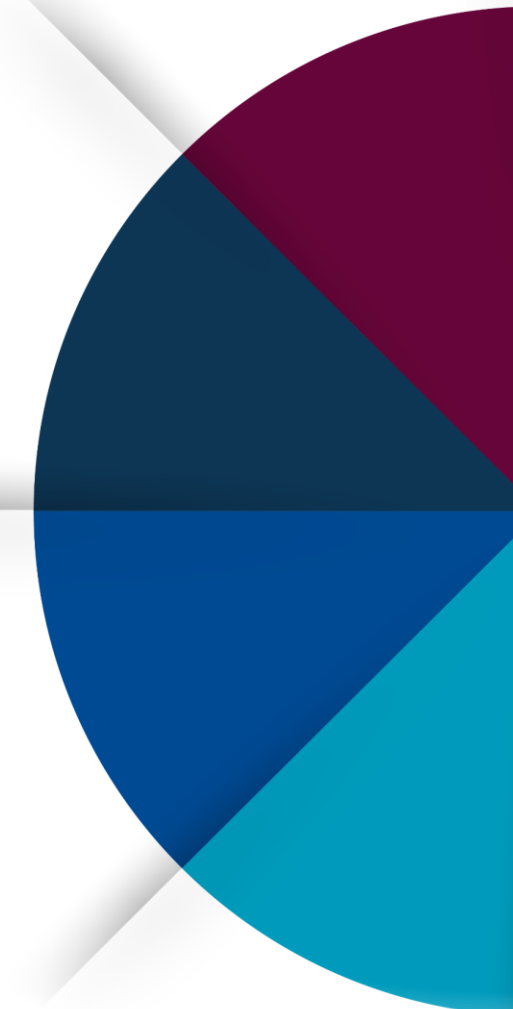
Core Tier 1 capital adequacy ratio



Financial target figures

| | Target figures | Status Q1-24 |
|----------------------------|----------------|--------------|
| Return on equity | > 11 % | 13,4 % |
| Cost/income ratio | < 40 % | 34,7 % |
| Core tier 1 capital ratio* | > 17 % | 17,6 % |
| Dividend payout ratio | ≥ 50 % | 59,9 % |

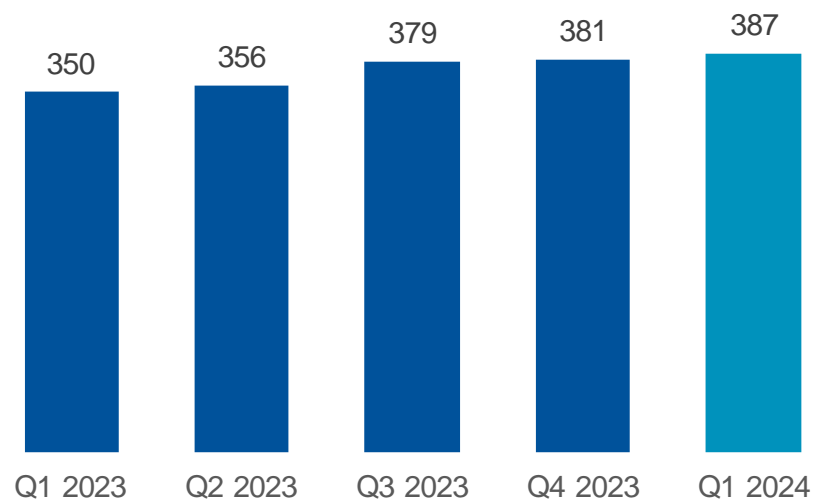
* Core tier 1 capital ratio including period results



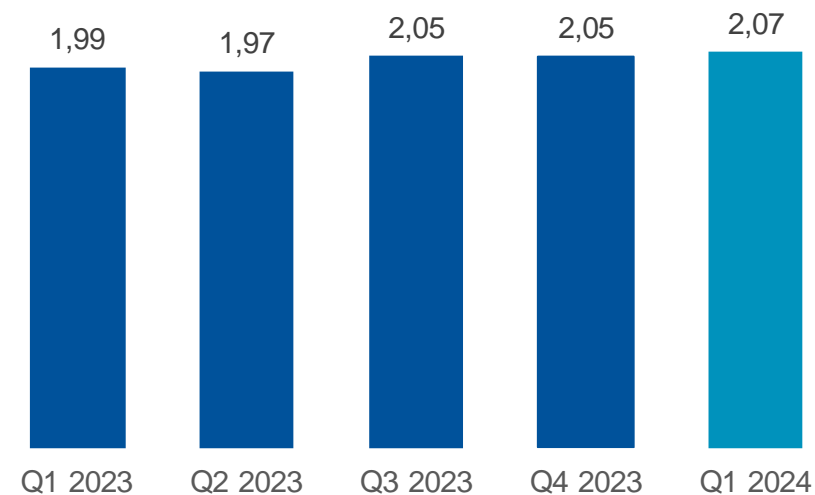
Good net interest income

Increase by 10.8 % compared to the same quarter in 2023. The latest interest rate changes on customer loans and deposits were implemented in the first quarter, and no further changes have been announced so far.

Net interest income



Net interest income as a percentage of average assets

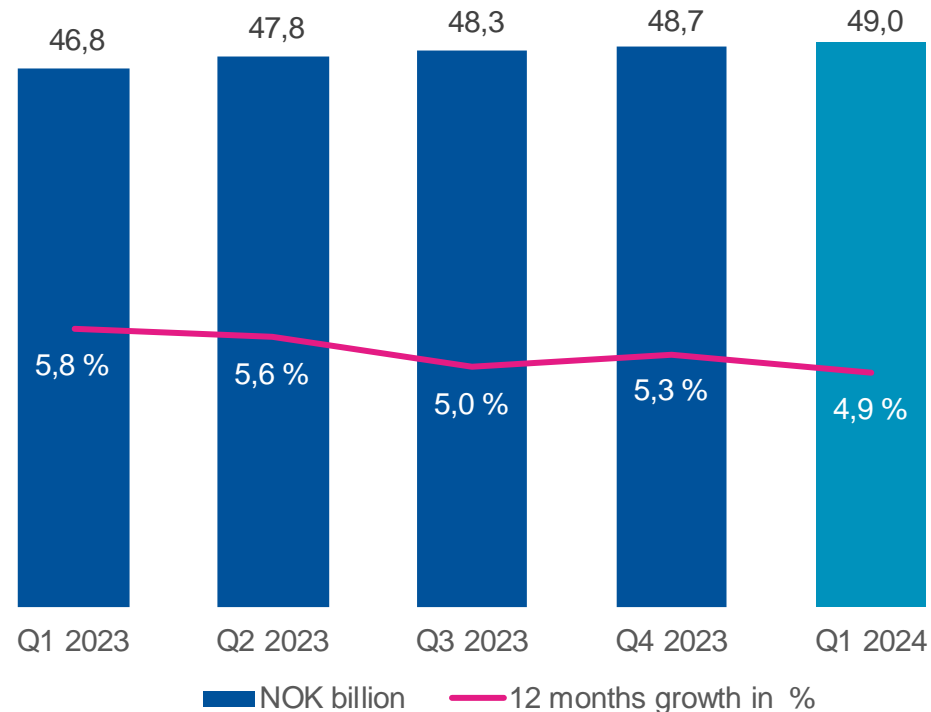


Net interest income in NOK million and as a percentage of average total assets

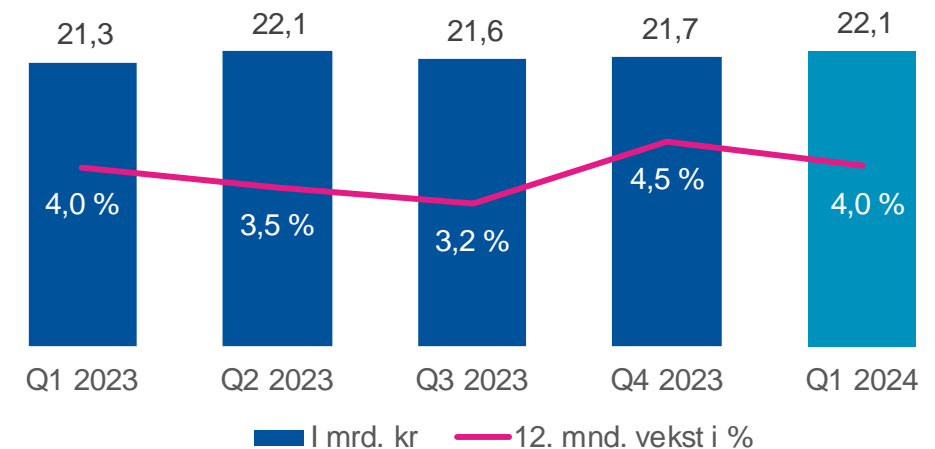
Good lending growth in the Retail Market

Slightly lower lending growth in the last quarter, but an increase in applications for financing certificates during the quarter can provide good development going forward

Loans Retail Market



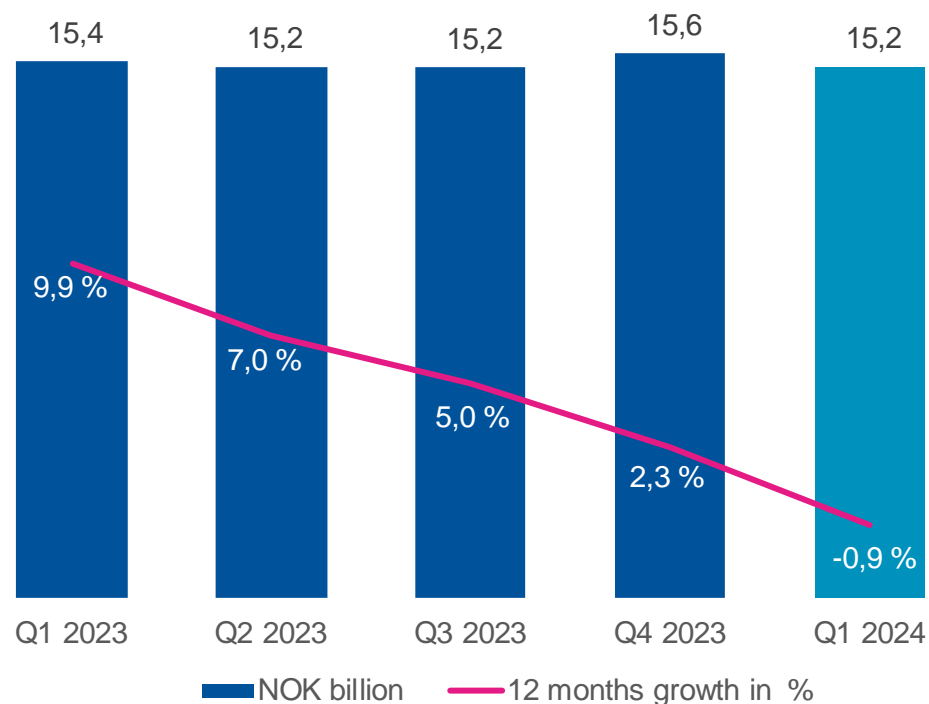
Deposits Retail Market



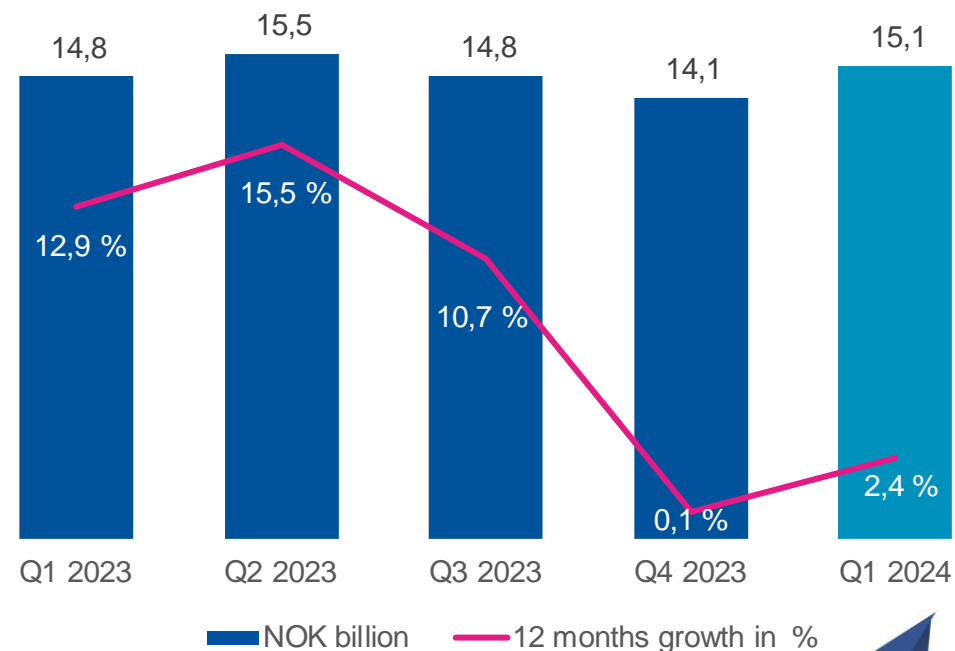
Reduced lending growth to the Corporate Market

The Bank is noticing a reduction in activity and lower investments in the Corporate Market due to, among other things, reduced demand for new home projects

Loans Corporate Market



Deposits Corporate Market



Customer margin

Lending margins



Deposit margins

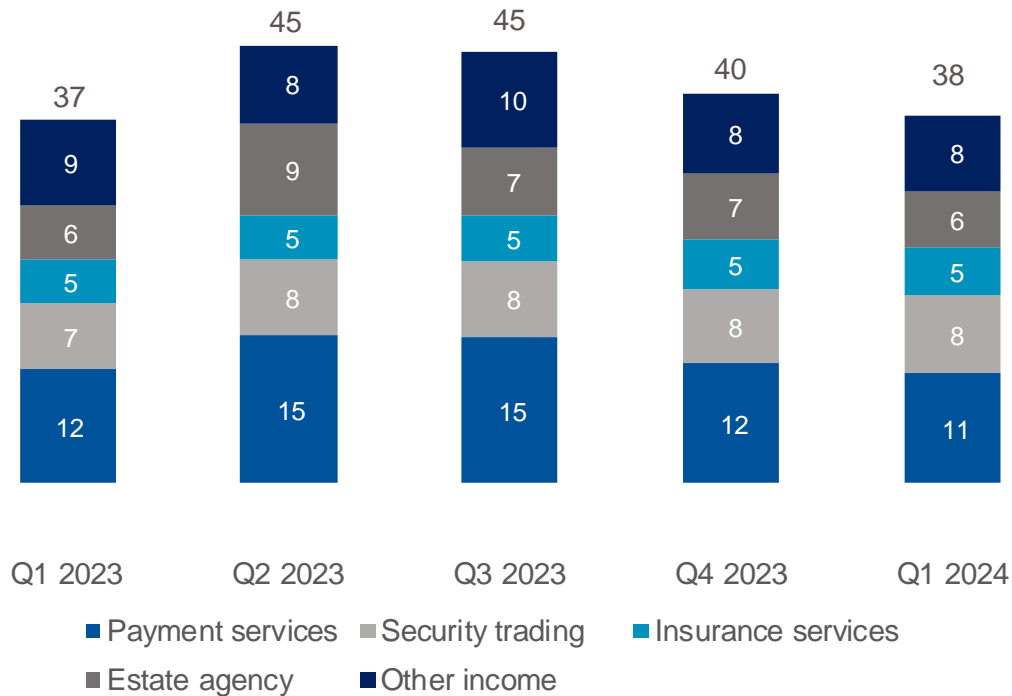


Shows deposit and lending rates for deposits and loans from customers measured against 3 months Nibor. The graph includes both deposit and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

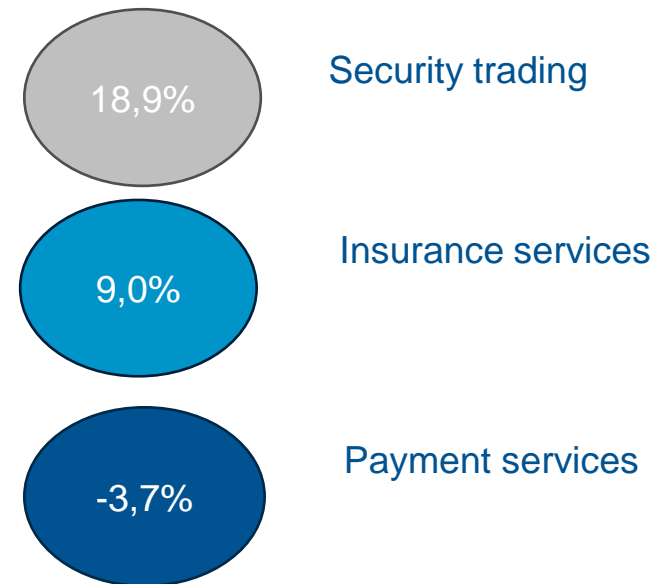


Good development in savings and insurance

Other income

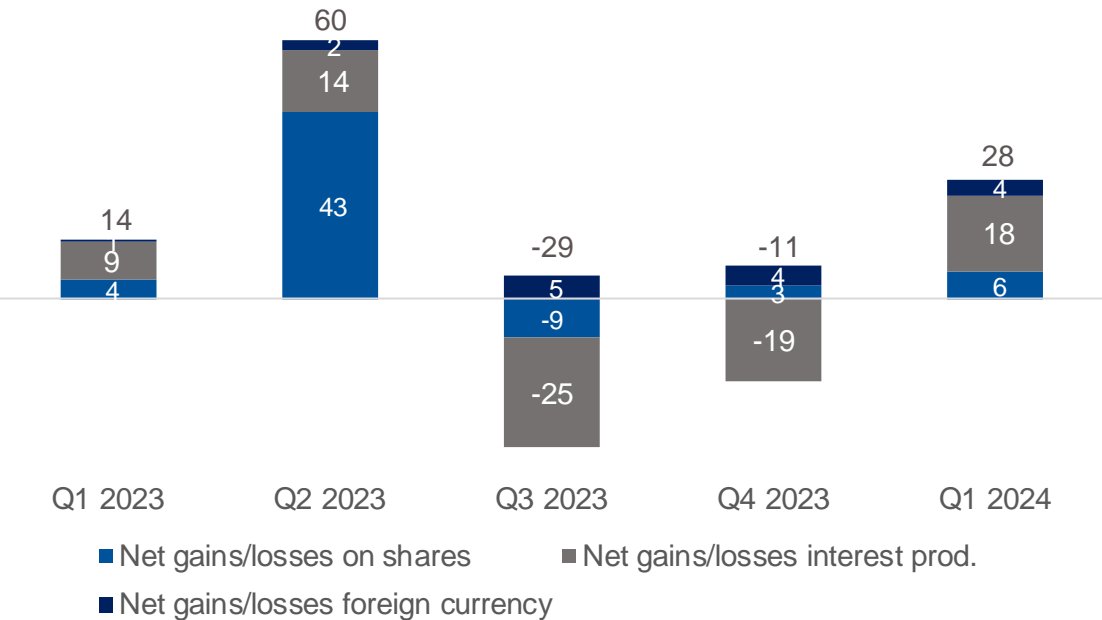


Change towards Q1-2023



Results financial instruments

Results financial instruments



Change towards Q1-2023



Higer gain on shares



Net gains/losses interest prod.



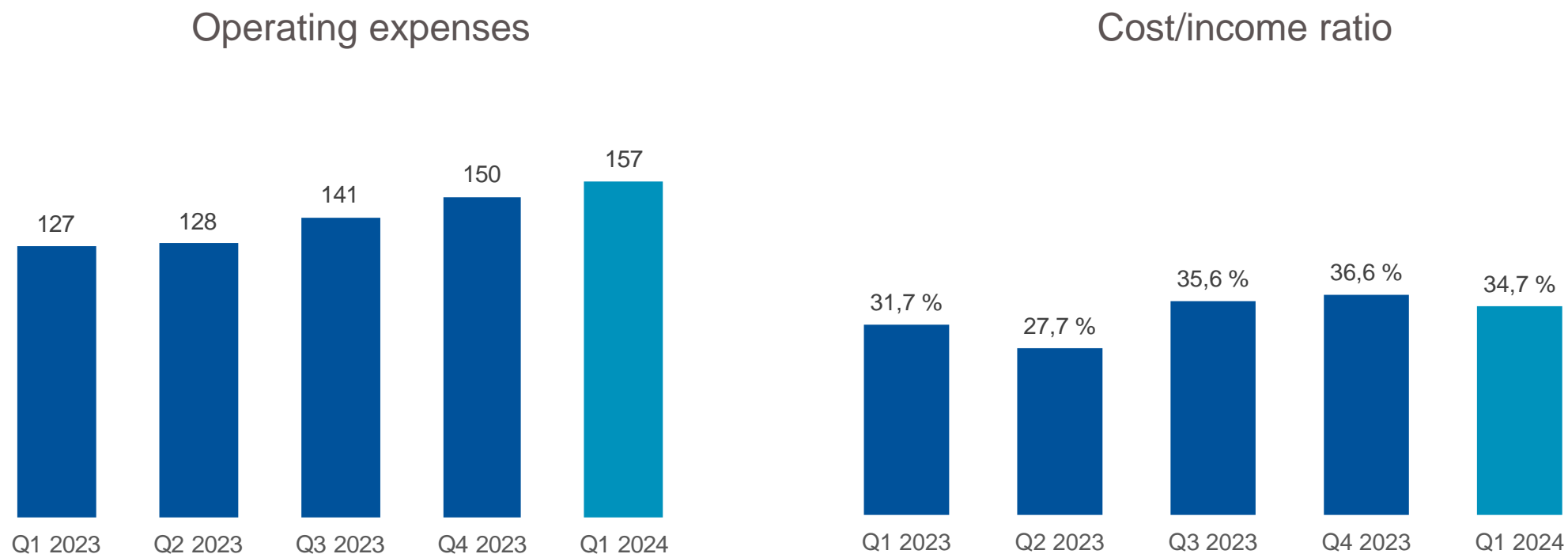
Net foreign currency



Figures per quarter in mill. NOK.

Increase in operating costs

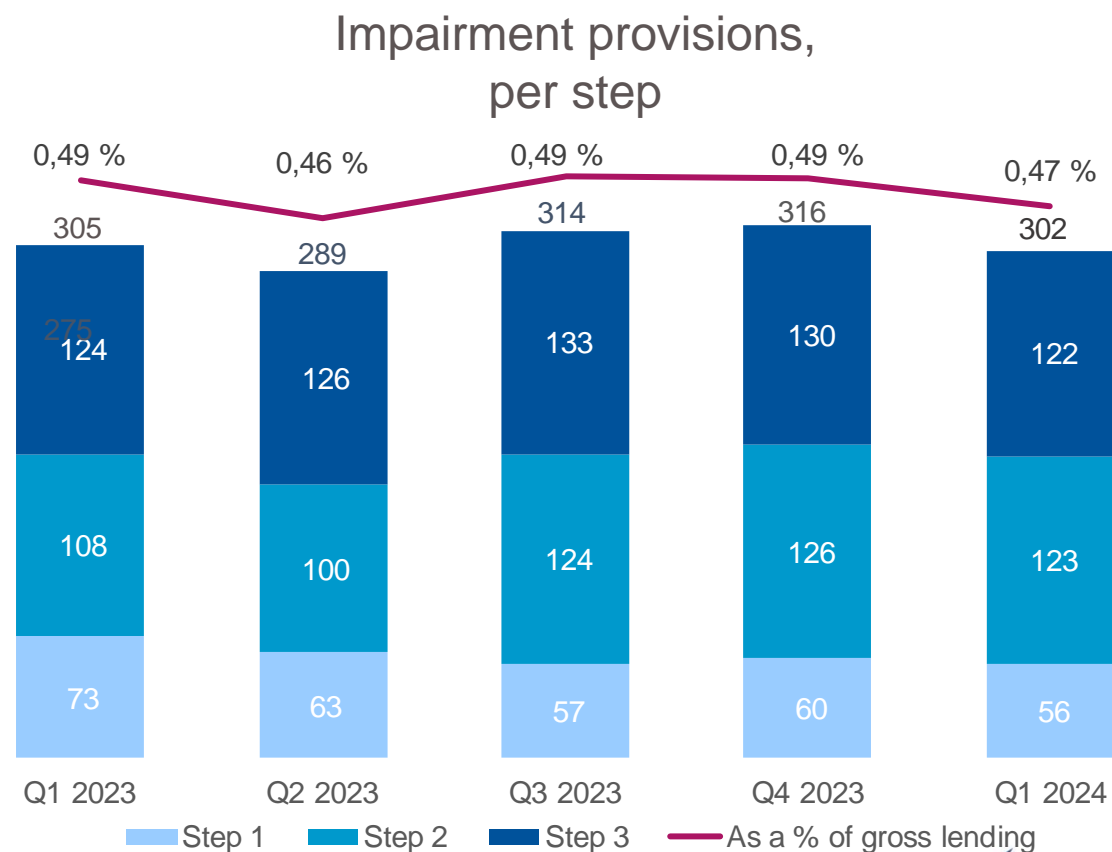
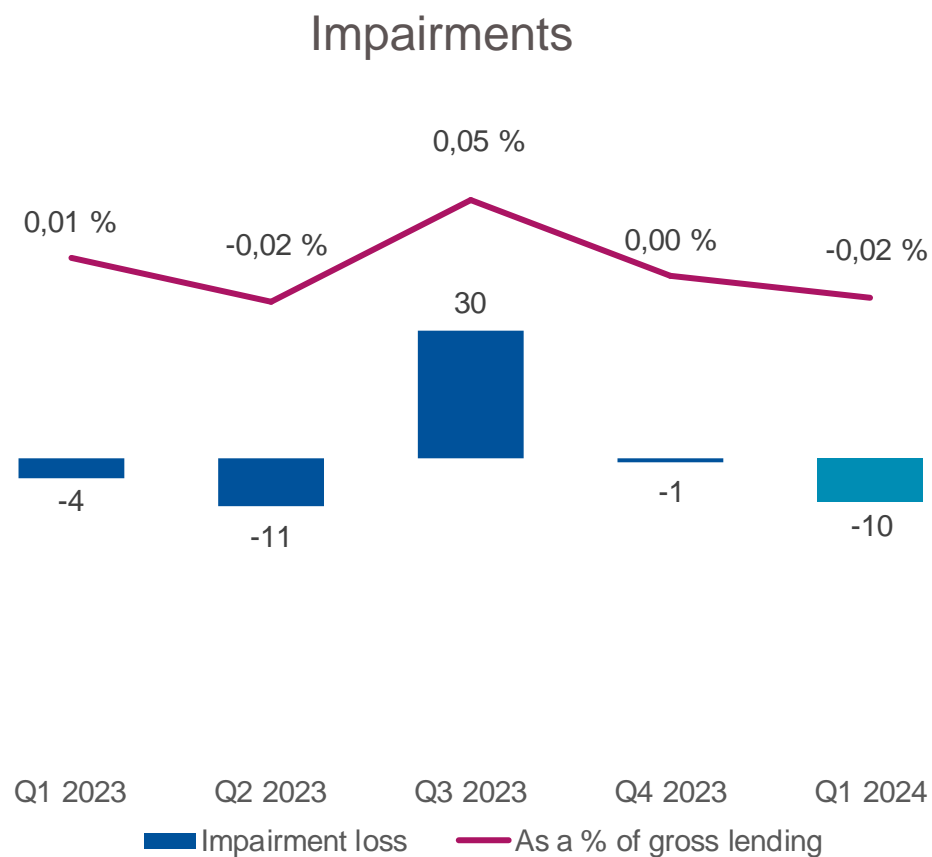
Operating costs increased by 23.9 % compared to the same quarter last year. Part of the increase is related to the process of converting to, and aligning with, the Sparebank 1 alliance.



Figures per quarter in mill. NOK.

Impairment gain on loans

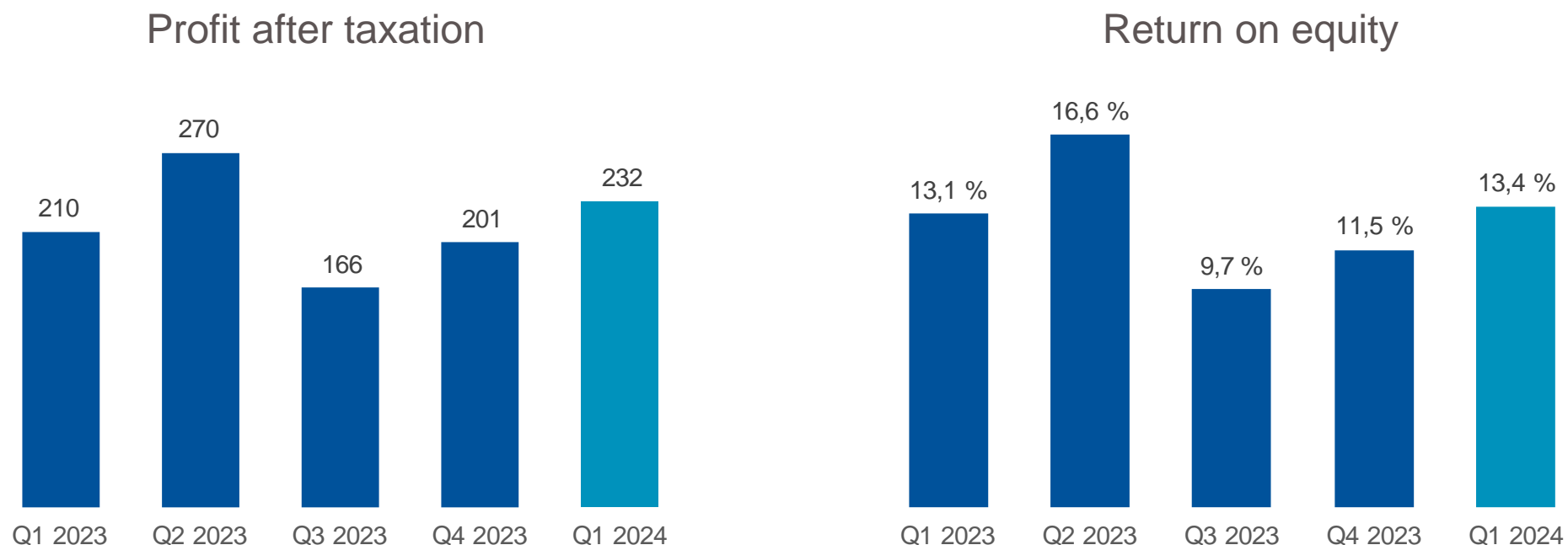
The loss allowance for individually assessed assets fell by NOK 12 million, while the model-based allowance rose by NOK 2 million



Figures per quarter in mill. NOK.

Good result and a strong return on equity

The improvement was due to solid increase in net interest income, positive contribution from financial instruments and an impairment gain on loans



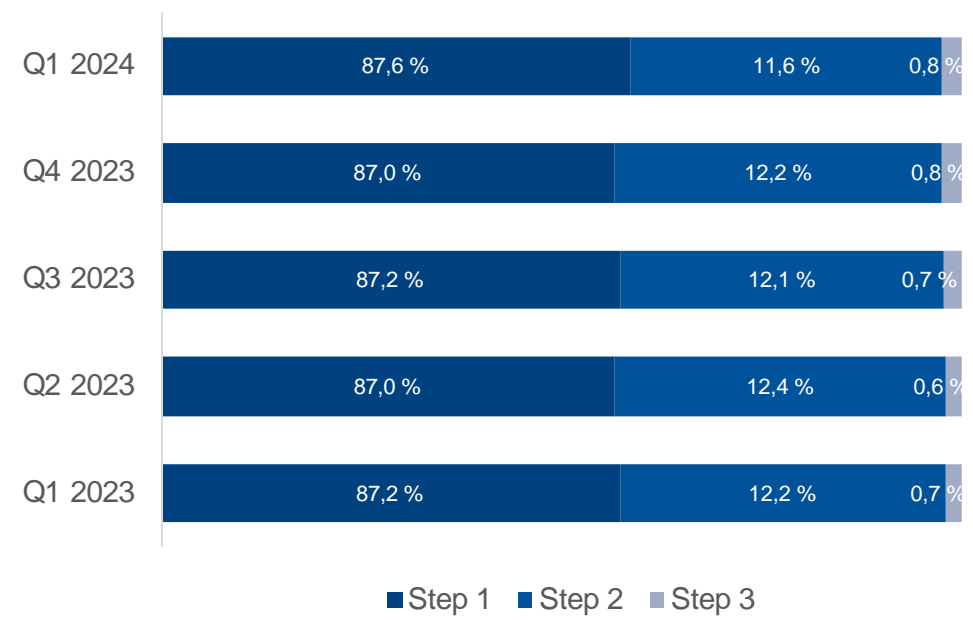
Figures for the quarters in NOK mill.

Return on equity is calculated based on average equity excl. hybrid capital. The way it is calculated has been changed as of Q1 2024 and figures for previous periods have been restated.

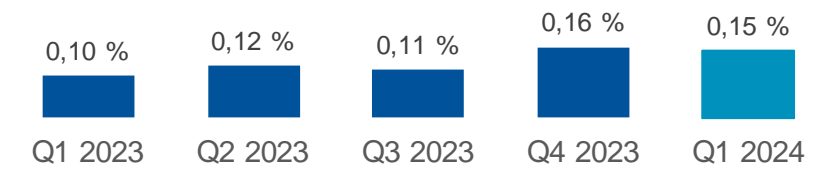
The credit risk in the Retail Market is assessed as low

Over 99% of the lending to the Retail Market is secured by mortgage on housing

Gross lending RM in % distributed per step



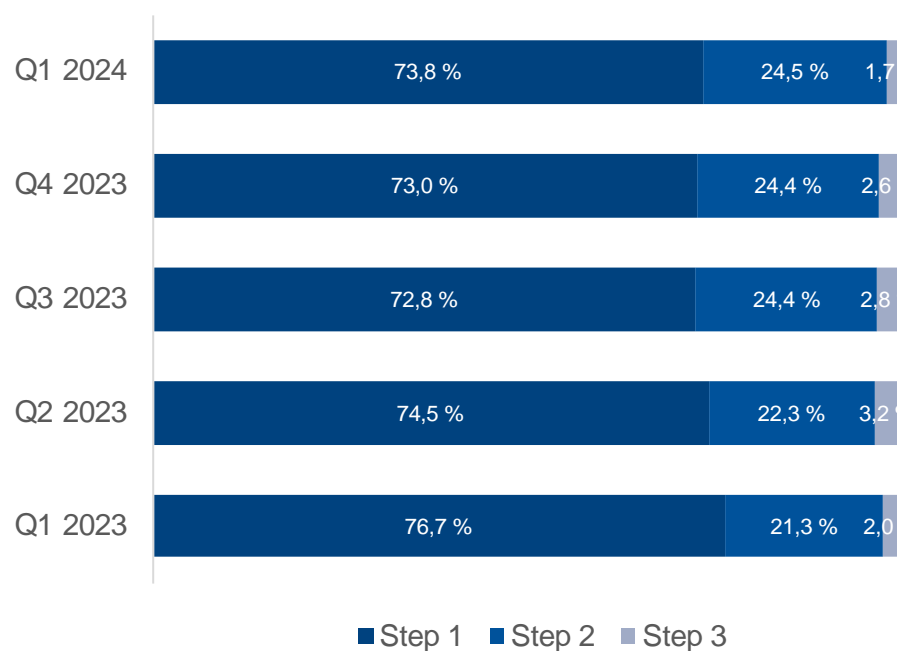
Loans to the RM in default >90 days



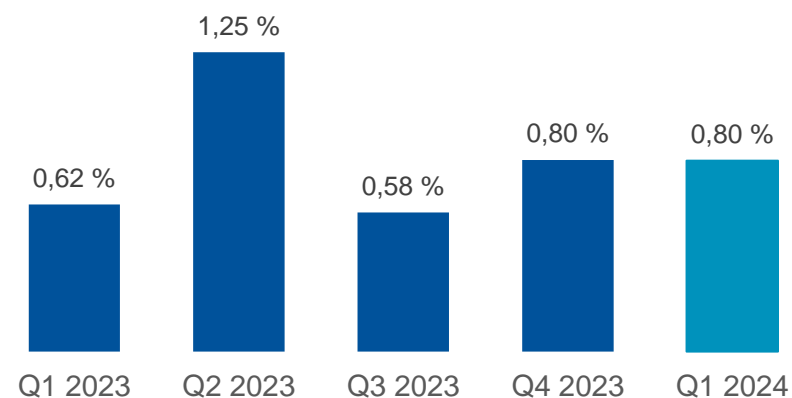
Credit risk to the Corporate Market is moderate

The bank closely monitors the business community in Sogn og Fjordane. Slightly falling activity in the corporate market

Gross lending CM in % distributed per step

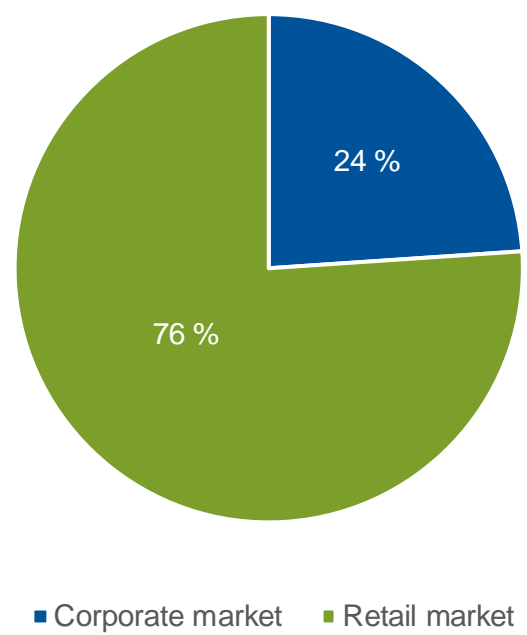


Loans to the CM in default > 90 days

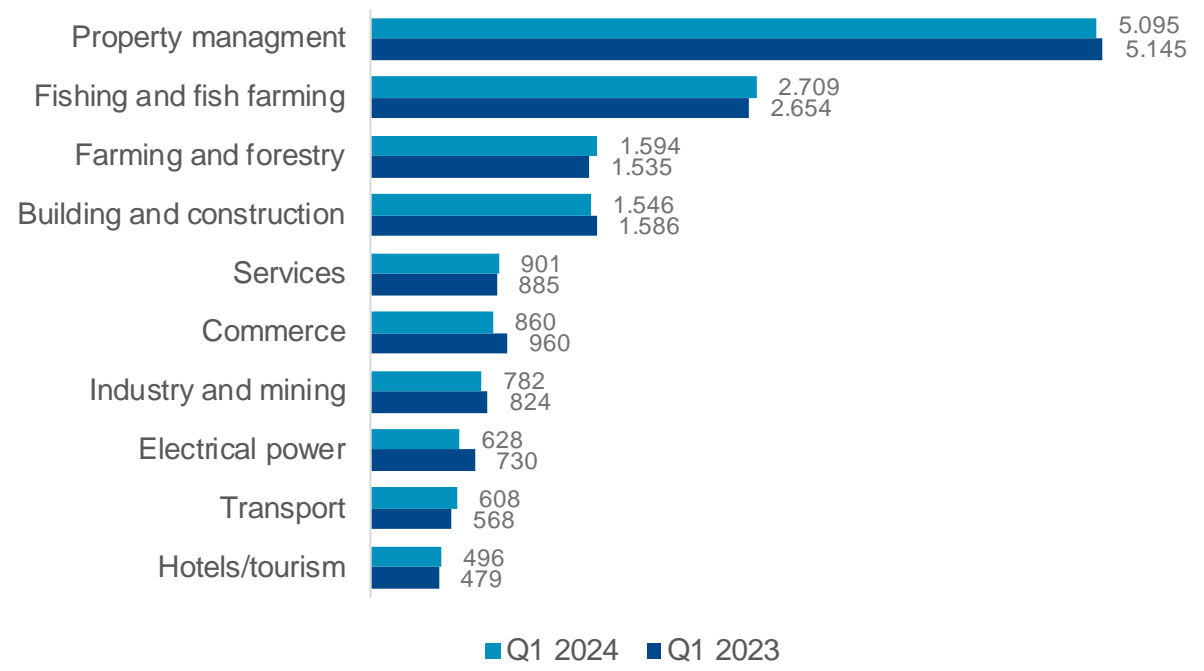


Segments and industries

Lending segments

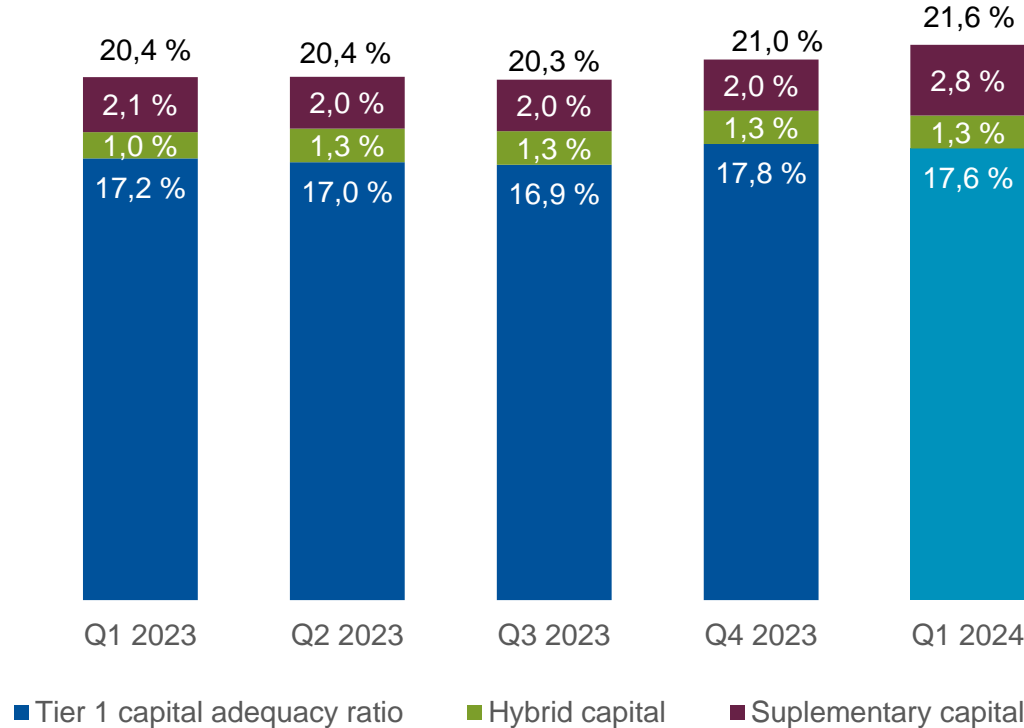


Lendings to the Corporate Market in NOK mill.

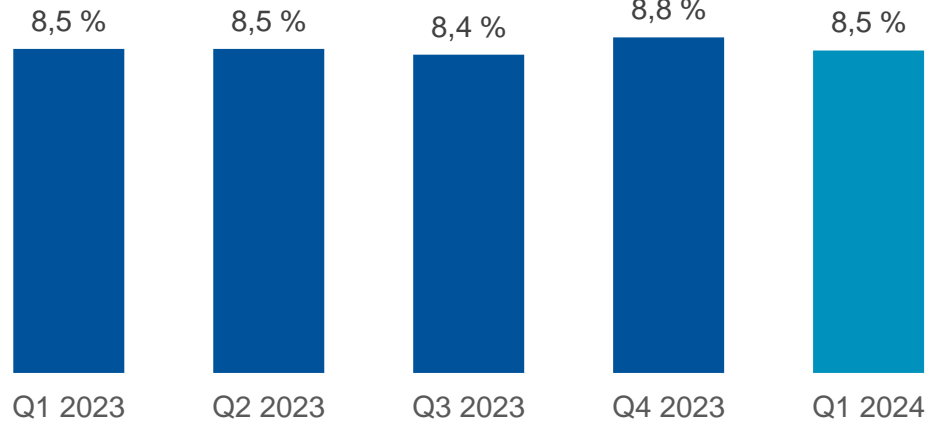


Solid capital adequacy ratio

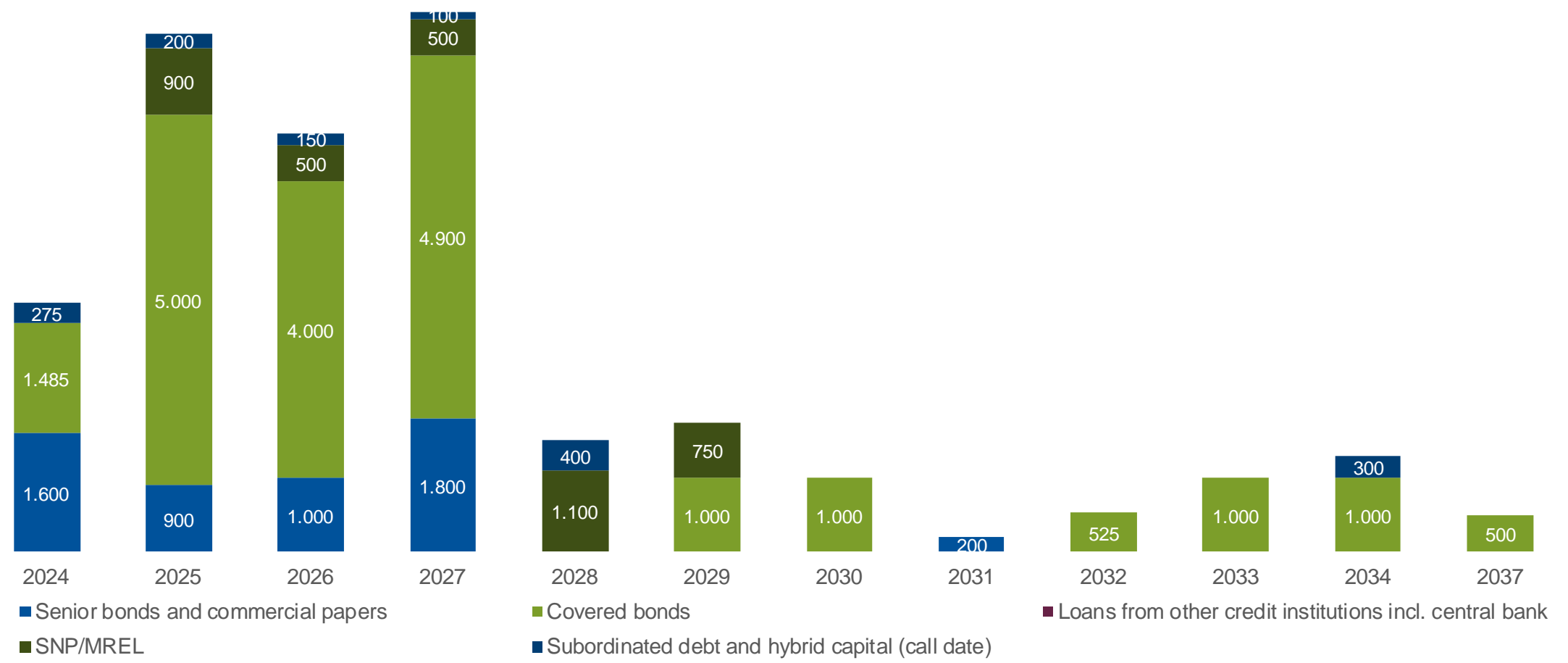
Capital adequacy ratio



Leverage ratio



Maturity structure of funding



Figures in NOK mill.



Joining the SpareBank 1 alliance

One year ago, Sparebanken Sogn og Fjordane announced that it had reached a strategic agreement with the SpareBank 1 alliance.

With an investment of NOK 630 million, the bank will become a shareholder in SpareBank 1 and SamSpar.

The bank, SamSpar and SpareBank 1 Utvikling are now working together to prepare for its entry into the alliance, which is due to take place towards the end of 2024.

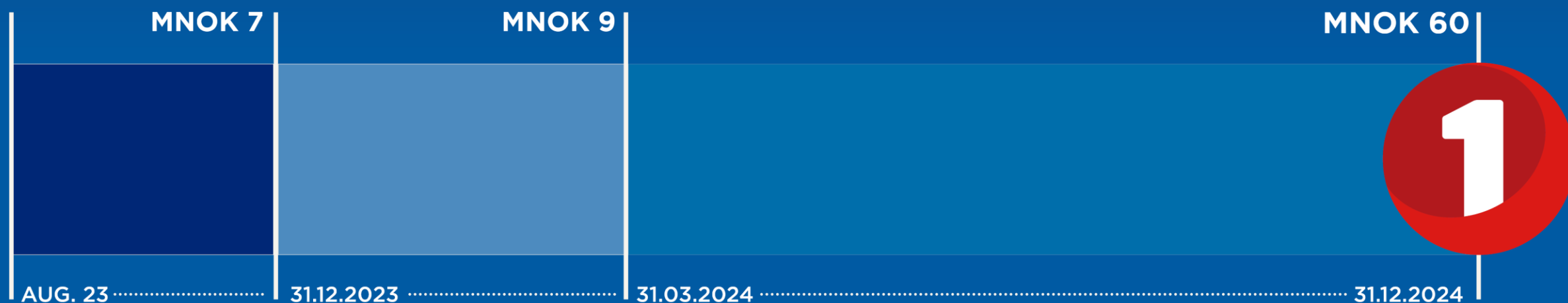
200 people are involved in the project as of April 2024.



Sparebanken Sogn og Fjordane expect to migrate to the SpareBank 1-alliance during 2024.



Migration project will increase cost levels in 2024



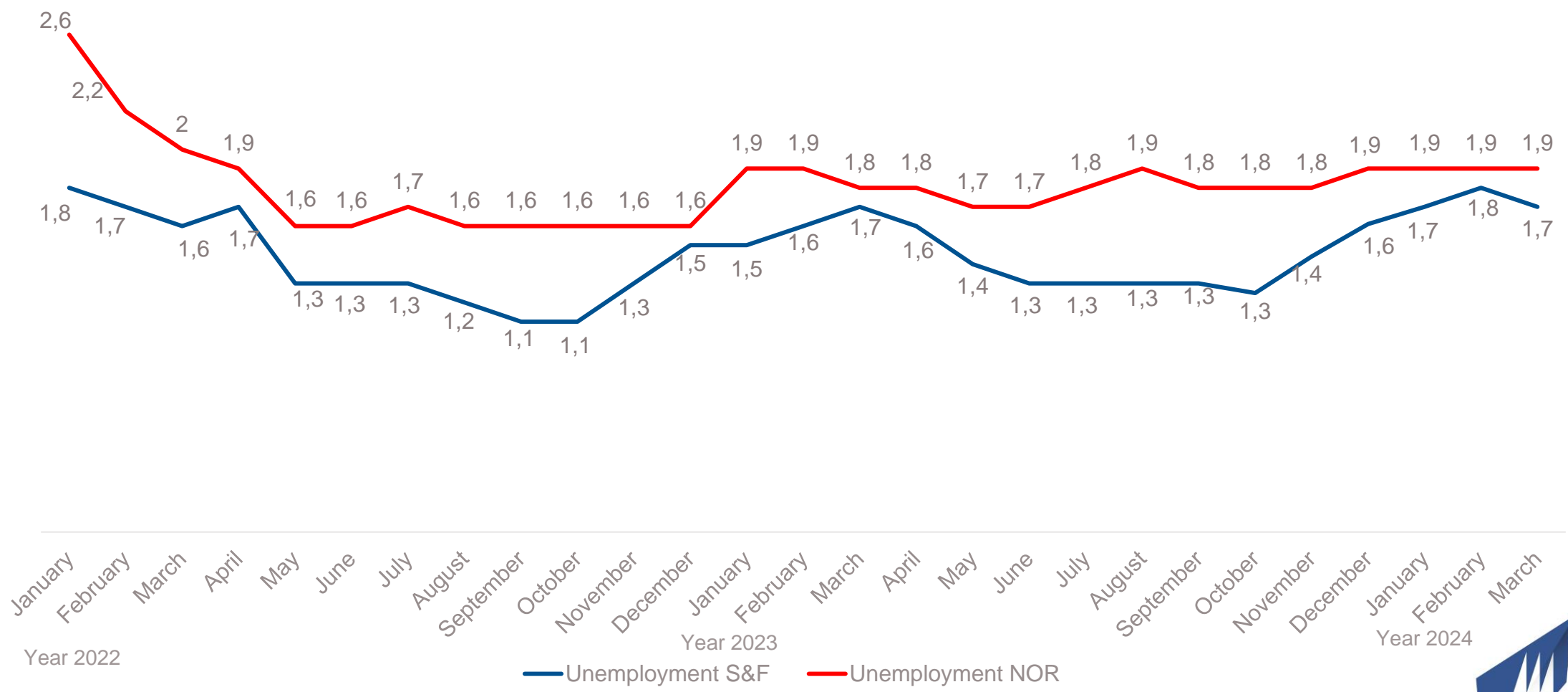
The bank expects to spend in the area of **MNOK 60 on external assistance** on the migration project, in addition to a great effort from the internal employees.

So far we have spent **MNOK 9** this year, in addition to **MNOK 7** last year, in external project costs, and there are about 200 persons involved in the project.



The bank in the community

The unemployment rate in Sogn og Fjordane remain at a low level



Market shares in Sogn og Fjordane

Retail Market* **49.4 %**

Corporate Market* **38.7 %**

Estate Agency** **40.0 %**

*Market share : Figures as of Q4-2023

**Market share : Figures as 2023

Source: *SSB, Early Warning ** Eiendomsverdi,



Our fixed-rate products are proving attractive

Between the turn of the year and April, we saw a 15,5% increase in fixed-rate loans. That is equivalent to around NOK 540 million.

The growth in fixed-rate deposits has also been notable. Over the twelve months since April 2023, our customers' fixed-rate deposits have doubled.



A gift to improve children's lives

The Sogn og Fjordane crisis centre is upgrading its outdoor play area to make it more attractive to the children at the center.

To enable this they have been awarded NOK 500,000 of the bank's profit through the Sparebankstiftinga Sogn og Fjordane foundation.

Pictured: Mona Steindal-Sundal og Anja Karoliussen, who both work at the crisis center, together with the bank manager in Florø, Ole Aukland.





On 11 February, there was an avalanche at the Jølster Skisenter ski resort. Two people were caught by it, but fortunately no lives were lost. The volunteer rescue team had to cover the last part of their route on foot, but now they have a «powder snow» snowmobile, thanks to a NOK 200,000 gifts from the bank.

Record numbers want a share of our profit

IT Forum Vest's project «Girls in tech tour» is one of many to have received support from the bank's profit in the first quarter.

In total, the two foundations that own the bank, Sparebankstiftinga Sogn og Fjordane and Sparebankstiftinga Fjaler, received 500 applications, which is a new record. A few lucky people have already received a gift, but over the rest of the spring tens of millions NOK will be handed over to good causes.



Contact information

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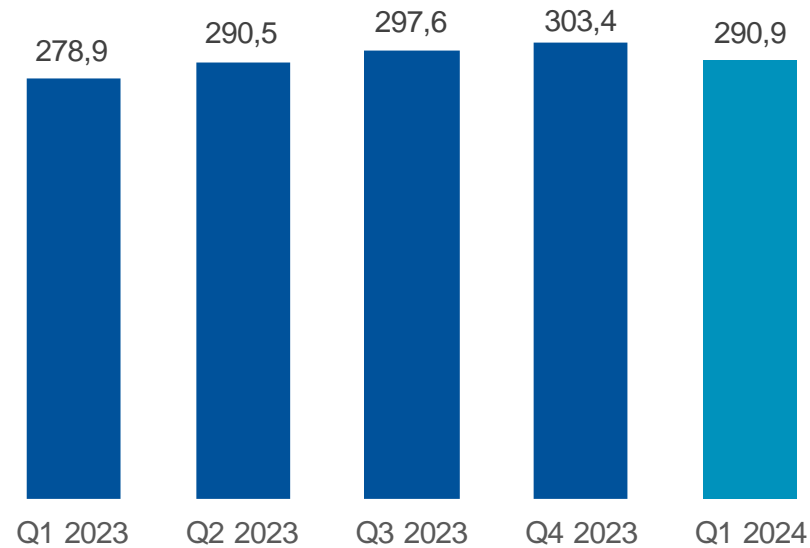


*sparebanken
sogn og fjordane*

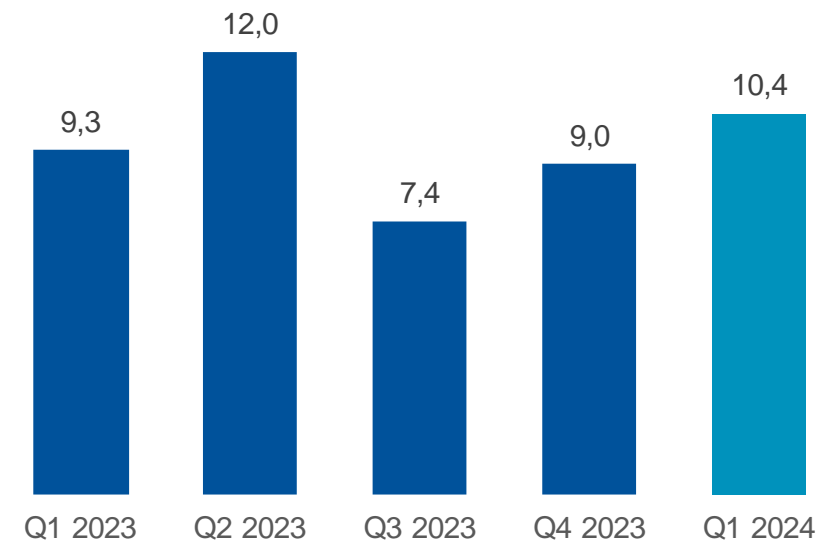
Attachments

Equity certificate

Book value per equity certificate



Profit per equity certificate per quarter



Figures in NOK per quarter

Consolidated financial results by quarter

| | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|---|------------|------------|------------|------------|------------|
| Net interest income | 387 | 381 | 379 | 356 | 350 |
| Other operating income | 38 | 40 | 45 | 45 | 37 |
| Dividends and gains/losses on financial instruments | 28 | - 11 | - 29 | 60 | 14 |
| Net other operating income | 66 | 29 | 15 | 105 | 51 |
| Total revenues | 453 | 410 | 395 | 462 | 401 |
| Operating expenses | 157 | 150 | 141 | 128 | 127 |
| Profit/loss before impairment loss | 296 | 259 | 254 | 334 | 274 |
| Impairment loss | - 10 | - 1 | 30 | - 11 | - 4 |
| Profit/loss before taxation | 306 | 260 | 225 | 345 | 278 |
| Tax expense | 74 | 59 | 58 | 75 | 69 |
| Profit/loss after taxation | 232 | 201 | 166 | 270 | 210 |
| Remeasurements, pensions | 0 | 0 | 0 | 0 | 0 |
| COMPREHENSIVE INCOME | 232 | 201 | 166 | 270 | 210 |

Consolidated financial results by quarter

| | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|---|------------|------------|------------|------------|
| Net interest income | 332 | 291 | 268 | 257 |
| Other operating income | 46 | 43 | 43 | 34 |
| Dividends and gains/losses on financial instruments | 1 | - 18 | - 11 | 29 |
| Net other operating income | 47 | 25 | 32 | 63 |
| Total revenues | 379 | 315 | 300 | 320 |
| Operating expenses | 128 | 128 | 125 | 118 |
| Profit/loss before impairment loss | 250 | 187 | 175 | 203 |
| Impairment loss | 30 | 2 | - 13 | 17 |
| Profit/loss before taxation | 220 | 185 | 188 | 186 |
| Tax expense | 51 | 42 | 45 | 39 |
| Profit/loss after taxation | 169 | 143 | 143 | 147 |
| Remeasurements, pensions | 0 | 0 | 0 | 0 |
| COMPREHENSIVE INCOME | 169 | 143 | 143 | 147 |

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

| | 31.03.24 | 31.03.23 | 31.12.23 |
|---|------------|------------|--------------|
| INCOME STATEMENT | | | |
| Net interest income | 387 | 350 | 1 466 |
| Dividends and gains/losses on financial instruments | 28 | 14 | 34 |
| Other operating income | 38 | 37 | 167 |
| Operating expenses | 157 | 127 | 546 |
| Profit/loss before impairment loss (incl. securities) | 296 | 274 | 1 121 |
| Profit/loss before impairment loss (excl. securities) | 268 | 260 | 1 088 |
| Impairment loss | - 10 | - 4 | 13 |
| Profit/loss before taxation | 306 | 278 | 1 108 |
| Tax expense | 74 | 69 | 261 |
| Profit/loss after taxation | 232 | 210 | 847 |
| Other comprehensive income | 0 | 0 | 0 |
| Comprehensive income | 232 | 210 | 847 |
| BALANCE SHEET | | | |
| Assets | | | |
| Gross loans and advances to customers | 64 266 | 62 128 | 64 286 |
| Loss allowance | - 302 | - 305 | - 316 |
| Security investments (shares, fixed income funds, commercial paper and bonds) | 10 835 | 8 545 | 8 361 |
| Debt and equity | | | |
| Deposits from and debt to customers | 37 220 | 36 020 | 35 796 |
| Debt securities and debt to credit institutions | 29 509 | 27 126 | 28 542 |
| Equity | 7 033 | 6 602 | 7 316 |
| Total assets | 76 512 | 71 738 | 73 556 |
| Average total assets | 74 982 | 71 165 | 72 573 |

| | 31.03.24 | 31.03.23 | 31.12.23 |
|---|----------|----------|----------|
| KEY FIGURES | | | |
| Profitability | | | |
| Net interest margin | 2,07 % | 1,99 % | 2,02 % |
| Other operating income (excl. inc. from fin. instr.) as a % of average total assets | 0,20 % | 0,21 % | 0,23 % |
| Operating expenses as a % of average total assets | 0,84 % | 0,71 % | 0,75 % |
| Profit/loss before impairment loss as a % of average total assets | 1,58 % | 1,54 % | 1,55 % |
| Profit/loss before tax as a % of average total assets | 1,63 % | 1,56 % | 1,53 % |
| Profit/loss after tax as a % of average total assets | 1,24 % | 1,18 % | 1,17 % |
| Comprehensive income as a % of average total assets | 1,24 % | 1,18 % | 1,17 % |
| Oper. exp. as a % of oper. income excl. inc. from fin. instr. | 36,99 % | 32,82 % | 33,41 % |
| Oper. exp. as a % of oper. income incl. inc. from fin. instr. | 34,73 % | 31,68 % | 32,73 % |
| Impairment loss as a % of gross loans | - 0,02 % | - 0,01 % | 0,02 % |
| Return on equity before tax 1) | 17,68 % | 17,41 % | 16,57 % |
| Return on equity after tax 1) | 13,42 % | 13,11 % | 12,67 % |
| Pre-tax return on equity (comprehensive income) 1) | 13,42 % | 13,11 % | 12,67 % |
| Consolidated comprehensive income per equity certificate, in NOK | 10,36 | 9,35 | 37,79 |
| Dividend payable per equity certificate, in NOK | | | 25,00 |
| <i>1) Return on equity is calculated based on average equity excl. hybrid capital. The way it is calculated has been changed as of Q1 2024 and figures for previous periods have been restated.</i> | | | |
| Capital and liquidity position | | | |
| Capital adequacy ratio | 20,60 % | 20,35 % | 21,03 % |
| Core capital adequacy ratio | 18,85 % | 18,21 % | 19,04 % |
| Core Tier 1 capital adequacy ratio | 17,57 % | 17,19 % | 17,75 % |
| Leverage ratio | 8,49 % | 8,53 % | 8,84 % |
| Liquidity Coverage Ratio (LCR) | 210 % | 153 % | 165 % |
| NSFR, consolidated | 128 % | 123 % | 122 % |
| NSFR, parent company | 137 % | 142 % | 135 % |
| Balance sheet history | | | |
| Growth in total assets (year-on-year) | 6,65 % | 6,56 % | 3,86 % |
| Growth in gross customer lending (year-on-year) | 3,44 % | 6,78 % | 4,53 % |
| Growth in customer deposits (year-on-year) | 3,33 % | 8,41 % | 2,72 % |
| Deposits as a % of consolidated gross lending | 57,92 % | 57,98 % | 55,68 % |
| Deposits as a % of parent company's gross lending | 96,57 % | 106,60 % | 91,49 % |
| Employees | | | |
| Full-time equivalent employees | 291 | 275 | 286 |