



*sparebanken
sogn og fjordane*

Investor presentation

Q2-2024

Headlines Q2 2024

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



Solid growth in loans : 3.2 % last 12 months



Increase in net interest income: NOK 394 mill. (NOK 356 mill.)



Results from financial instruments: NOK 24 mill. (NOK 60 mill.)



Loan losses: NOK 19 mill. (against NOK 11 mill. recognized as income)



Solid liquidity and solidity:

- **LCR 184 % (182 %)**
- **Core Tier 1 Capital adequacy ratio: 17.2 % (17.0 %)**



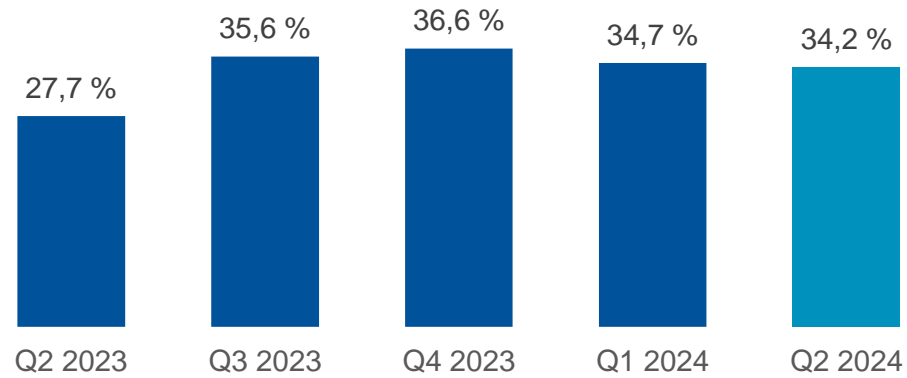
Profit per equity certificate (consolidated): kr 9,78 (kr 12,03)



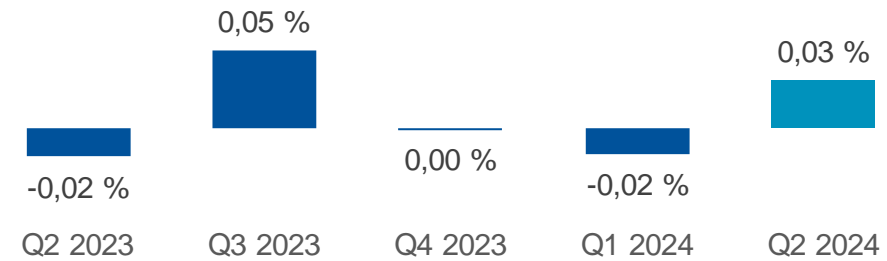
Return on equity: 12,8 % p.a. (16,6 % p.a.)

Development important key figures

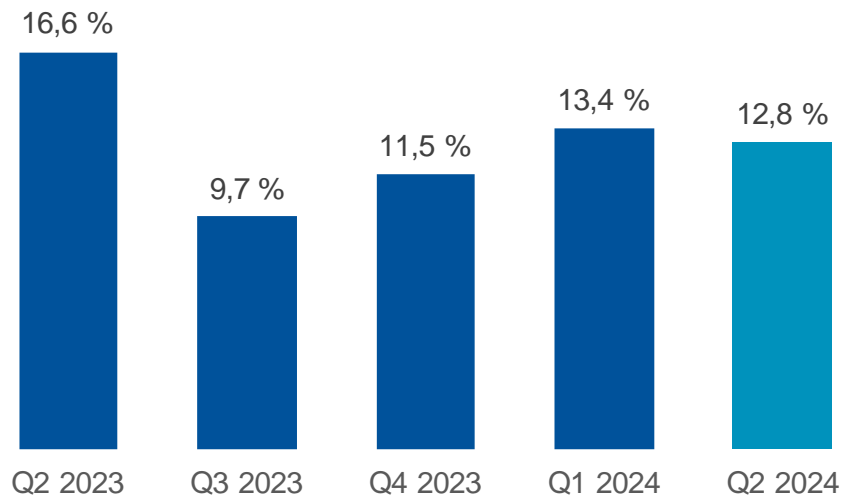
Cost/income ratio



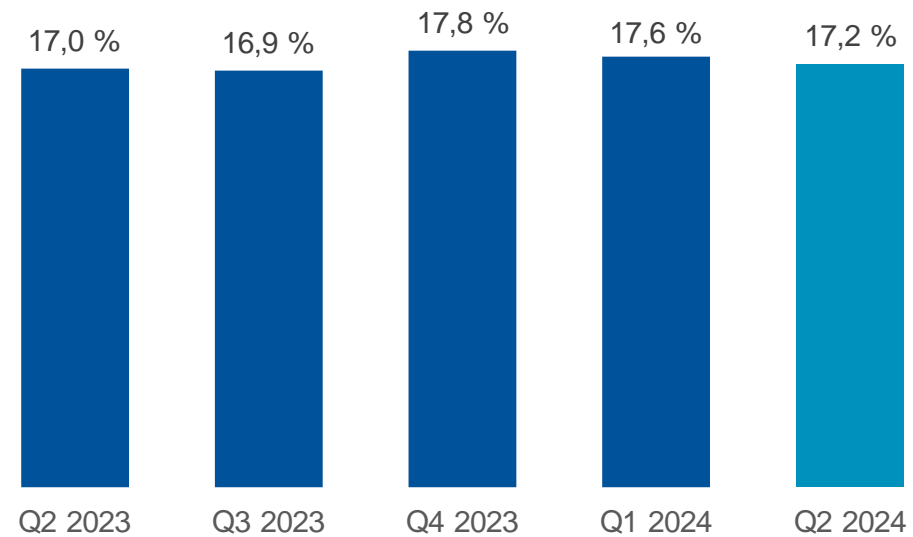
Impairment loss



Return on equity after tax



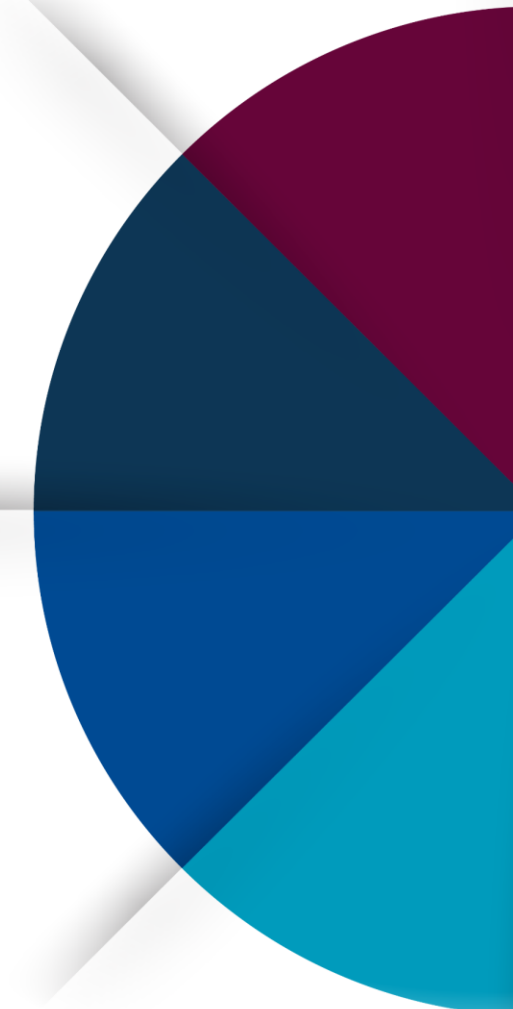
Core Tier 1 capital adequacy ratio



Financial target figures

	Target figures	Status Q2-24
Return on equity	> 11 %	12,8 %
Cost/income ratio	< 40 %	34,3 %
Core Tier 1 capital ratio*	> 17 %	17,9%
Dividend payout ratio	≥ 50 %	59,9 %

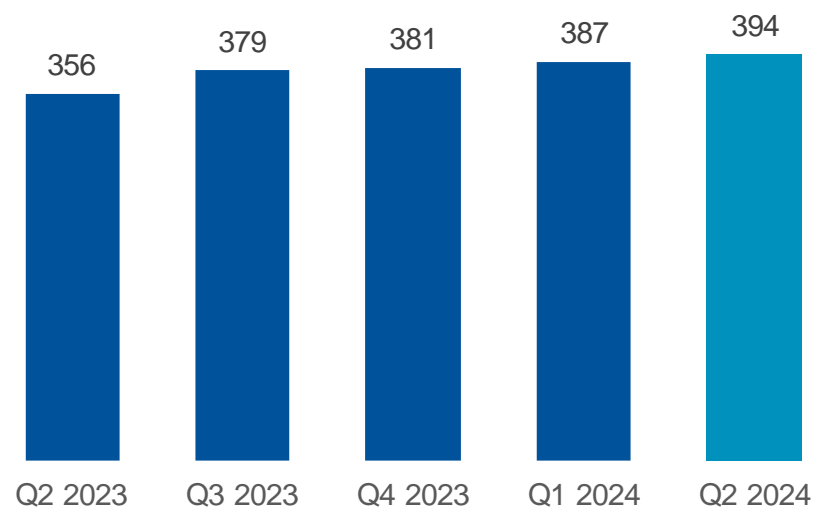
* Core tier 1 capital ratio including profit for the second quarter of 2024, less a proportionate share of expected dividends and gifts.



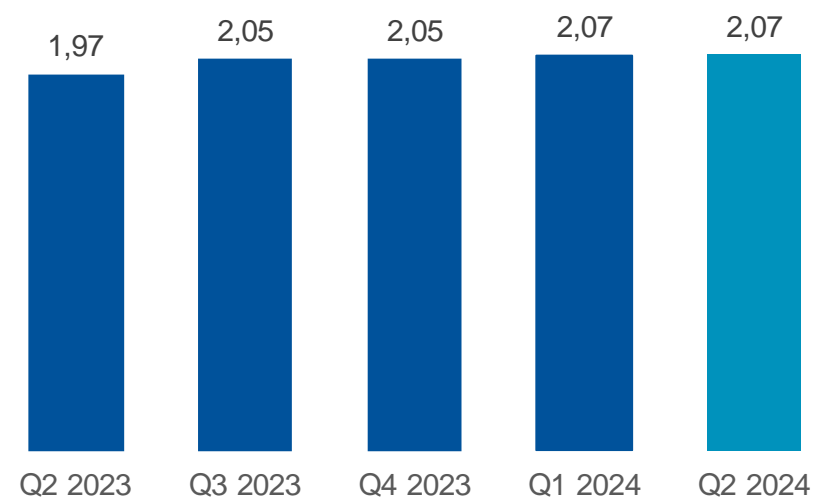
Increase in net interest income

Increase of 10.5% compared to the same quarter in 2023. Higher customer margins and growth in loans are the main reasons for the positive development in net interest income.

Net interest income in NOK million



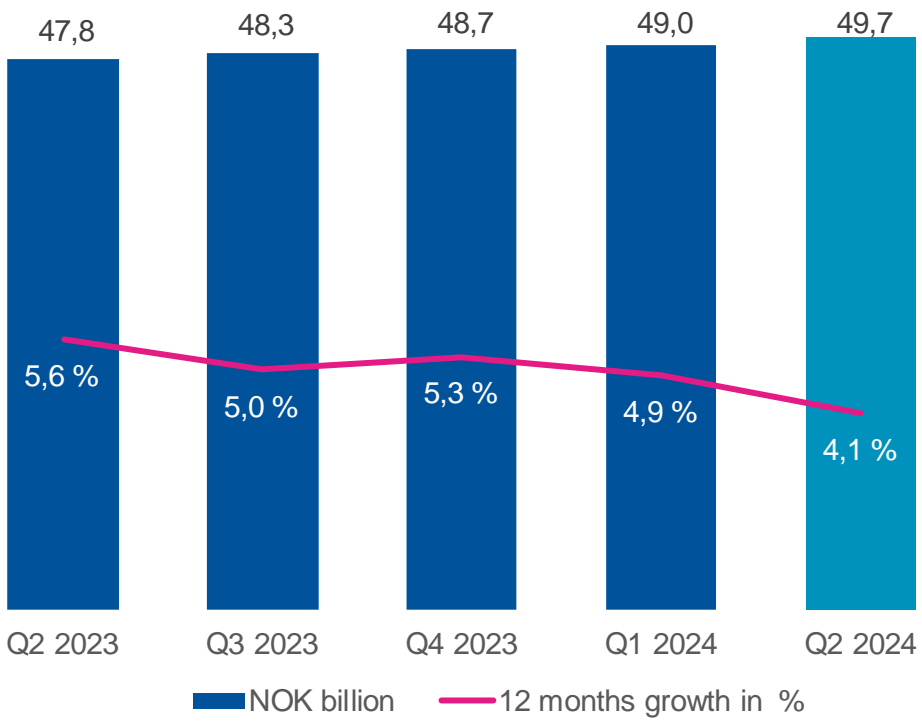
Net interest income as a percentage of average total assets



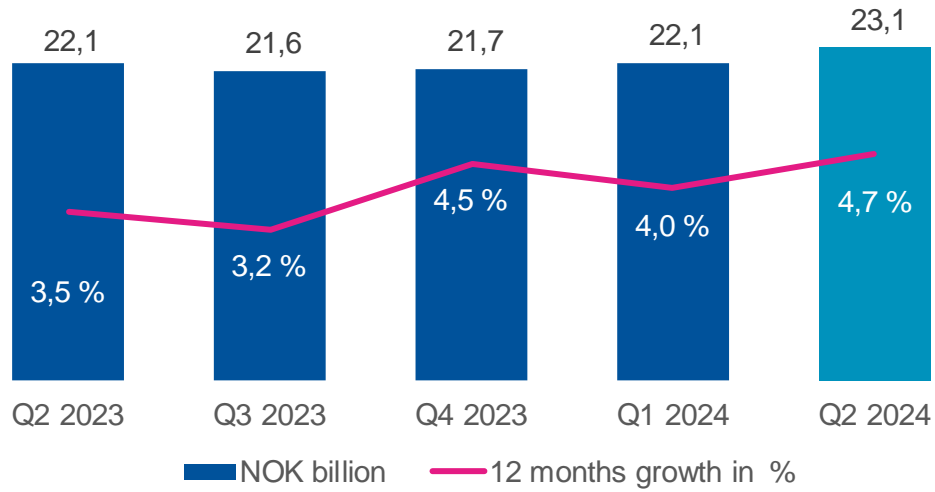
Good lending growth in the Retail Market

Lower lending growth over the past year, but strong growth in the last quarter

Loans Retail Market



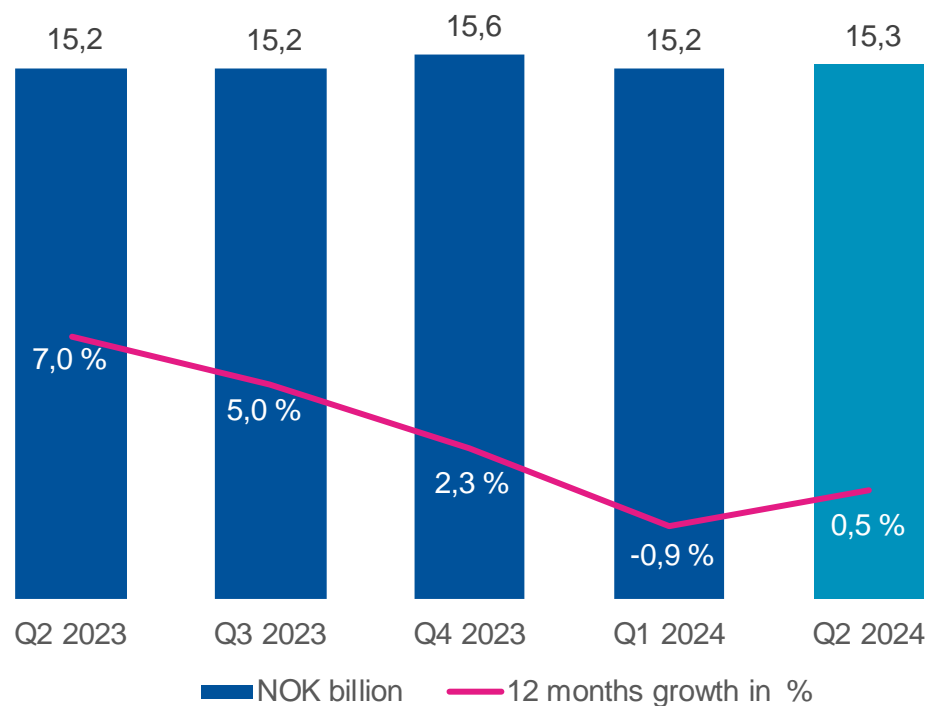
Deposits Retail Market



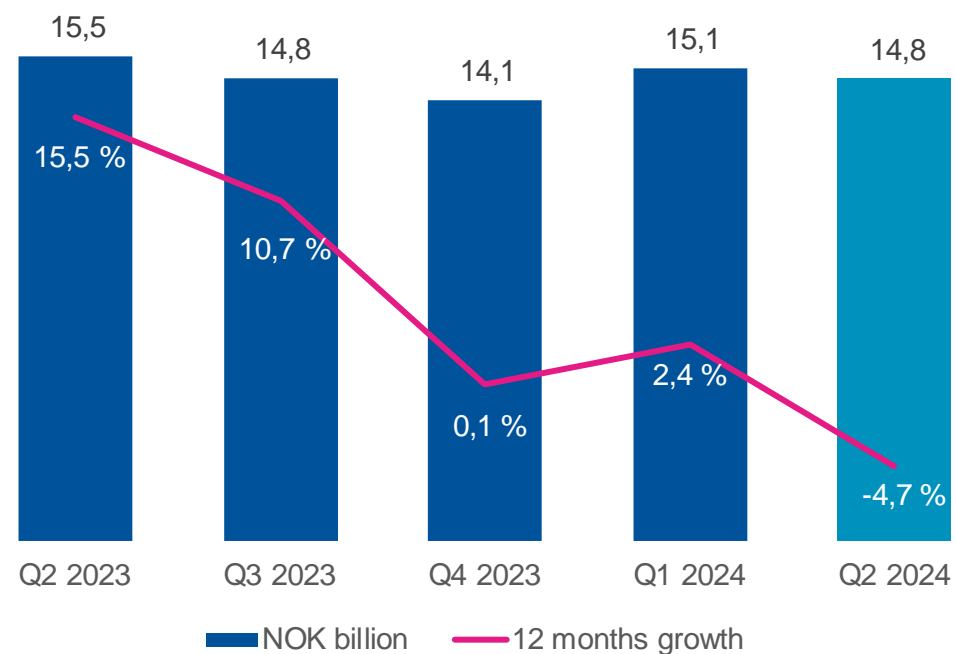
Low lending growth to the Corporate Market

Reduced activity and investments in the companies in the area has given reduced demand for loans.

Loans Corporate Market



Deposits Corporate Market

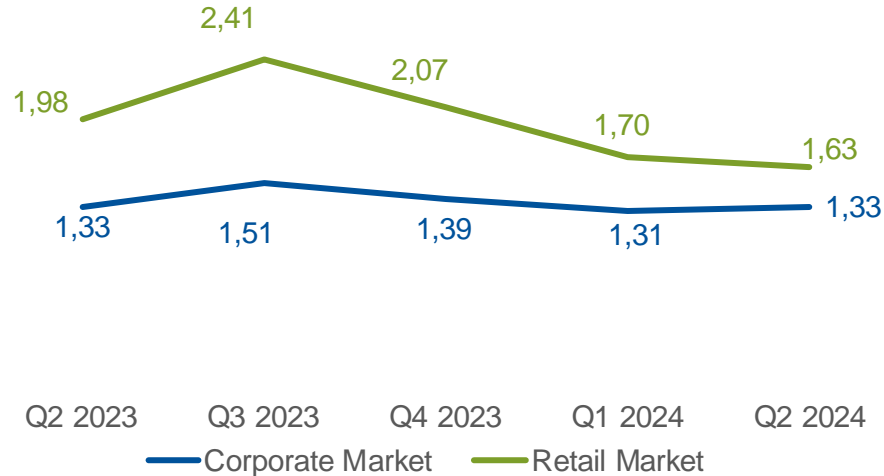


Customer margin

Lending margins



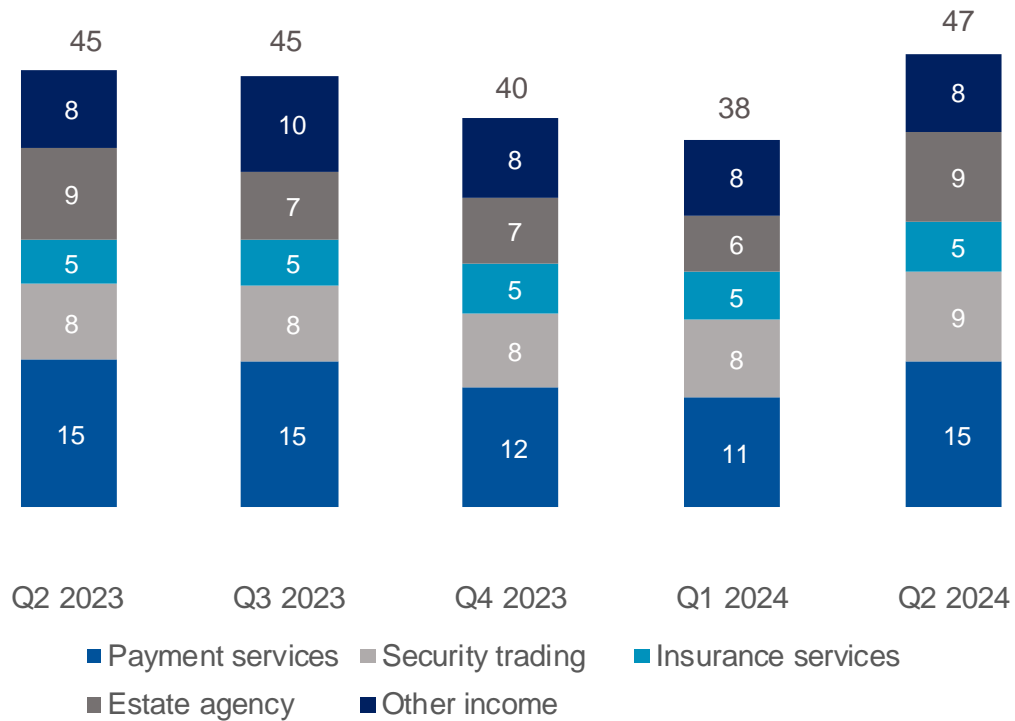
Deposit margins



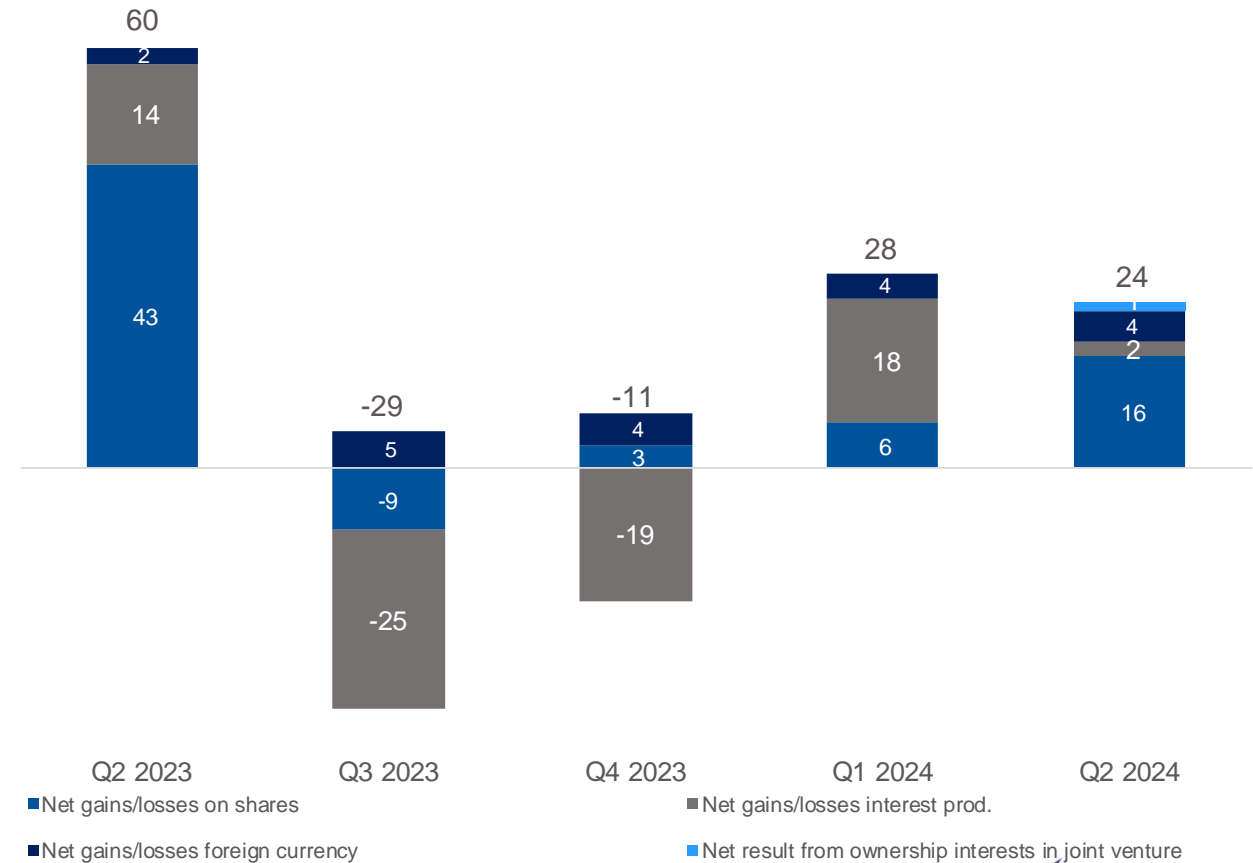
Shows deposit and lending rates for deposits and loans from customers measured against 3 months Nibor. The graph includes both deposits and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

Good development in other income

Other income



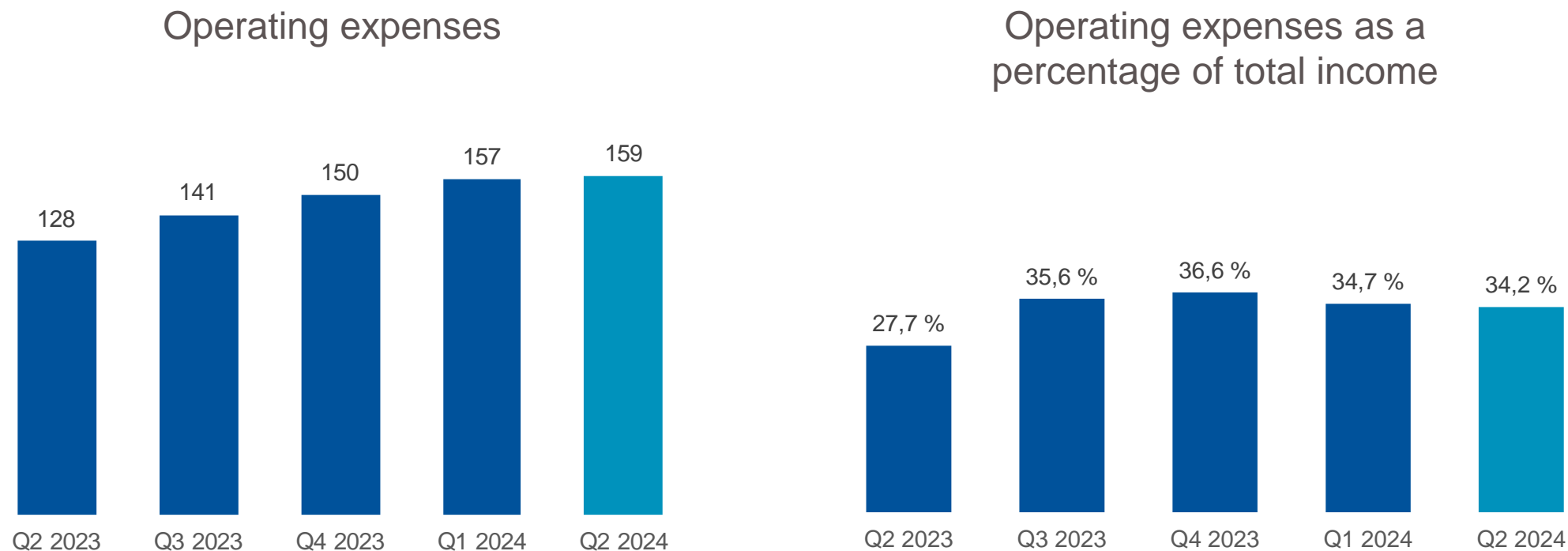
Results financial instruments



Figures per quarter in mill. NOK.

High one off costs affects cost growth

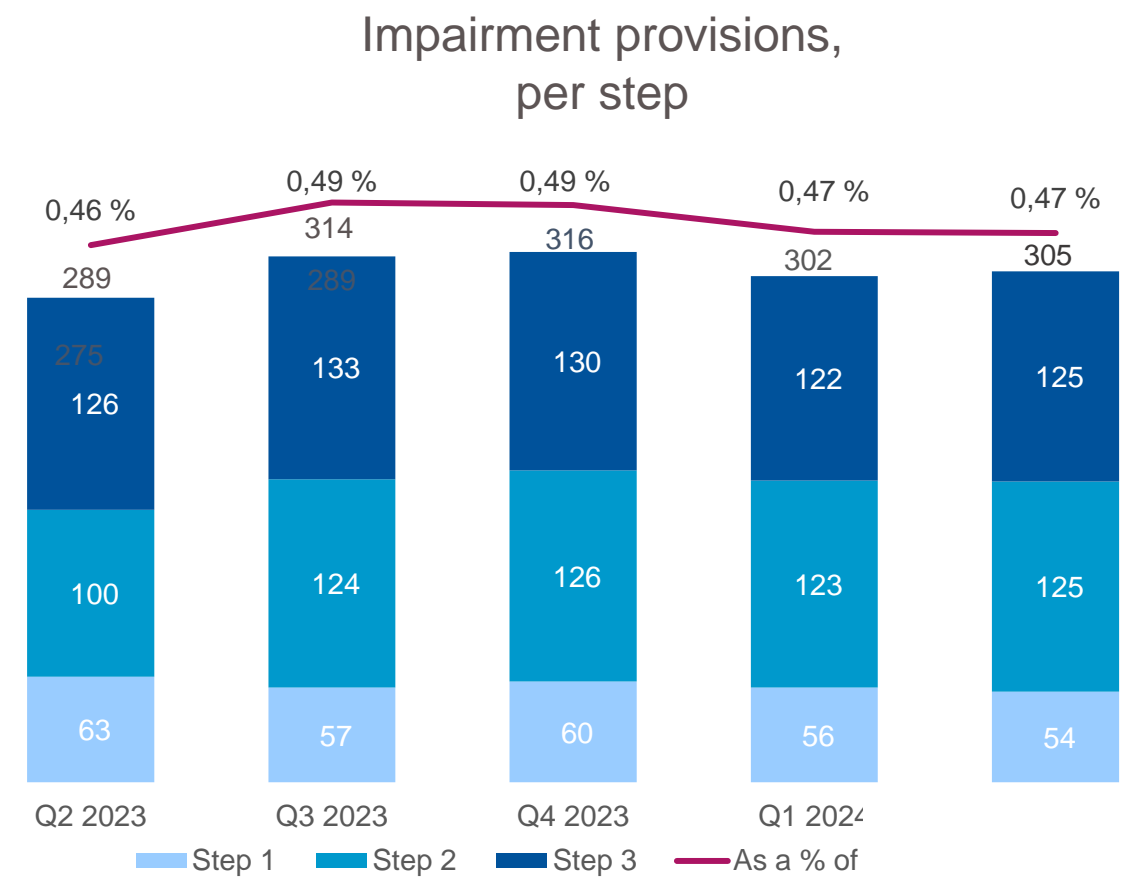
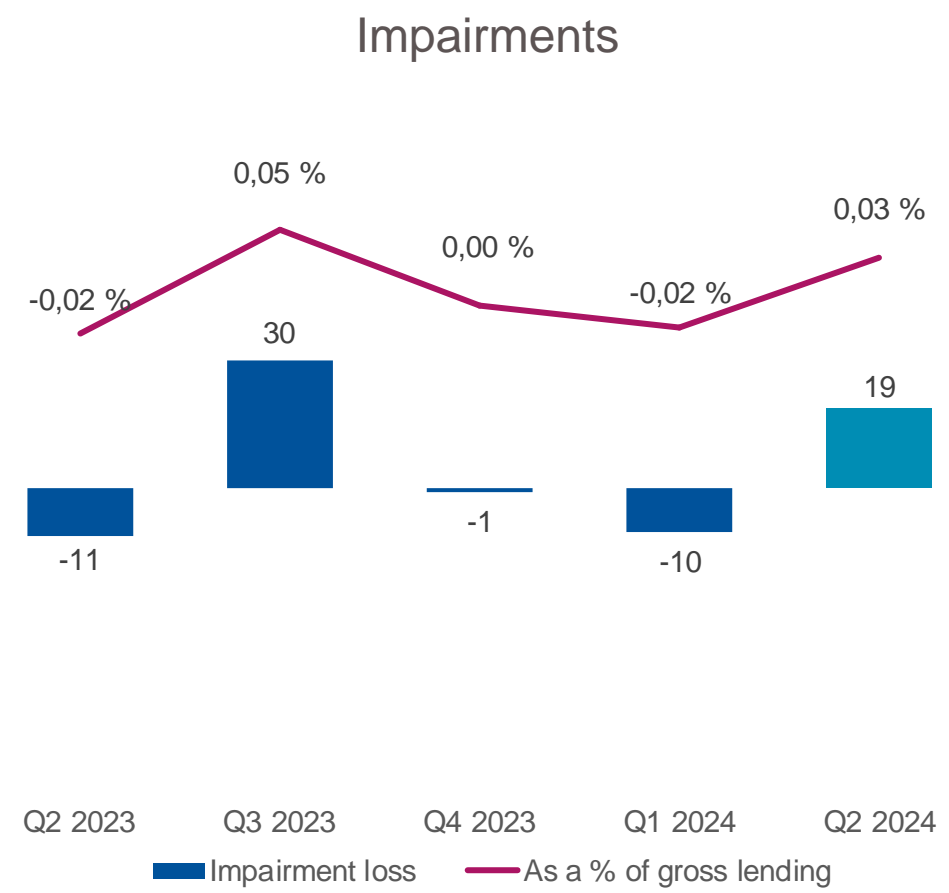
Operating costs increased by 23.9 % compared to the same quarter last year. Underlying cost growth of 13.3 % adjusted for one-time costs related to, among other things, the conversion to the SpareBank 1 alliance and the renovation of the office in Førde.



Figures per quarter in mill. NOK.

Loan losses

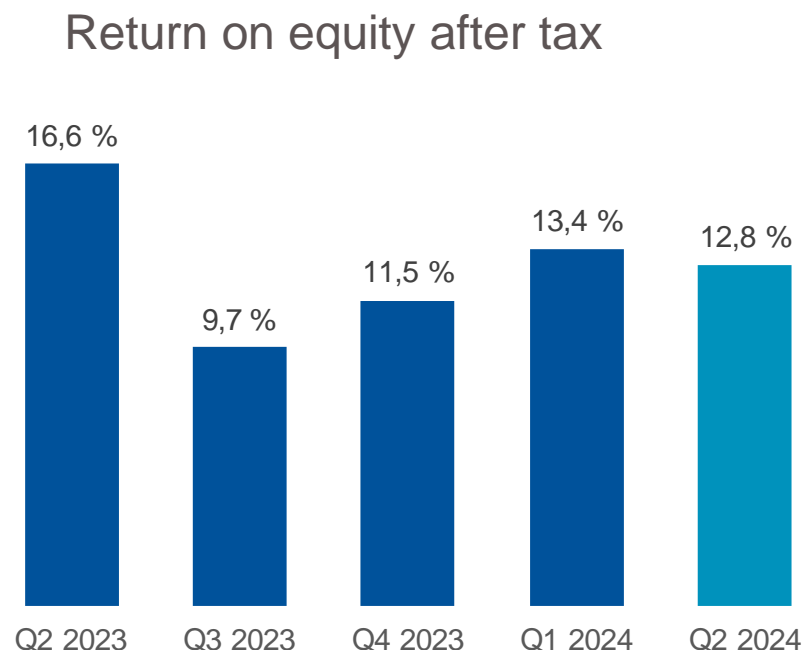
Losses on individually assessed assets amount to NOK 6 million, and model-based loan loss provisions have increased by NOK 13 million.



Figures per quarter in mill. NOK.

Good result

Lower financial income and an increase in loan loss provisions means that the results is not as strong as the particularly good result in Q2 of last year.



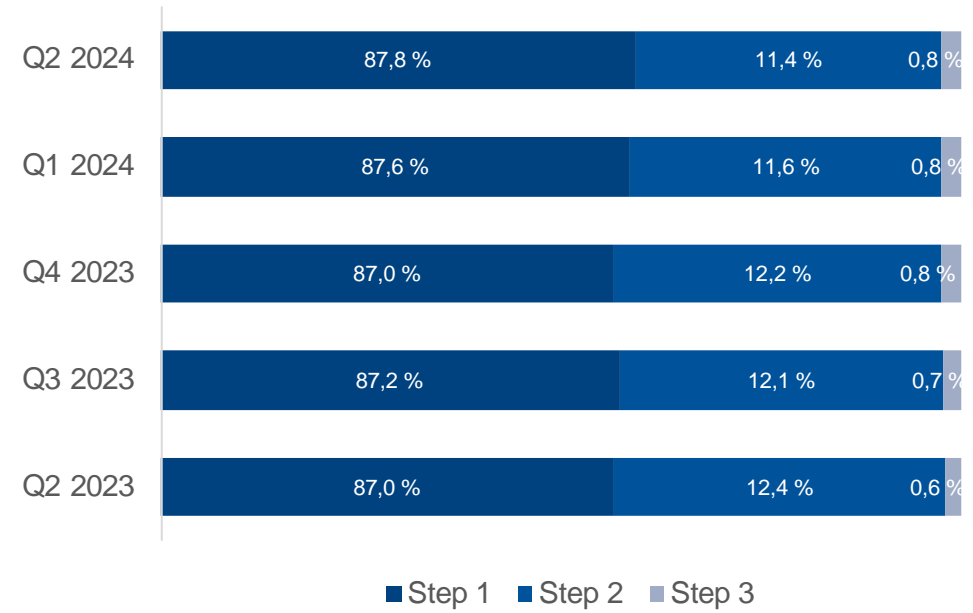
Figures for the quarters in NOK mill.

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

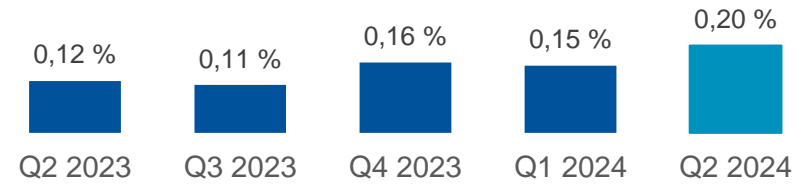
The credit risk in the Retail Market is assessed as low

Reduced need for interest-only payments and a cautious decrease in the proportion of customers with high risk

Gross lending RM in % distributed per step



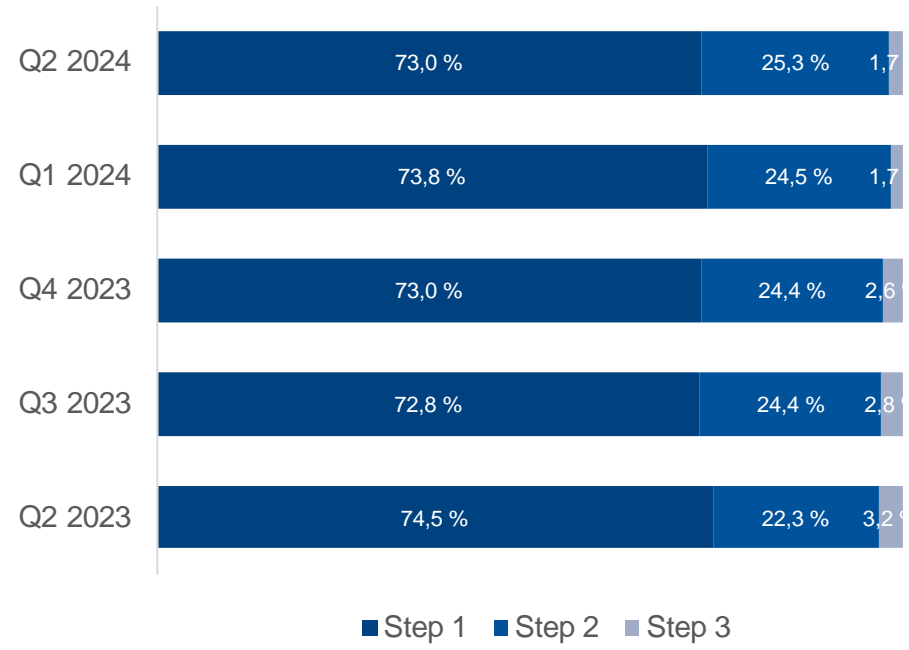
Loans to the RM in default >90 days



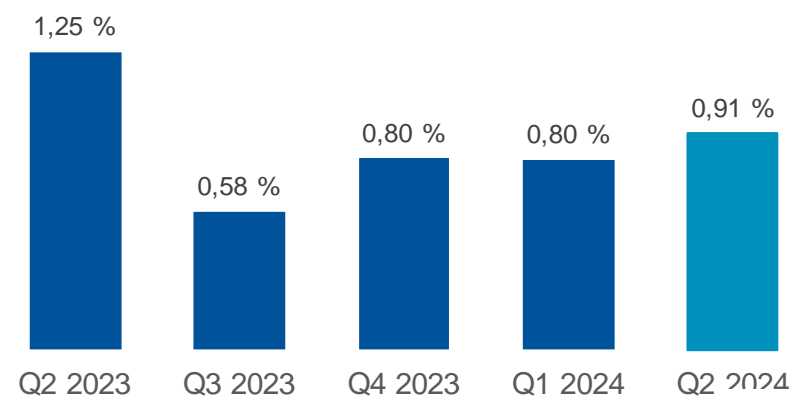
The credit risk in the Corporate Market is moderate

Slightly declining activity in the Corporate Market. The bank closely monitors the business sector in Sogn og Fjordane.

Gross lending CM in % distributed per step

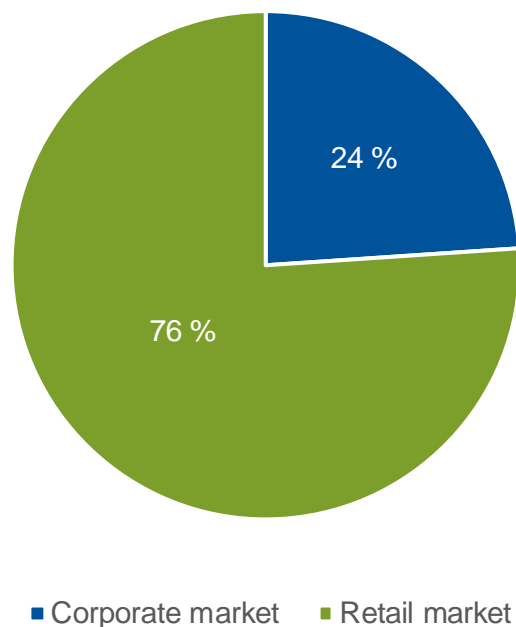


Loans to the CM in default > 90 days

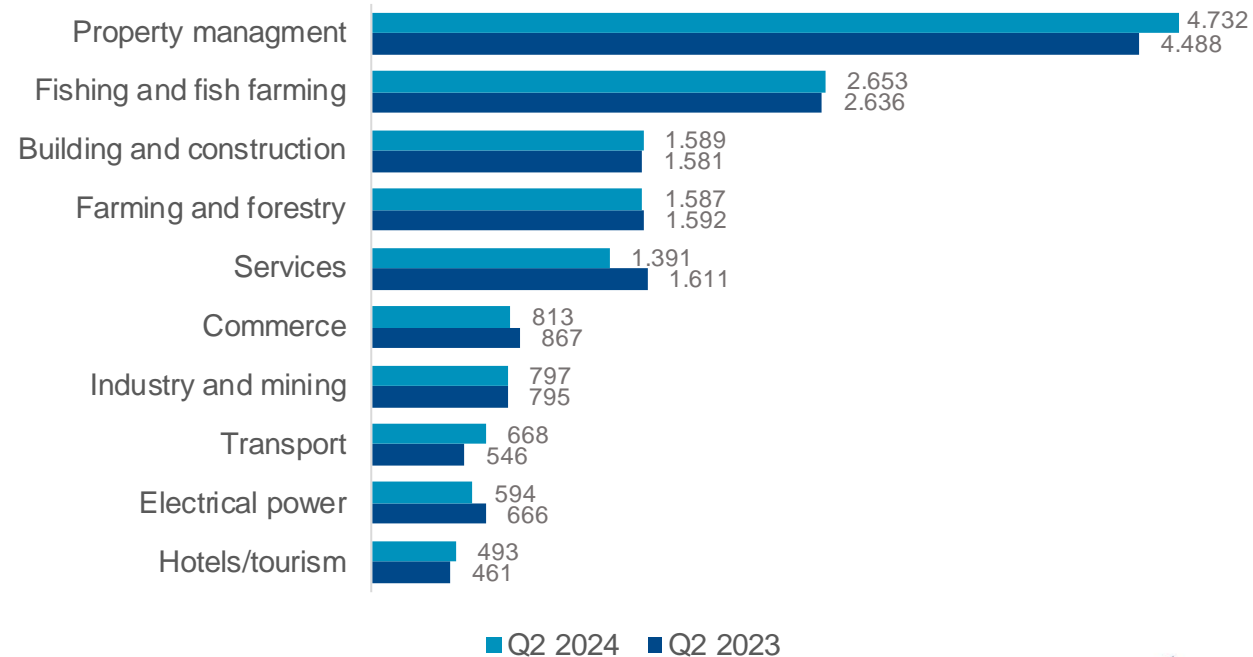


Segments and industries

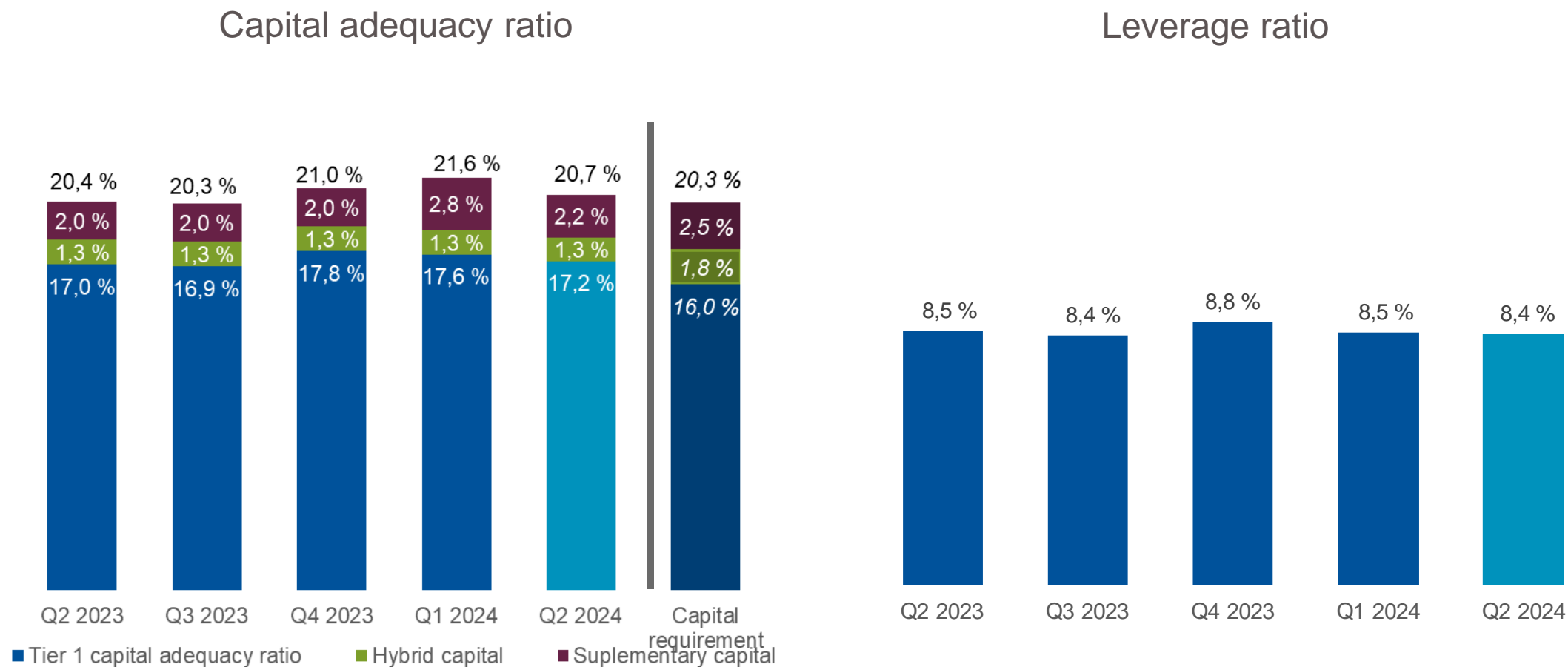
Lending segments



Lendings to the Corporate Market in NOK mill.



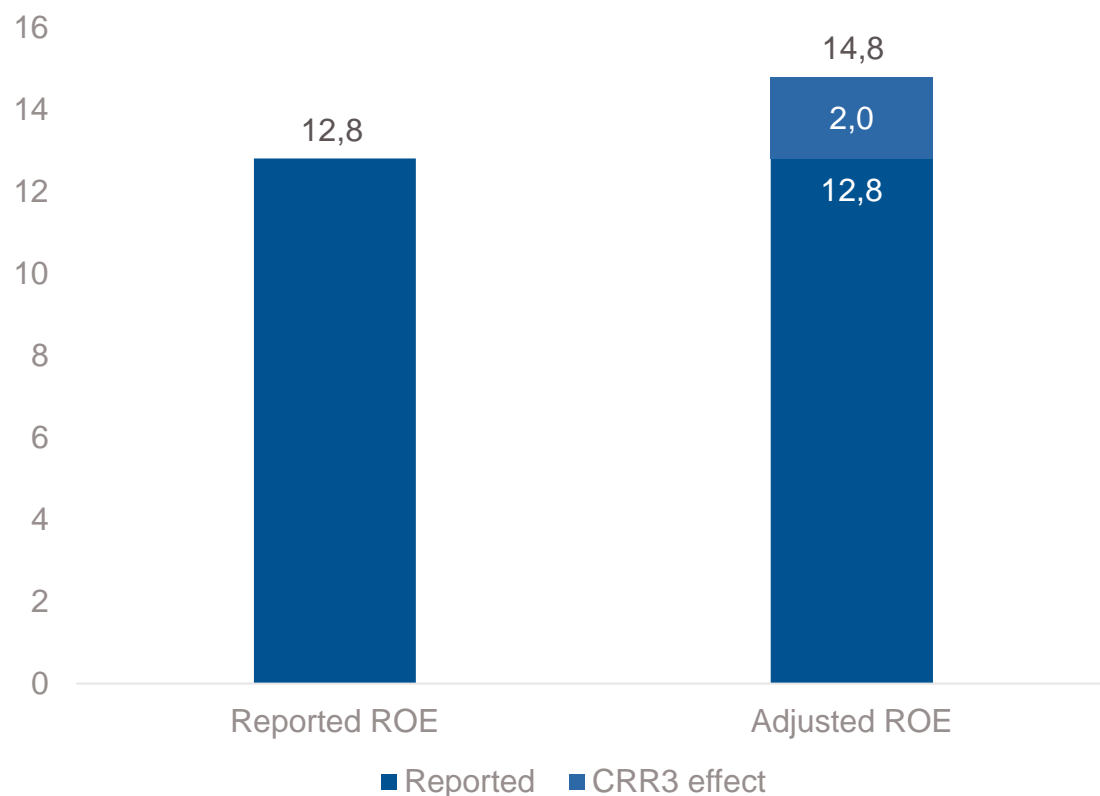
Solid capital adequacy ratio



As of April 30 2024, SSF has been given a new pillar 2 requirement of 1,8 %. As a result, the regulatory requirement for core tier 1 capital adequacy ratio is 15 %. In addition, the bank is expected to maintain a capital requirement buffer of at least 1.0 %, so the total requirement for core tier 1 capital adequacy ratio, including the capital requirement buffer, is 16 %. Reported capital adequacy does not include interim results. Including 50 % of profit after tax so far this year would lift CET1 ratio to 17.9 %

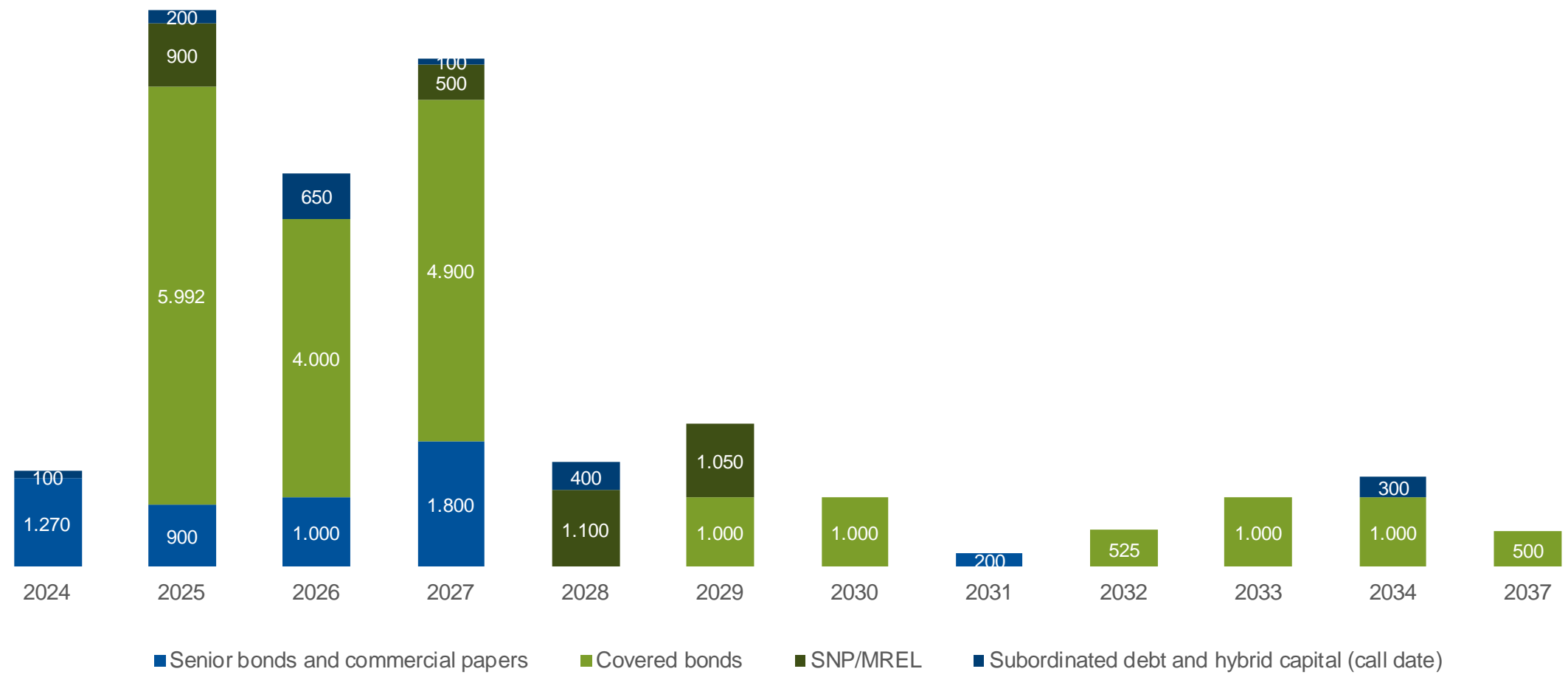
Capital effect from CRR3

ROE effect given CET1 ratio of 17.2 %
for existing and new standard approach



- ▶ SSF estimates that risk weighted assets (RWA) will be reduced by approx. MNOK 5000 with the introduction of CRR3
- ▶ This will increase reported CET 1 ratio by approx. 3 percentagepoints
- ▶ If we assume that the bank had adjusted CET1 so as to have the same CET 1 ratio under CRR3 the reported ROE would increase to 14,8 % in Q2 2024

Maturity distribution of funding



Figures in NOK mill.



The bank becomes SpareBank 1 Sogn og Fjordane on November 4

In April 2023, Sparebanken Sogn og Fjordane announced an agreement for a strategic banking partnership with the SpareBank 1 alliance. With an investment of NOK 630 million, the bank will become a shareholder in SpareBank 1 and SamSpar.

Since then, the bank, SamSpar and Sparebank 1 Utvikling have been working together to prepare for the transition into the alliance.

The date is now set. On November 4 2024, Sparebanken Sogn og Fjordane will become SpareBank 1 Sogn og Fjordane.



Sparebanken Sogn og Fjordane expect to migrate to the SpareBank 1-alliance on November 4th this year



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 21** this year, in addition to **MNOK 7** last year, in external project costs, and there are about 500 persons involved in the project.



The bank in the community

Q2-2024

Market shares in Sogn og Fjordane

Retail Market* **49.2 %**

Corporate Market* **36.8 %**

Estate Agency** **40.0 %**

*Market share : Figures as of Q1-2024

**Market share : Figures as 2023

Source: *SSF, Early Warning ** Eiendomsverdi,

The bank has moved to Alti – but not forever

In June, Sparebanken Sogn og Fjordane and Eigedomsmekling Sogn og Fjordane relocated to the 3rd floor of the Alti shopping center in Førde.

The Sunnfjord office will remain here until the bank building in Førde is fully renovated, which is expected to take about a year.





Vestland Idrettskrets has been awarded NOK five million from the bank surplus, via Sparebankstiftinga Sogn og Fjordane. The funds will contribute to more sustainable sports facilities in Sogn og Fjordane, and lower electricity bills for sports clubs.

In the picture, from left to right: Ole Hermann Engen (financial manager of Gaular IL), Nils R. Sandal (chairman of Vestland Iderttskrets), Trond Teigene (CEO of Sparebanken Sogn og Fjordane), and Narve Heggheim (facilities advisor, Vestland Idrettskrets).

Generous donation for a new master`s degree

The Western Norway University of Applied Sciences has received a donation of NOK 4 875 000. These funds are intended to help develop a new master`s degree in industrial economics.

– With this master`s degree, we get the chance to educate people locally who can contribute to further development and innovation in the region, said Roy Stian Farsund, Corporate Banking Director at Sparebanken Sogn og Fjordane, when he presented the donation to Tore Frimannslund, an associate professor at HVL.

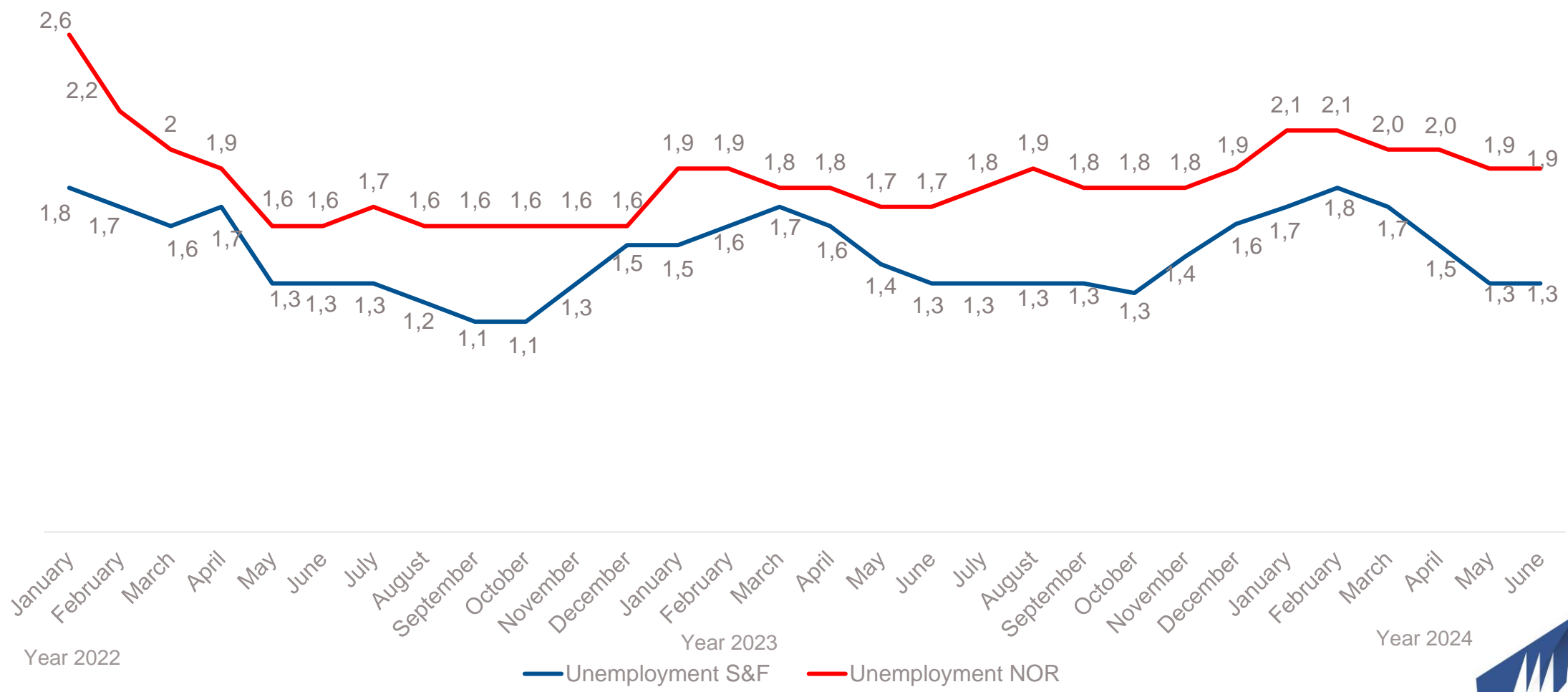
The donation was made by Sparebankstiftinga Sogn og Fjordane, and the funds come from the surplus of Sparebanken Sogn og Fjordane.





Throughout the summer, there has been a lot of activity in Sogn og Fjordane. We have participated in and supported nearly 30 events, ranging from Årdalsmarknaden, Solundfest and Jølster Marathon, to Førdefestivalen, Havblikk and Malakoff

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



Contact information

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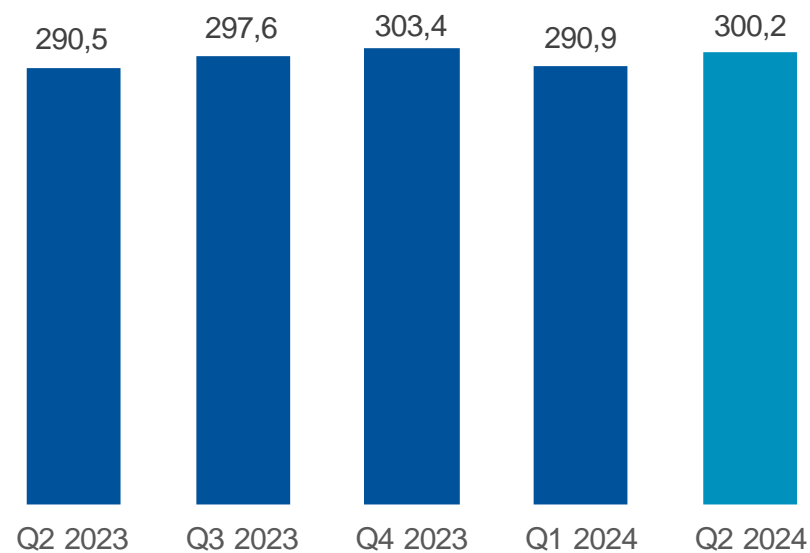


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sogn og fjordane*

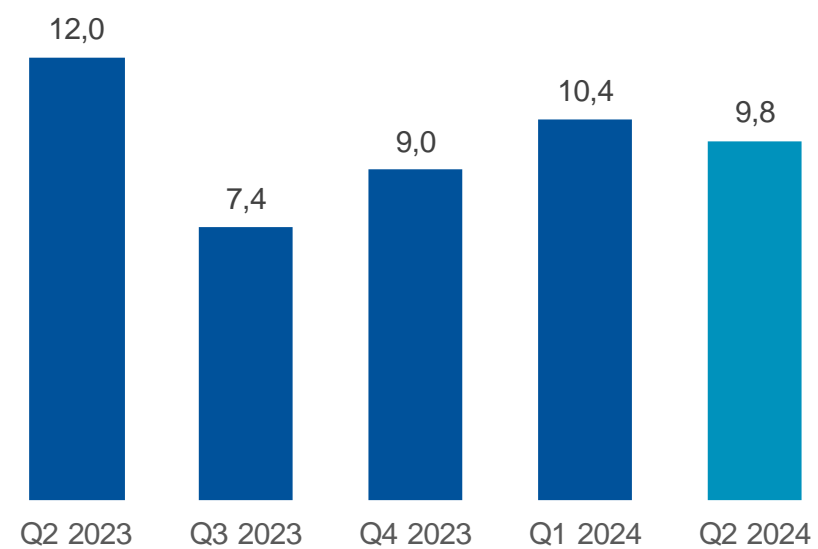
Attachments

Equity certificate

Book value per equity certificate



Profit per equity certificate per quarter



Figures in NOK per quarter

Consolidated financial results by quarter

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net interest income	394	387	381	379	356
Other operating income	47	38	40	45	45
Dividends and gains/losses on financial instruments	24	28	- 11	- 29	60
Net other operating income	71	66	29	15	105
Total revenues	464	453	410	395	462
Operating expenses	159	157	150	141	128
Profit/loss before impairment loss	306	296	259	254	334
Impairment loss	19	- 10	- 1	30	- 11
Profit/loss before taxation	287	306	260	225	345
Tax expense	66	74	59	58	75
Profit/loss after taxation	221	232	201	166	270
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	221	232	201	166	270

Consolidated financial results by quarter

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net interest income	350	332	291	268
Other operating income	37	46	43	43
Dividends and gains/losses on financial instruments	14	1	- 18	- 11
Net other operating income	51	47	25	32
Total revenues	401	379	315	300
Operating expenses	127	128	128	125
Profit/loss before impairment loss	274	250	187	175
Impairment loss	- 4	30	2	- 13
Profit/loss before taxation	278	220	185	188
Tax expense	69	51	42	45
Profit/loss after taxation	210	169	143	143
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	210	169	143	143

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	30.06.24	30.06.23	31.12.23
INCOME STATEMENT			
Net interest income	781	706	1 466
Dividends and gains/losses on financial instruments	51	74	34
Other operating income	85	83	167
Operating expenses	316	255	546
Profit/loss before impairment loss (incl. securities)	601	607	1 121
Profit/loss before impairment loss (excl. securities)	550	533	1 088
Impairment loss	8	- 16	13
Profit/loss before taxation	593	623	1 108
Tax expense	140	144	261
Profit/loss after taxation	453	479	847
Other comprehensive income	0	0	0
Comprehensive income	453	479	847
BALANCE SHEET			
Assets			
Gross loans and advances to customers	65 047	63 013	64 286
Loss allowance	- 305	- 289	- 316
Security investments (shares, fixed income funds, commercial paper and bonds)	9 979	9 085	8 361
Debt and equity			
Deposits from and debt to customers	37 900	37 587	35 796
Debt securities and debt to credit institutions	28 985	26 964	28 542
Equity	7 242	6 963	7 316
Total assets	76 178	73 527	73 556
Average total assets	75 348	71 806	72 573

	30.06.24	30.06.23	31.12.23
KEY FIGURES			
Profitability			
Net interest margin	2,08 %	1,98 %	2,02 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,23 %	0,23 %	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	1,60 %	1,69 %	1,55 %
Profit/loss before tax as a % of average total assets	1,57 %	1,74 %	1,53 %
Profit/loss after tax as a % of average total assets	1,20 %	1,33 %	1,17 %
Comprehensive income as a % of average total assets	1,20 %	1,33 %	1,17 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	36,49 %	32,35 %	33,41 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	34,45 %	29,57 %	32,73 %
Impairment loss as a % of gross loans	0,01 %	- 0,02 %	0,02 %
Return on equity before tax 1)	17,06 %	19,27 %	16,57 %
Return on equity after tax 1)	13,05 %	14,83 %	12,67 %
Pre-tax return on equity (comprehensive income) 1)	13,05 %	14,83 %	12,67 %
Consolidated comprehensive income per equity certificate, in NOK	20,04	21,38	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	20,70 %	20,36 %	21,03 %
Core capital adequacy ratio	18,47 %	18,34 %	19,04 %
Core Tier 1 capital adequacy ratio	17,22 %	17,04 %	17,75 %
Leverage ratio	8,44 %	8,45 %	8,84 %
Liquidity Coverage Ratio (LCR)	184 %	182 %	165 %
NSFR, consolidated	128 %	125 %	122 %
NSFR, parent company	137 %	136 %	135 %
Balance sheet history			
Growth in total assets (year-on-year)	3,60 %	5,67 %	3,86 %
Growth in gross customer lending (year-on-year)	3,23 %	5,96 %	4,53 %
Growth in customer deposits (year-on-year)	0,83 %	6,37 %	2,72 %
Deposits as a % of consolidated gross lending	58,27 %	59,65 %	55,68 %
Deposits as a % of parent company's gross lending	97,68 %	100,90 %	91,49 %
Employees			
Full-time equivalent employees	298	287	286