



*sparebanken
sogn og fjordane*



Interim report

Q2 2022 (unaudited)

Contents

3	Key figures, consolidated
4	Interim report 30 June 2022
9	Consolidated income statement
10	Consolidated balance sheet
11	Consolidated cash flow statement
12	Consolidated statement of changes in equity
14	Notes
31	Declaration by the Board of Directors and CEO
32	Income statement, parent company
33	Balance sheet, parent company
34	Consolidated income statement as a % of average total assets
35	Consolidated financial results by quarter
36	Recent financial performance by quarter as a % of average total assets
37	Contact details SSF

FRONT COVER: Photoevent

GRAPHIC DESIGN: Sparebanken Sogn og Fjordane E. Natvik Prenteverk AS

ENGLISH TRANSLATION: Språkverkstaden

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			
Profitability			
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
1) Return on equity is calculated based on opening equity excl. hybrid capital			
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

Interim report 30 June 2022

All of the figures specified below refer to the consolidated accounts unless otherwise stated. The figures in brackets are for the second quarter of 2021.

Q2 2022 highlights

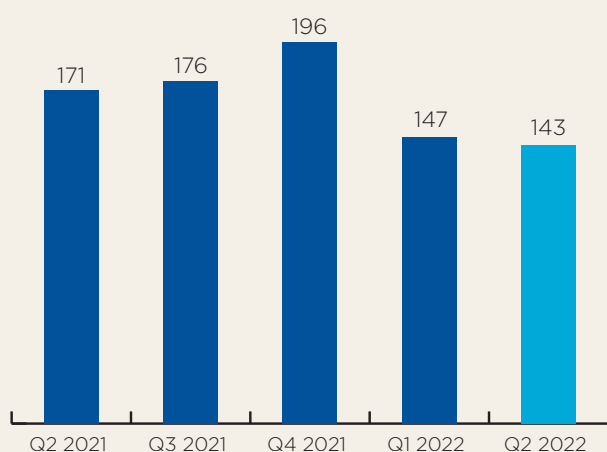
- NOK 268 million (231 million) of net interest income
- Net loss of NOK 11 million (gain of 60 million) on financial instruments
- Operating expenses of NOK 125 million (113 million)
- Impairment gain of NOK 13 million (loss of NOK 9 million)
- Profit after taxation of NOK 143 million (171 million)
- Return on equity of 9.8% (12.7%)
- Capital adequacy ratio of 20.0% (18.7%)

Q2 financial results

The Group made a pre-tax profit of NOK 188 million, compared with NOK 208 million in the same quarter of last year. The decline was due to a negative contribution from financial instruments in the second quarter of this year, as opposed to a particularly good result in the second quarter of last year. Set against that, net interest income and commission income saw healthy growth. An impairment gain also made a positive contribution to profit. Meanwhile, operating expenses rose. Operating expenses were unusually low in the second quarter of last year.

The Group made a profit after tax of NOK 143 million in the second quarter, compared with NOK 171 million in the same quarter last year. The profit for the second quarter gives a return on equity of 9.8%, against 12.7% in the year-earlier period.

Graph of profit after taxation by quarter:



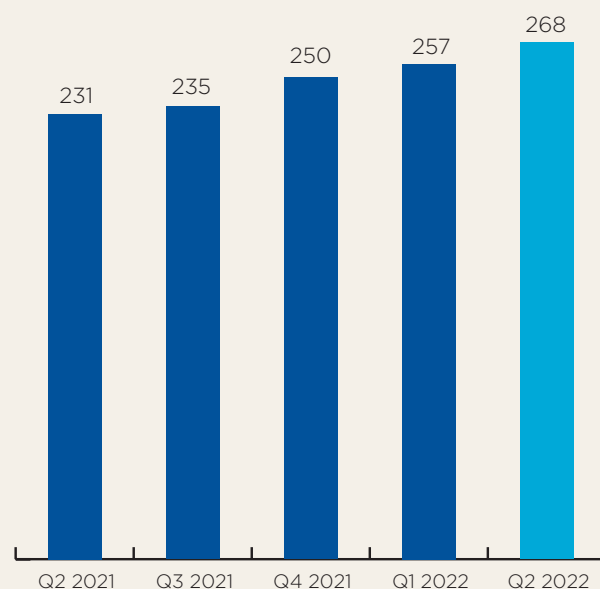
Net interest income in Q2

Net interest income totalled NOK 268 million, which was an improvement of NOK 37 million (15.9%) over the same quarter of last year. Loan growth came to 6.5% over the past 12 months, and deposits grew 10.3%

over the same period. The overall customer margin for the second quarter was higher than the margin for the second quarter of last year. Healthy growth in deposits and lending, together with a higher customer margin, led to strong growth in net interest income.

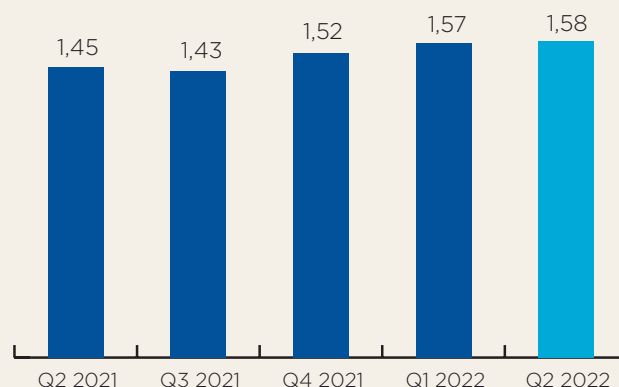
However, the cost of funding through debt securities was higher than in the year-earlier quarter, as the 3-month Nibor has risen, and viewed in isolation that had a negative impact on net interest income. The bank has notified its customers that it will be putting up interest rates on loans and deposits, which in isolation will improve its net interest income next quarter. The overall impact on net interest income is uncertain, because there is an expectation that the cost of funding debt securities will increase further in response to rises in the 3-month NIBOR.

Graph of quarterly net interest income in millions of NOK:



The graph below shows the net interest margin (net interest income measured as a percentage of average total assets). The net interest margin was 1.58% in the second quarter of 2022, which was 0.13 percentage points higher than in the second quarter of 2021.

Graph of net interest margin:



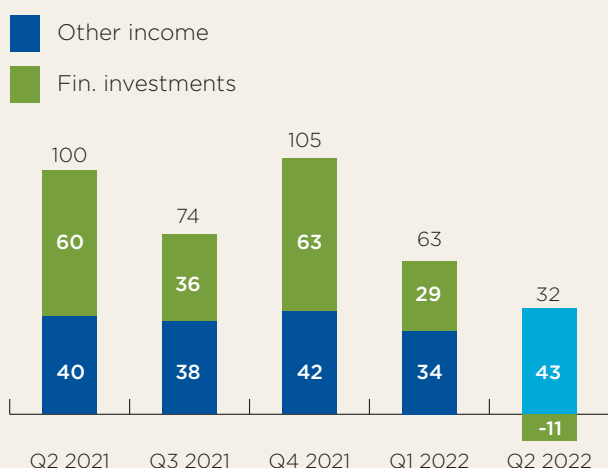
Net other operating income in Q2

In the second quarter, net other operating income came to NOK 32 million, compared with NOK 100 million in the year-earlier period. The decline was due to a strong NOK 60 million contribution from financial instruments in the second quarter of last year, which contrasted with a NOK 11 million loss in the second quarter of this year.

The negative contribution in the second quarter of 2022 was due to changes in the value of financial instruments (interest items) and was related to the changes in underlying interest rates. Moreover, investments in shares made a NOK 9 million positive contribution in the second quarter of this year, compared with NOK 60 million in the year-earlier quarter.

Other income (excluding gains on financial investments) totalled NOK 43 million, NOK 3 million higher than in the second quarter of 2021. The increase was due to higher income from payment services and insurance products.

Graph of other income and gains/losses on financial investments by quarter, in millions of NOK:



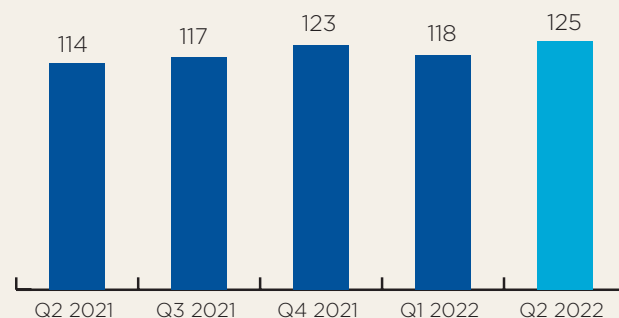
Operating expenses in Q2

Second quarter operating expenses were NOK 125 million, up NOK 11 million (10.1%) from the second quarter of 2021.

This was mainly due to higher staff costs, which partly relate to one-off items. These include a NOK 2 million reversal of previously allocated costs in the second quarter of last year, and a charge of over NOK 3 million in conjunction with the Bank introducing an equity certificate ownership scheme for its employees in the second quarter of this year. Adjusted for this, expenses rose by around 5%.

Many expense items have been cut as a result of a drive to make our business more cost-efficient, but some expenses are rising due to inflation and the growth of our business. Moreover, in the second quarter of last year expenses were unusually low due to the Covid-19 pandemic.

Graph of quarterly operating expenses in millions of

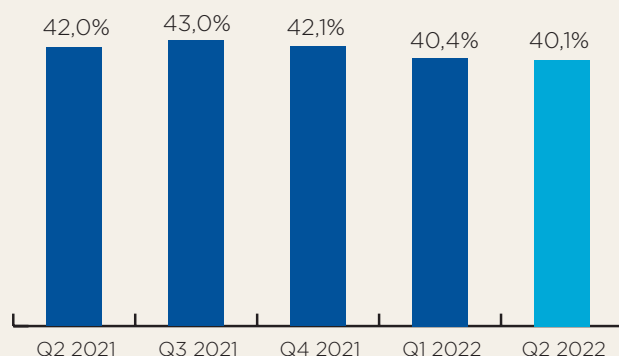


Operating expenses were equivalent to 0.73% of average total assets, against 0.70% for the second quarter of last year.

The cost-to-income ratio including financial instruments was 41.6%, against 34.4% in the second quarter of 2021.

Since financial instruments made a negative contribution in the second quarter of this year, the cost-to-income ratio excluding the contribution from financial instruments is a better indicator of our cost efficiency. This cost-to-income ratio was 40.1%, down from 42.0% last year.

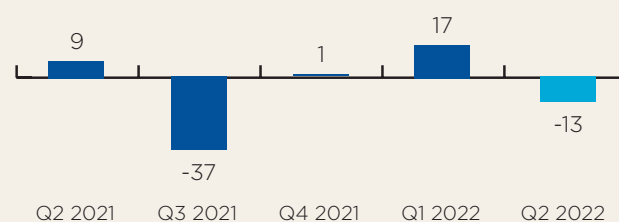
Graph of cost-to-income ratio excl. contribution from financial instruments by quarter:



Impairment loss in Q2

A net NOK 13 million impairment gain was recognised in the second quarter, as opposed to a NOK 9 million impairment loss in the second quarter of last year.

Graph of impairment loss by quarter in millions of NOK:



For further details, see notes 5 and 6.

Year-to-date net interest income

Net interest income totalled NOK 525 million, which was NOK 65 million, or 14.2%, higher than in the equivalent period last year. Customer lending and deposits are growing strongly, and the customer margin was also higher than in the year-earlier period. This was partly offset by higher funding costs as a result of the 3-month NIBOR rising, but the overall picture for net interest income was good.

The net interest margin was 1.58%, compared with 1.45% in the year-earlier period.

Year-to-date net other operating income

Other operating income totalled NOK 95 million, compared with NOK 151 million in the same period last year.

Net other operating income fell on account of the contribution from financial investments falling to NOK 18 million from NOK 74 million in the year-earlier period. In the first six months of this year, long-term shareholdings contributed NOK 34 million, compared with NOK 67 million in the year-earlier period. There was a net NOK 24 million impairment loss on financial instruments (interest items) in the first six months of this year. This was related to large fluctuations in market interest rates in recent months. For further details see Note 3.

Net commission income and other income (excluding gains/losses on financial instruments), which amounted to NOK 77 million in total, remained unchanged from the first six months of last year. Income from payment services and investment funds saw healthy growth, whereas income from estate agency services fell.

Year-to-date operating expenses

Operating expenses totalled NOK 242 million, which was virtually unchanged from last year.

Certain one-off items affected the level of expenses both this year and last year. Last year's figures included a provision for redundancy packages and this year's include costs relating to the introduction of an employee equity certificate ownership scheme. Adjusted for these one-off items, expenses rose by 2.2%.

A number of expense items have been reduced, but others, including staff and IT expenses, have risen. Certain expense items were unusually low last year, such as travel expenses on account of the Covid-19 situation.

Operating expenses were equivalent to 0.72% of average total assets, against 0.76% for the same period last year. The full-year expense figure for 2021 was 0.75%.

Including financial instruments, the cost-to-income ratio was 39.1%, against 39.8% in the first six months of last year.

Excluding financial instruments, the cost-to-income ratio was 40.2%, against 45.3% in the same period of last year.

Year-to-date impairment loss for loans and guarantees

The net impairment loss for the first six months of 2022 was just NOK 4 million, compared with roughly NOK 0 million in the year-earlier period. This was equivalent to 0.01 % of gross loans.

The loss allowance on the balance sheet for expected credit losses on loans, guarantees and undrawn credit facilities was NOK 319 million at 30 June 2022, compared with NOK 366 million at 30 June 2021. Of the loss allowance at 30 June 2022, NOK 306 million was for loans. This was equivalent to 0.52% of gross loans, compared with NOK 328 million (0.59%) a year earlier.

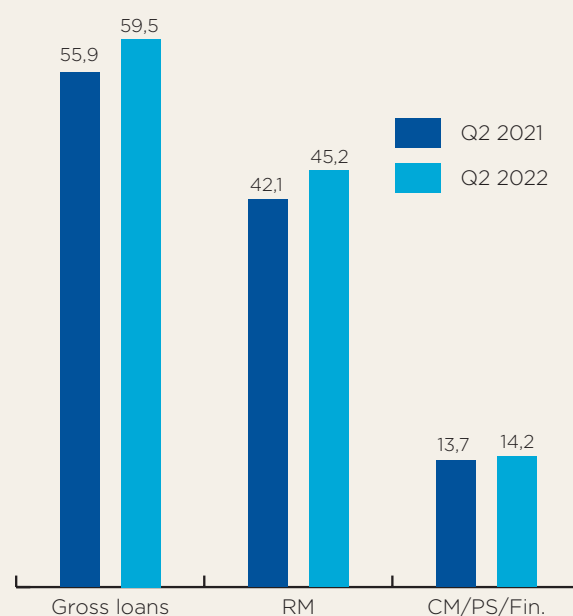
Balance sheet

The Group had total assets of NOK 69.6 billion at 30 June 2022. This represented an increase of NOK 3.9 billion (5.9%) over the previous 12 months. The increase in total assets was primarily due to strong growth in lending to customers.

Loans to customers

Gross loans to customers totalled NOK 59.5 billion at the end of the quarter. Growth over the past year was NOK 3.6 billion (6.5%).

Graph of gross loans by sector in billions of NOK:



Over the past 12 months, lending to the retail market (RM) rose by a healthy 7.3%, while lending to the corporate market (CM) (including loans to the public and financial sectors) was up 3.8%.

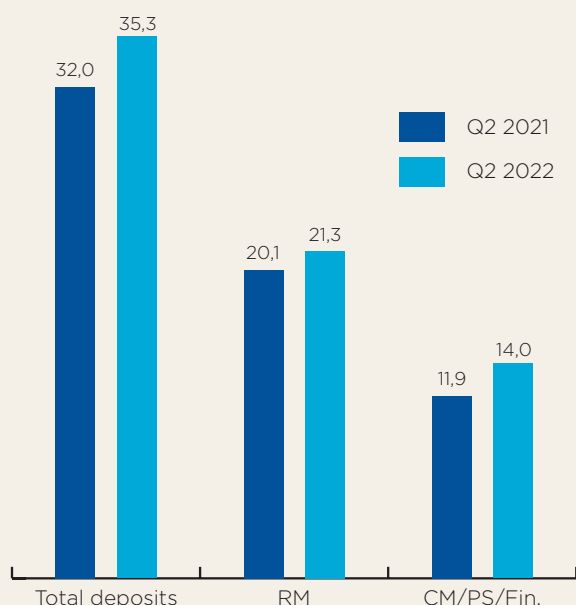
In the year to date, lending rose 4.0% to the retail market and 0.7 % to the corporate market.

The Bank is working hard to attract new customers, particularly in the retail market, and it expects good loan growth to continue.

Deposits

Customer deposits totalled NOK 35.3 billion at the end of the quarter. Growth over the past 12 months was NOK 3.3 billion (10.3%).

Graph of deposits by sector in billions of NOK:



Over the past 12 months, retail market deposits increased by 6.1%, while corporate market deposits (incl. deposits from the public and financial sectors) rose 17.3%.

In the year to date, deposits from the retail market grew by 6.3% and those from the corporate market by 12.3%.

The Group's deposit/loan ratio was 59.4%, up from 57.3% at 30 June 2021.

Credit risk

The outstanding balance of loans over 90 days past due was NOK 147 million, down NOK 33 million from the equivalent figure at 31 December 2021.

We consider credit risk in the retail market to be low and stable. Looking ahead, the macroeconomic situation, with higher interest rates, high electricity prices and higher inflation, may lead to a small increase in payment difficulties, but it is our assessment that the bank's customers are generally in a strong financial position.

Businesses in Sogn og Fjordane are doing well, and we consider the Bank's credit risk in the corporate market to be moderate.

As a proportion of outstanding loans, exposure to the corporate market was 24.0% at 30 June 2022, compared with 24.6% a year earlier.

The amount of equity and subordinated debt required for credit risk was NOK 30,342 million, which is virtually unchanged from 30 June 2021.

Liquidity and financing

In managing its liquidity, the Bank focuses on its deposit/loan ratio, liquidity buffer and the maturity structure of its funding. The liquidity buffer was NOK 9.0 billion in the second quarter of 2022. The liquidity buffer is invested in short-term deposits with Norges Bank and other banks, as well as in freely negotiable bonds/commercial paper. The Liquidity Coverage Ratio (LCR) was at a satisfactory 166%, compared with 194% the previous year.

The Bank uses mortgages to issue covered bonds through its wholly-owned subsidiary Bustadkreditt Sogn og Fjordane AS.

At 30 June 2022, the latter company had covered bonds with a face value of NOK 19.9 billion trading on the market. The total value of its cover pool was NOK 25.3 billion. At 30 June 2022 the company's cover pool was worth NOK 5.3 billion more than the loans it was being used to secure.

Subsidiaries

Bustadkreditt Sogn og Fjordane AS

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. At 30 June 2022, the company had a NOK 25.5 billion loan portfolio, up 10.1% over the past twelve months. The company had NOK 1.8 billion of equity. The company made a pre-tax profit of NOK 98 million, compared with NOK 111 million in the first six months of 2021. The main reason why profit fell was lower net interest income as a result of funding costs rising faster than interest income from customers.

Bankeigedom Sogn og Fjordane AS

Bankeigedom Sogn og Fjordane AS is a wholly-owned subsidiary, which owns the Group's largest buildings. It made a pre-tax profit of NOK 3.3 million, compared with NOK 2.9 million in the equivalent period of 2021.

Eigedomsmekling Sogn og Fjordane AS

The estate agency Eigedomsmekling Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. It had NOK 15.2 million in operating revenues, which was NOK 2.7 million lower than the previous year due to a fall in business activity. The company made a pre-tax profit of NOK 0.7 million, compared with NOK 3.0 million in the first half of last year.

Financial strength and return on equity

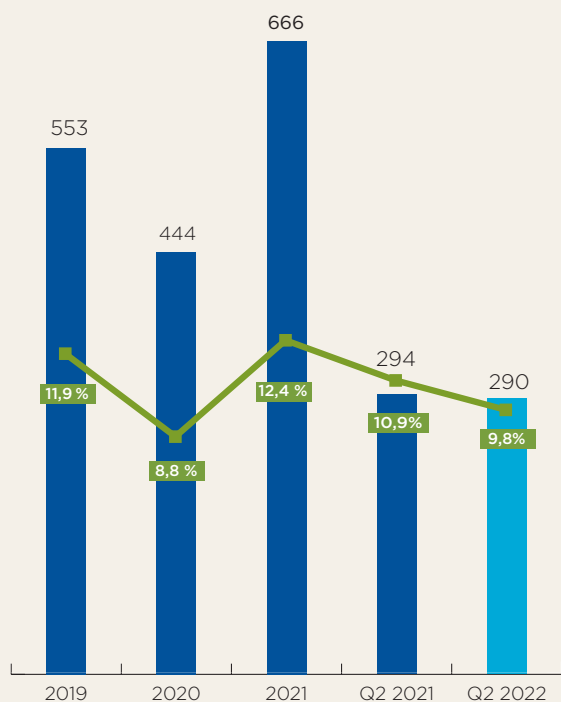
The Group's equity at 30 June 2022 totalled NOK 6.3 billion, NOK 455 million (7.7%) higher than the figure at 30 June 2021. The increase came from profit over the past year less dividends and gifts disbursed.

The Group's capital adequacy ratio at 30 June 2022 was 19.95%, compared with 18.69% at 30 June 2021. The core Tier 1 capital adequacy ratio was 17.05%, against 15.78% at 30 June 2021.

Including profit for the first six months of the year, less a proportionate share of expected dividends and gifts, the core Tier 1 capital adequacy ratio at 30 June 2022 is estimated to have been 17.67%.

The Group made a profit after tax of NOK 290 million in the first half of the year, compared with NOK 294 million in the first half of 2021. This corresponds to a return on equity of 9.8%, against 10.9% in the first half of 2021. Sparebanken Sogn og Fjordane has consistently managed to achieve a satisfactory return on equity. The Board of Directors is satisfied with the Group's financial results and return on equity.

Graph of profit/loss after taxation in millions of NOK and return on equity in percent by year



Rating

As of 30 June 2022, Sparebanken Sogn og Fjordane had a long-term rating of A1 from Moody's. Bustadkreditt Sogn og Fjordane's covered bond programme has a long-term rating of Aaa.

Summary

The Group made a profit after tax of NOK 143 million in the second quarter, compared with NOK 171 million in the second quarter of last year. This is a good performance, but profit was lower than in the second quarter of last year due to a negative contribution from financial instruments and higher operating expenses this year. Set against that, net interest income and commission income saw healthy growth. There was also an impairment gain in the second quarter of this year, as opposed to a loss in the second quarter of last year. The Group's return on equity was 9.8% in the second quarter, compared with 12.7% in the second quarter of 2021.

In the first six months of the year, the Group made a profit after taxation of NOK 290 million, down from NOK 294 million. That gives a return on equity of 9.8%, compared with 10.9% in the equivalent period last year. Loan growth came to 6.5% over the past 12 months, and deposits grew by 10.3%. Lending to the retail market is growing strongly, and the Bank has high ambitions to further increase this growth rate.

Net interest income, which is the Bank's most important source of income, rose 14.2% in the year to date. Meanwhile, operating expenses were roughly in line with last year. Excluding financial instruments, the cost-to-income ratio in the second quarter of 2022 was 40.2, compared with 45.3 in the same quarter of 2021. The cost-reduction programme implemented in 2020 is bearing fruit, and the Bank runs its operations cost-efficiently. As expected, costs have risen over the past quarter due to general inflation, growth in our business activities and the introduction of an employee equity certificate ownership scheme.

We had a capital adequacy ratio of 20.0% at 30 June 2022, and a core Tier 1 ratio of 17.1%.

The Bank has a strong capital adequacy ratio and a solid market position in Sogn og Fjordane. It is also achieving strong growth in the retail market outside Sogn og Fjordane. For the past couple of years, the outlook and market conditions have been dominated by the Covid-19 pandemic. Most of the Bank's customers have coped well with the pandemic.

The Board is very happy with the Group's financial performance, and believes that it is in a strong position to continue growing and developing its business.

Førde, 10 August 2022

Sindre Kvalheim
Chair

Magny Øvrebø
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Lise Mari Haugen

Marie Heieren

Ole Martin Eide

Trond Teigene
CEO

Consolidated income statement

AMOUNTS IN MILLIONS OF NOK	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	Full-year 2021
Interest income		466	348	883	695	1 420
Interest expenses		198	117	358	235	476
Net interest income		268	231	525	459	945
Commission income		38	35	75	70	149
Commission expenses		6	6	14	12	28
Net gains/losses on financial instruments		- 11	60	18	74	173
Other income		11	12	16	19	36
Net other operating income	3	32	100	95	151	329
Total revenues		300	331	620	610	1 274
Wages, salaries, etc.		66	56	130	130	263
Other expenses		51	48	97	94	182
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets		8	9	16	19	39
Total operating expenses		125	113	242	243	483
Profit before impairment loss and net gain on fixed assets		175	218	378	367	791
Impairment loss	4	- 13	9	4	0	- 37
Profit/loss before taxation		188	208	374	367	827
Tax expense		45	37	84	73	161
Profit/loss for the reporting period		143	171	290	294	666
STATEMENT OF COMPREHENSIVE INCOME						
Profit/loss for the reporting period		143	171	290	294	666
Other comprehensive income						
Other items that will never be reclassified to profit or loss, after tax						
Remeasurements, pensions		0	0	0	0	0
Total other comprehensive income for the year, after tax		0	0	0	0	0
Comprehensive income		143	171	290	294	666
Comprehensive income per equity certificate (weighted), in NOK		6,41	7,69	12,98	13,20	29,91

Consolidated balance sheet

AMOUNTS IN MILLIONS OF NOK

	Note	30.06.22	30.06.21	31.12.21
ASSETS				
Cash and cash equivalents		22	19	22
Loans and advances to credit institutions/central banks	13	719	944	717
Loans to customers	4-7, 13	59 161	55 533	57 344
Commercial paper and bonds measured at fair value		8 254	7 932	6 603
Financial derivatives		396	256	185
Shares and other securities with variable returns		721	820	765
Investments in associates		3	3	3
Intangible assets and goodwill		21	33	26
Fixed assets		94	92	92
Deferred tax assets		11	1	11
Other assets		180	58	40
Total assets		69 582	65 690	65 808
DEBT AND EQUITY				
Debt to credit institutions	13	501	1 202	500
Deposits from and debt to customers	8, 13	35 335	32 036	32 536
Debt securities in issue	9, 13	25 825	25 391	25 335
Financial derivatives		588	143	121
Tax payable		84	73	172
Other liabilities and provisions		305	358	294
Subordinated debt instruments		602	601	602
Total liabilities		63 241	59 805	59 559
Equity share capital	12	4 412	4 139	4 416
Primary capital		645	593	645
Other equity		933	803	650
Hybrid capital		350	350	350
Proposed allocation for dividends and gifts		0	0	187
Total equity		6 340	5 885	6 249
Total debt and equity		69 582	65 690	65 808

Førde, 10 August 2022

Sindre Kvalheim
Chair

Magny Øvrebø
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Lise Mari Haugen

Marie Heieren

Ole Martin Eide

Trond Teigene
CEO

Consolidated cash flow statement

	30.06.22	30.06.21	31.12.21
Profit/loss before taxation	374	367	827
Increase/(reduction) in customer deposits	2 799	1 371	1 871
Reduction/(increase) in loans to customers	- 1 973	- 1 060	- 2 873
Depreciation and impairment of assets	16	19	39
Impairment loss	4	0	- 37
Losses/(gains) on disposal of fixed assets	0	0	2
Tax paid	- 172	- 120	- 120
Other non-cash transactions	- 72	- 48	- 163
Adjustment for other items	117	94	199
A) Net cash flow from operating activities	1 093	623	- 255
Reduction/(increase) in shares and other securities with variable returns	45	- 163	- 108
Reduction/(increase) in investments in commercial paper and bonds	- 1 702	- 1 425	- 106
Investments in fixed assets, intangible assets and goodwill	- 18	- 14	- 35
Sale of fixed assets	0	1	1
B) Net cash flow from investment activities	- 1 676	- 1 601	- 249
Increase/(decrease) in loans from credit institutions	1	- 600	- 1 302
Increase/(reduction) in debt securities in issue	765	2 289	2 297
Increase/(reduction) in subordinated debt	0	0	0
Dividends and gifts	- 178	- 118	- 122
C) Net cash flow from financing activities	585	1 570	872
D) Net cash flow during the year (A+B+C)	2	592	368
Opening balance of cash and cash equivalents	739	371	371
Closing balance of cash and cash equivalents	742	963	739
Breakdown of cash and cash equivalents			
Cash and cash equivalents	22	19	22
Deposits at other financial institutions and central banks	719	944	717
Total	742	963	739

Consolidated statement of changes in equity

EQUITY SHARE CAPITAL

	Equity certificates	Dividend equalisation reserve	Own equity certificates	Share premium account	Primary capital	Hybrid capital	Reserve for unrealised gains	Other equity	Allocated dividends and gifts	Total
Balance at 31.12.2020	1 948	2 175	0	16	593	350	354	163	129	5 727
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 129	- 129
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 7	0	0	0	- 7
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	7	0	287	0	294
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Balance at 30.06.2021	1 948	2 175	0	16	593	350	354	449	0	5 885
Balance at 31.12.2020	1 948	2 175	0	16	593	350	354	163	129	5 727
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 129	- 129
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 15	0	0	0	- 15
Proposed allocation of profit/loss for reporting period	0	277	0	0	53	15	100	33	187	666
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.2021	1 948	2 452	0	16	645	350	454	196	187	6 249
Balance at 31.12.2021	1 948	2 452	0	16	645	350	454	196	187	6 249
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 187	- 187
Change in hybrid capital	0	0	0	0	0	0	0	0	0	0
Interest paid to investors in hybrid capital	0	0	0	0	0	- 7	0	0	0	- 7
Purchase and sale of own equity certificates	0	0	- 4	0	0	0	0	0	0	- 4
Proposed allocation of profit/loss for reporting period	0	0	0	0	0	7	0	282	0	290
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Balance at 30.06.2022	1 948	2 452	- 4	16	645	350	454	478	0	6 340

Statement of changes in equity (cont.)

Explanation of the various types of equity

Equity share capital

Equity share capital comprises capital that in accordance with the articles of association is linked to equity certificates. Profit after taxation attributable to equity share capital is allocated to the dividend equalisation reserve in proportion to the ownership ratio, after deducting dividends and a proportionate share of interest paid to investors in hybrid capital. The dividend equalisation reserve may be used to maintain the payment of dividends to the equity certificate holders, if the Bank's equity position allows it.

Primary capital

Primary capital comprises capital that is not equity share capital. Profit after taxation attributable to primary capital is allocated to primary capital, after deducting gifts and a proportionate share of interest paid to investors in hybrid capital.

Hybrid capital

Hybrid capital consists of hybrid debt that meets the criteria for being defined as equity and core capital under rules on capital adequacy. Interest on hybrid capital is split between the dividend equalisation reserve and primary capital in proportion to the ownership ratio, and is in practice allocated together with profit.

Reserve for unrealised gains

The reserve for other unrealised gains comprises unrealised gains on financial instruments whose valuation is different under IFRS and Norwegian accounting principles. Amongst other things, it includes unrealised gains on shares.

Other equity

Other equity comprises retained earnings from various subsidiaries and unallocated profit.

Dividends and gifts

Proposed dividends and gifts are included under equity until their disbursement is adopted by the AGM.

Notes to the financial statements

Note 1 Accounting principles and critical accounting estimates

BASIS OF PRESENTATION

Sparebanken Sogn og Fjordane's parent company and consolidated accounts have been prepared in accordance with international accounting standards (IFRS). These interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting".

All figures are stated in millions of NOK, unless otherwise specified.

GENERAL

For more detailed information about accounting policies and for information about critical accounting estimates, please see Sparebanken Sogn og Fjordane's 2021 annual report on our website: www.ssf.no.

CHANGES TO ACCOUNTING STANDARDS

There have been no changes to accounting standards or interpretations in 2022 that have affected the financial statements of Sparebanken Sogn og Fjordane.

Note 2 Segment reporting

Geographic segments

All of the segments operate in Norway.

General information about segments

Segments reflect the organisational structure of the Group.

Finance

- Responsible for financing and for managing liquidity

Corporate banking market/public sector/financial sector

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to small and medium-sized enterprises, the public sector and financial sector

Retail market including Bustadkreditt

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to retail customers

Other

- Includes the supply of services to Sparebankstiftinga Sogn og Fjordane and managing various properties

Estate agency

- Offers estate agency services in conjunction with the purchase and sale of properties

Property management

- Manages the Group's largest properties

Note 2 Segment reporting (cont.)

	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty man- age- ment	Elimina- tions
INCOME STATEMENT H1 2022								
Net interest income and credit commissions	525	3	209	312	0	0	0	0
Net other operating income	95	9	28	45	2	15	4	- 9
Total operating income	620	13	237	358	2	15	4	- 9
Operating expenses	242	8	73	149	6	15	1	- 9
Profit/loss before impairment loss	378	5	164	209	- 4	1	3	0
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	4	0	3	1	0	0	0	0
Profit/loss before taxation	374	5	160	208	- 4	1	3	0
BALANCE SHEET AT 30.06.2022								
Net loans and advances to customers	59 161	0	13 716	45 446	0	0	0	0
Andre eigedelar	10 420	11 209	2 803	3 503	0	23	42	- 7 160
Total assets	69 582	11 209	16 519	48 949	0	23	42	- 7 160
Deposits from and debt to customers	35 335	0	14 025	21 329	0	0	0	- 19
Other liabilities	27 907	8 641	166	24 419	0	7	6	- 5 332
Equity (incl. profit/loss for the period)	6 340	2 569	2 327	3 201	0	16	36	- 1 809
Total debt and equity	69 582	11 209	16 519	48 949	0	23	42	- 7 160
INCOME STATEMENT H1 2021								
Net interest income and credit commissions	459	- 2	179	282	0	0	0	0
Net other operating income	151	66	28	42	2	18	4	- 9
Total operating income	610	64	207	324	2	18	4	- 8
Operating expenses	243	7	75	150	3	15	1	- 8
Profit/loss before impairment loss	367	57	132	174	- 1	3	3	0
Net gain on fixed assets	0	0	0	0	1	0	0	0
Impairment loss	0	0	5	- 5	0	0	0	0
Profit/loss before taxation	367	57	126	179	- 1	3	3	0
BALANCE SHEET AT 30.06.2021								
Net loans and advances to customers	55 533	0	13 170	42 362	0	0	0	0
Other assets	10 158	12 098	1 065	2 718	0	25	48	- 5 797
Total assets	65 690	12 098	14 235	45 080	0	25	48	- 5 797
Deposits from and debt to customers	32 036	0	11 963	20 098	0	0	0	- 25
Other liabilities	27 770	9 674	146	21 899	0	8	7	- 3 964
Equity (incl. profit/loss for the period)	5 885	2 425	2 126	3 084	0	17	41	- 1 808
Total debt and equity	65 690	12 098	14 235	45 080	0	25	48	- 5 797

Note 2 Segment reporting (cont.)

	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty man- age- ment	Elimina- tions
2021 INCOME STATEMENT								
Net interest income and credit commissions	945	- 8	373	580	0	0	0	0
Net other operating income	329	156	57	88	4	33	8	- 17
Total operating income	1 274	148	429	668	4	33	8	- 17
Operating expenses	483	14	147	293	11	31	3	- 16
Profit/loss before impairment loss	791	134	283	375	- 7	2	5	- 1
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	- 37	0	- 40	3	0	0	0	0
Profit/loss before taxation	827	134	323	372	- 7	2	5	- 1
BALANCE SHEET AT 31.12.2021								
Net loans and advances to customers	57 344	0	13 647	43 697	0	0	0	0
Other assets	8 464	11 408	1 296	1 437	0	25	51	- 5 754
Total assets	65 808	11 408	14 943	45 134	0	25	51	- 5 754
Deposits from and debt to customers	32 536	0	12 507	20 061	0	0	0	- 32
Other liabilities	27 023	8 916	163	21 841	0	8	8	- 3 913
Equity (incl. profit/loss for the period)	6 249	2 492	2 273	3 232	0	17	43	- 1 808
Total debt and equity	65 808	11 408	14 943	45 134	0	25	51	- 5 754

Note 3 Other operating income

NET COMMISSION INCOME	H1 2022	H1 2021	Full-year 2021
Payment services	36	29	65
Security trading	13	12	26
Guarantee commissions	7	8	16
Currency services and international payments	2	3	5
Insurance services	8	9	21
Other commission income	8	8	16
Total charges and commission income	75	70	149
Interbank fees	0	0	1
Payment services	11	9	21
Cash back Visa credit	3	3	7
Total commission expenses	14	12	28
Net commission income	61	58	121
NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS			
Net gains/losses on foreign currency	8	8	15
Net gains/losses on financial derivatives	- 191	- 54	- 87
Net gains/losses on loans measured at fair value	- 151	- 57	- 96
Net gains/losses on deposits measured at fair value	0	0	1
Net gains/losses on commercial paper and bonds	- 59	3	- 8
Net gains/losses on shares	34	67	152
Net gains/losses on financial liabilities	378	108	195
Net gains/losses on financial instruments measured at fair value	18	74	173
OTHER INCOME			
Income from property	1	0	1
Estate agency	15	18	33
Other operating income	1	1	2
Total other income	16	19	36
TOTAL NET OTHER OPERATING INCOME	95	151	329

Note 4 Impairment loss on loans, guarantees and undrawn credit facilities

	Q2 2022	Q2 2021	H1 2022	H1 2021	Full-year 2021
Increase/reduction in individually assessed allowances	- 41	- 17	- 26	- 19	3
Increase/reduction in model-based expected credit losses	26	17	29	9	- 53
Losses realised during period for which a loss allowance had previously been made	2	8	2	10	15
Losses realised during period for which a loss allowance had not previously been made	2	2	2	2	3
Recoveries against previous years realised losses	- 1	- 1	- 2	- 1	- 4
Impairment loss for the period	- 13	9	4	0	- 37

Note 5 Loss allowance

When calculating expected credit losses, loans are split into three stages in line with the requirements in IFRS 9. When a loan is recognised, as a general rule it is allocated to Stage 1. If its credit risk has increased significantly since initial recognition, it is transferred to Stage 2. Assets in default are allocated to Stage 3.

Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. Individually assessed allowances are included in Stage 3.

Consolidated

2022	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.2022	35	69	196	300
Transferred to Stage 1	2	- 11	- 3	- 11
Transferred to Stage 2	- 2	16	- 1	12
Transferred to Stage 3	0	- 3	11	8
New financial assets issued or acquired	13	12	3	28
Derecognised financial assets	- 6	- 12	- 8	- 26
Changes to model/macro-economic parameters	- 2	- 3	- 1	- 6
Actual losses covered by previous provisions	0	0	- 2	- 2
Other changes	0	2	- 7	- 5
Loss allowance for loans at amortised cost at 30.06.2022	41	70	189	299
Loss allowance for loans at fair value at 30.06.2022	1	1	5	7
Total loss allowance for loans at 30.06.2022	42	71	194	306
<i>Of which in the retail market</i>	8	9	19	36
<i>Of which in the corporate and public sector markets</i>	34	62	174	271
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2022	4	9	3	15
Changes during the reporting period	1	- 4	0	- 3
Loss allowance for undrawn credit facilities and guarantees at 30.06.2022	5	5	3	12
<i>Of which in the retail market</i>	1	0	0	1
<i>Of which in the corporate and public sector markets</i>	4	5	2	11

Note 5 Loss allowance (cont.)

2021	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.2021	42	123	179	344
Transferred to Stage 1	2	- 11	- 2	- 11
Transferred to Stage 2	- 5	15	0	9
Transferred to Stage 3	0	- 7	31	25
New financial assets issued or acquired	7	8	15	30
Derecognised financial assets	- 8	- 25	- 32	- 65
Changes to model/macroeconomic parameters	1	1	0	2
Actual losses covered by previous provisions	0	0	- 10	- 10
Other changes	- 3	2	0	- 2
Loss allowance for loans at amortised cost at 30.06.2021	36	105	181	322
Loss allowance for loans at fair value at 30.06.2021	1	2	4	6
Loss allowance for loans at 30.06.2021	37	107	185	328
<i>Of which in the retail market</i>	6	6	17	29
<i>Of which in the corporate and public sector markets</i>	31	101	167	299

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2021	6	12	8	25
Changes during the reporting period	0	- 5	18	12
Loss allowance for undrawn credit facilities and guarantees at 30.06.2021	5	7	25	37
<i>Of which in the retail market</i>	1	0	0	1
<i>Of which in the corporate and public sector markets</i>	5	7	25	36

Future scenarios in the impairment model under IFRS 9

Under IFRS 9, impairment allowances shall take into account expectations for future defaults and impairment losses. In 2018 and 2019, the bank used a statistical model to estimate how expected changes in macro-economic parameters will affect the future probability of default amongst the bank's customers. The Covid-19 pandemic led to such great fluctuations in macroeconomic variables used as independent variables in the model that the model was no longer suitable for predicting future defaults. We have therefore performed a qualitative assessment of what is likely to happen to the probability of default and house prices over the coming five years, based on the impacts of past crises, long-term expectations prior to the coronavirus crisis and the outlook in Norges Bank's monetary policy report. Expected credit losses are calculated using a weighted average of the losses under the 3 different scenarios; see below.

Future scenarios for retail market used to measure estimated expected credit losses at 30.06.2022	Probability of default starting from 30.06.2022					Annual average growth	House prices Weighting of scenario
	Year 1	Year 2	Year 3	Year 4	Year 5		
Scenario 1: Optimistic scenario for retail market	1,70	1,87	2,04	2,04	1,87	3,7 %	25 %
Scenario 2: Base scenario for retail market	2,00	2,20	2,40	2,40	2,20	2,7 %	50 %
Scenario 3: Pessimistic scenario for retail market	2,50	2,75	3,00	3,00	2,75	0,7 %	25 %

Future scenarios for corporate market used to measure estimated expected credit losses at 30.06.2022	Probability of default starting from 30.06.2022					Annual average growth	Collateral values Weighting of scenario
	Year 1	Year 2	Year 3	Year 4	Year 5		
Scenario 1: Optimistic scenario for corporate market	1,70	1,70	1,62	1,53	1,45	3,3 %	25 %
Scenario 2: Base scenario for corporate market	2,00	2,00	1,90	1,80	1,70	1,8 %	50 %
Scenario 3: Pessimistic scenario for corporate market	2,50	2,50	2,38	2,25	2,13	- 1,2 %	25 %

Note 6 Changes in gross loans and exposures

2022	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.2022	47 903	4 654	1 043	53 600
Transferred to Stage 1	1 096	- 1 077	- 19	0
Transferred to Stage 2	- 1 197	1 219	- 22	0
Transferred to Stage 3	- 25	- 127	152	0
New financial assets issued or acquired	8 741	595	28	9 364
Derecognised financial assets	- 8 927	- 869	- 75	- 9 871
Other changes	2 438	77	- 76	2 439
Gross loans at amortised cost at 30.06.2022	50 030	4 472	1 030	55 532
Loss allowance for loans at amortised cost at 30.06.2022	41	70	189	299
Net loans at amortised cost at 30.06.2022	49 989	4 402	841	55 233
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.2022	3 564	346	26	3 936
Loss allowance for loans at fair value at 30.06.2022	1	1	5	7
Net loans at fair value at 30.06.2022	3 563	344	21	3 929
	Stage 1	Stage 2	Stage 3	Total
Gross loans at 30.06.2022	53 594	4 817	1 056	59 468
<i>Of which in the retail market</i>	<i>41 938</i>	<i>2 945</i>	<i>339</i>	<i>45 222</i>
<i>Of which in the corporate and public sector markets</i>	<i>11 656</i>	<i>1 872</i>	<i>717</i>	<i>14 246</i>
Loss allowance for loans at 30.06.2022	42	71	194	306
Net loans at 30.06.2022	53 553	4 746	862	59 161
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30.06.2022	5 811	412	164	6 386
<i>Of which in the retail market</i>	<i>3 601</i>	<i>55</i>	<i>2</i>	<i>3 657</i>
<i>Of which in the corporate and public sector markets</i>	<i>2 210</i>	<i>357</i>	<i>162</i>	<i>2 729</i>
Loss allowance for guarantees and undrawn credit facilities at 30.06.2022	5	5	3	12
Net exposure to undrawn credit facilities and guarantees at 30.06.2022	5 806	407	161	6 374

Note 6 Changes in gross loans and exposures (cont.)

2021	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.2021	44 902	4 799	849	50 550
Transferred to Stage 1	1 215	- 1 185	- 30	0
Transferred to Stage 2	- 1 106	1 133	- 27	0
Transferred to Stage 3	- 15	- 194	209	0
New financial assets issued or acquired	8 063	478	79	8 620
Derecognised financial assets	- 6 133	- 974	- 334	- 7 440
Other changes	- 410	368	44	2
Gross loans at amortised cost at 30.06.2021	46 517	4 424	791	51 732
Loss allowance for loans at amortised cost at 30.06.2021	36	105	181	322
Net loans at amortised cost at 30.06.2021	46 481	4 319	610	51 409
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 30.06.2021	3 714	383	32	4 129
Loss allowance for loans at fair value at 30.06.2021	1	2	4	6
Net loans at fair value at 30.06.2021	3 713	382	29	4 123
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 30.06.2021	50 231	4 807	823	55 861
<i>Of which in the retail market</i>	<i>39 287</i>	<i>2 628</i>	<i>225</i>	<i>42 140</i>
<i>Of which in the corporate and public sector markets</i>	<i>10 943</i>	<i>2 179</i>	<i>598</i>	<i>13 721</i>
Loss allowance for loans at 30.06.2021	37	107	185	328
Net loans at 30.06.2021	50 194	4 700	638	55 533
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 30.06.2021	6 033	275	150	6 458
<i>Of which in the retail market</i>	<i>3 473</i>	<i>50</i>	<i>2</i>	<i>3 525</i>
<i>Of which in the corporate and public sector markets</i>	<i>2 561</i>	<i>224</i>	<i>148</i>	<i>2 933</i>
Loss allowance for guarantees and undrawn credit facilities at 30.06.2021	5	7	25	37
Net exposure to undrawn credit facilities and guarantees at 30.06.2021	6 028	268	125	6 421

Note 6 Changes in gross loans and exposures (cont.)

Payment default

Retail loans and residential mortgage loans

Accounts are considered to be in payment default when they are past due or overdrawn by an amount of at least NOK 1,000 and by at least 1% of the customer's total balance. If an account is in payment default, all of the customer's other accounts in the same product group are also considered in payment default. If an account that is in payment default represents over 20% of the total exposure to the customer, all of the customer's other accounts are considered in payment default.

For these purposes, the definition of retail loans covers mortgage loans that do not qualify for a 35% risk-weighting, building loans, consumer loans and advances to SMEs.

Other advances

Customers are considered in payment default when at least one of their accounts is past due or overdrawn by an amount of at least NOK 2,000 and by at least 1% of the customer's total balance.

The number of days that a customer is considered to have been in payment default is determined by the account that has been past due for longest.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21
11-30 days past due	145	85	25	0	22	0	2	10	0
31-90 days past due	18	10	12	0	0	0	1	1	0
More than 90 days past due	145	133	142	2	1	1	51	47	44
Total assets more than 10 days past due	308	228	179	3	24	1	54	58	45

Assets in default

Retail loans and residential mortgage loans

An account is considered in default if it is more than 90 days past due and the amount overdue is material. The threshold for being considered material has been set at NOK 1,000 and at least 1% of the customer's total balance. If an account is in default, all of the customer's other accounts in the same product group are also considered in default.

A customer is considered in default if the customer has an account in default that represents over 20% of the total exposure to the customer, or if there is an indication of unlikeliness to pay unless the collateral is realised.

Other advances

A customer is considered in default if at least one of their accounts is more than 90 days past due and the amount overdue is material, or if there is an indication of unlikeliness to pay unless the collateral is realised. The threshold for being considered material has been set at NOK 2,000 and at least 1% of the customer's total balance.

The following are automatically taken as indications of "unlikeliness to pay" and lead to assets being considered in default:

- An individually assessed allowance has been made for the customer
- Insolvency/Bankruptcy
- Debt restructuring
- Debt restructuring/relief that reduces the value of the asset by more than 1%
- Realisation of the collateral under compulsion or pressure from the bank (with some exceptions)
- Expectation of insolvency/bankruptcy or payment default

Other events that lead to an individual assessment of unlikeliness to pay, and which may lead to an asset being considered in default, include:

- Migration to a higher risk class
- Negative company-specific events (e.g. Board resigning)
- Industry downturn

Customers or accounts in payment default have a probation period of at least 3 months.

Customers or accounts in default in conjunction with debt restructuring have a probation period of at least 12 months.

Assets in default shall be considered equivalent to credit-impaired assets as defined in IFRS 9.

Note 6 Changes in gross loans and exposures (cont.)

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21
More than 90 days past due	145	133	142	2	1	1	51	47	44
Other assets in default	911	690	928	161	149	151	146	163	159
Total assets in default	1 056	823	1 070	164	150	152	197	210	203
<i>Of which in the retail market</i>	339	225	310	2	2	2	19	17	21
<i>Of which in the corporate and public sector markets</i>	717	598	760	162	148	150	177	192	181

Debt relief

Debt relief refers to changes to the agreed terms and conditions granted because a customer is in financial difficulties that would not have been granted if the customer were in a stronger financial position.

	Gross loans			Guarantees and undrawn credit facilities			Loss allowance		
	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21	30.06.22	30.06.21	31.12.21
Assets with debt relief that are not also in default	267	350	305	7	8	7	10	13	4
Assets with debt relief that are also in default	196	194	204	18	7	17	35	49	39
Total assets with debt relief	463	543	509	25	15	24	45	62	44
<i>Of which in the retail market</i>	148	192	176	0	0	0	2	1	3
<i>Of which in the corporate and public sector markets</i>	314	352	333	25	15	24	43	61	41

Debt relief broken down by asset level

<i>Stage 2 assets</i>	267	350	305
<i>Stage 3 assets</i>	196	194	204

Note 7 Loans by customer groups

Consolidated	Gross loans		Guarantees and undrawn credit facilities		Loans in default and at risk of default		Loss allowance	
	30.06.22	31.12.21	30.06.22	31.12.21	30.06.22	31.12.21	30.06.22	31.12.21
Wage and salary earners and pensioners	45 222	43 498	3 655	3 504	341	312	37	36
Public sector	5	5	69	69	0	0	0	0
Farming and forestry	1 556	1 623	224	182	22	27	16	21
Fishing and hunting	1 967	1 981	151	147	162	161	12	4
Aquaculture and hatcheries	473	454	139	88	43	45	18	22
Industry and mining	840	830	355	389	184	61	20	26
Power/water supply	708	920	24	58	5	5	5	6
Building and construction	1 365	1 235	688	574	142	163	61	48
Commerce	745	835	386	293	58	64	25	34
Transport	565	408	122	146	21	23	4	4
Hotels and tourism	444	443	42	37	11	24	4	4
Services	929	862	114	113	87	89	47	41
Property management	4 647	4 556	415	433	145	247	71	76
Other	0	0	0	0	0	0	0	0
Total	59 468	57 651	6 386	6 032	1 220	1 222	319	322
<i>Of which in the retail market</i>	<i>45 222</i>	<i>43 498</i>	<i>3 655</i>	<i>3 504</i>	<i>341</i>	<i>312</i>	<i>37</i>	<i>36</i>
<i>Of which in the corporate and public sector markets</i>	<i>14 246</i>	<i>14 153</i>	<i>2 731</i>	<i>2 528</i>	<i>879</i>	<i>910</i>	<i>282</i>	<i>286</i>

Note 8 Customer deposits by sector and industry

	30.06.2022	30.06.2021	31.12.2021
Retail market	21 329	20 098	20 061
Corporate market	11 061	8 902	9 973
Public sector/other	2 945	3 036	2 502
Customer deposits	35 335	32 036	32 536
Breakdown of customer deposits, consolidated			
Deposits from and debt to customers at amortised cost	34 303	30 825	31 523
Deposits from and debt to customers at fair value	1 031	1 211	1 012
Customer deposits	35 335	32 036	32 536
Breakdown of customer deposits, parent company			
Deposits from and debt to customers at amortised cost	34 323	30 848	31 556
Deposits from and debt to customers at fair value	1 031	1 213	1 012
Customer deposits	35 354	32 061	32 568

Note 9 Debt securities in issue

CONSOLIDATED	30.06.22	FACE VALUE		CARRYING AMOUNT		
		30.06.21	31.12.21	30.06.22	30.06.21	31.12.21
Bonds in issue	19 550	21 641	21 220	19 673	21 762	21 340
- of which own bonds, not amortised	- 500	- 2 530	- 2 460	- 505	- 2 571	- 2 502
Debt securities in issue at amortised cost	19 050	19 111	18 760	19 168	19 191	18 838
Bonds in issue (MRELS)	1 400	1 000	1 400	1 404	1 000	1 403
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities in issue (MRELS) at amortised cost	1 400	1 000	1 400	1 404	1 000	1 403
Bonds in issue (MRELS)	500	500	500	438	501	495
- of which own bonds, not amortised	0	0	0	0	0	0
Debt securities (MRELS) measured at fair value	500	500	500	438	501	495
Bonds in issue	5 600	4 600	4 600	5 275	4 746	4 646
- of which own bonds, not amortised	- 453	- 46	- 46	- 460	- 47	- 47
Debt securities measured at fair value	5 147	4 554	4 554	4 815	4 699	4 599
Total debt securities in issue	26 097	25 165	25 214	25 825	25 391	25 335

MATURITY STRUCTURE OF DEBT SECURITIES (NET FACE VALUE)

	30.06.2022	30.06.2021	31.12.2021
2021	0	456	0
2022	647	3 159	2 664
2023	3 950	3 950	3 950
2024	4 100	3 100	3 700
2025	4 800	4 400	4 800
2026	4 000	4 000	4 000
2027	4 900	3 400	3 400
2028	500	500	500
2030	1 000	500	500
2031	200	200	200
2033	1 000	500	500
2034	1 000	1 000	1 000
Total debt securities (net face value)	26 097	25 165	25 214
New debt securities issued in 2022	1 993		
Net repayment of debt securities in 2022	2 970		

PARENT COMPANY

Debt securities in issue by valuation method (carrying amount)

	30.06.2022	30.06.2021	31.12.2021
Debt securities in issue at amortised cost	2 655	3 109	2 823
Debt securities in issue (MRELS) at amortised cost	1 404	1 000	1 403
Debt securities measured at fair value	2 099	2 632	2 587
Debt securities (MRELS) measured at fair value	438	501	495
Total debt securities in issue	6 597	7 243	7 308

The Bank uses hedge accounting for three fixed-rate covered bonds issued by its subsidiary Bustadkreditt Sogn og Fjordane AS. There is a ratio of virtually 1:1 between the hedged item (the bond) and the hedging instrument (the interest rate swap).

Note 10 Capital adequacy

EQUITY AND SUBORDINATED DEBT	30.06.2022	30.06.2021	31.12.2021
Equity share capital	1 948	1 948	1 948
Deduction for own equity certificates	- 4	0	0
Primary capital	645	593	645
Share premium account	16	16	16
Dividend equalisation reserve	2 452	2 175	2 452
Allocated dividends and gifts	0	0	187
Reserve for unrealised gains	454	354	454
Other equity	196	163	196
Profit/loss for the reporting period	290	287	0
Equity excluding hybrid capital	5 998	5 535	5 899
Other core capital			
Hybrid capital	350	350	350
Equity	6 348	5 885	6 249
Deductions			
Deferred tax assets	- 11	- 1	- 11
Other intangible assets	- 15	- 24	- 20
Deduction for ownership interests in other companies in financial sector	- 80	- 50	- 75
Adjustment to comply with prudent valuation rules	- 18	- 18	- 16
Dividends and gifts	0	0	- 187
Profit/loss for the reporting period	- 290	- 287	0
Other deductions	- 7	- 7	0
Net core capital	5 926	5 498	5 939
Core Tier 1 capital	5 576	5 148	5 589
Supplementary capital			
Subordinated debt instruments	600	600	600
Net supplementary capital	600	600	600
Net equity and subordinated debt	6 526	6 098	6 539
BASIS FOR CALCULATION			
Credit risk	30.06.2022	30.06.2021	31.12.2021
Local and regional authorities	4	111	4
Institutions	190	207	143
Enterprises	2 091	3 002	2 675
Retail loans	4 165	4 301	4 572
Residential mortgage loans	20 219	19 496	20 222
Overdue advances	1 124	686	1 045
Particularly high-risk assets (property development projects)	302	321	310
Equity investments	1 692	1 549	1 690
Covered bonds	562	563	491
Other advances	84	191	151
Total calculation basis for credit risk	30 432	30 426	31 305
Currency risk	0	0	0
Operational risk	2 245	2 116	2 245
CVA	31	77	82
Total calculation basis	32 708	32 619	33 631
Excess equity and subordinated debt	3 909	3 488	3 849
CAPITAL ADEQUACY			
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 %
Unweighted core capital ratio	8,37 %	8,18 %	8,86 %

Note 11 Transactions with related parties

Agreements and transactions between the parties have been made on market terms, as if they had been agreed between two totally independent parties.

In the consolidated financial statements, transactions between the parent and its subsidiaries have been eliminated.

Note 12 Equity share capital and ownership structure

Parent company

The equity share capital was raised as follows

Year	Equity share capital (NOK)	Face value of each equity certificate (NOK)	Number of equity certificates
2010 Initial issue of equity certificates	1 894 953 000	100	18 949 530
2016 Equity certificates issued to existing shareholders	50 000 000	100	500 000
2016 Equity certificates issued to employees and Board	3 365 700	100	33 657
	1 948 318 700		19 483 187

Figures in NOK '000s unless otherwise specified

Equity share capital	30.06.2022	30.06.2021	31.12.2021
Equity certificates	1 948 319	1 948 319	1 948 319
Share premium account	15 608	15 608	15 608
Dividend equalisation reserve	2 452 130	2 174 775	2 452 130
Own equity certificates	- 3 813	0	0
Total equity share capital (A)	4 412 245	4 138 702	4 416 057
Primary capital (B)	645 461	592 636	645 461
Reserve for unrealised gains	454 086	354 185	454 086
Hybrid capital	350 000	350 000	350 000
Proposed allocation for dividends and gifts	0	0	187 349
Other equity	396 740	350 677	0
Total equity	6 258 532	5 786 200	6 052 953
Equity share capital ratio A / (A+B) after disbursement of dividends	87,24 %	87,47 %	87,25 %
Parent company's earnings per equity certificate (weighted), in NOK	18,09	16,07	28,41
Consolidated earnings per equity certificate (weighted), in NOK	12,98	13,20	29,91
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)	268,25	248,50	264,16
Proposed allocation for dividends			
Dividend payable per equity certificate, in NOK			9,00
Total dividends			175 349
Proposed allocation for gifts			
Charitable donations			12 000
Total proposed allocation for dividends and gifts			187 349
Dividends and gifts as a % of consolidated profit after taxation			28,1 %

Note 12 Equity share capital and ownership structure (cont.)

20 largest holders of equity certificates with an interest of at least 1%

	Number of equity certificates 30.06.2022	
Sparebankstiftinga Sogn og Fjordane	18 170 436	93,26 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	145 455	0,75 %
Own equity certificates	14 304	0,07 %
Total	19 483 187	100,00 %

*) Other owners of equity certificates comprise employees, Board members and former employees at Sparebanken Sogn og Fjordane.

Equity certificates held by key personnel

Equity certificates held by the CEO, senior management team, members of the Board of Directors and their personal related parties, as defined by Section 7-26 of the Norwegian Accounting Act.

	Number of equity certificates
Trond Teigene, CEO	3 650
Harald Slettvoll, Director of Risk Management and Compliance	3 547
RLK Holding AS represented by Johnny Haugsbakk, Board member	3 000
Frode Vasseth, CFO	2 550
Incubate AS represented by Sindre Kvalheim, Chair	2 000
Linda Marie Vøllestad Westbye, Retail Banking Director	1 497
Eirik Rostad Ness, Director of Human Resources	1 197
Sindre Kvalheim, Chair of the Board	1 000
Ole Martin Eide, Board member, employee representative	1 000
Roy Stian Farsund, Corporate Banking Director	1 000
Reiel Haugland, Technology Director	698
Marie Heieren, Board member	397
Johanne Viken Sandnes, Director of Communication	223
Lise Mari Haugen, Board member	200
Silje Mari Sunde, Director of Business Support	147
Gro Skrede Mardal, Credit Manager	110
Total equity certificates held by key personnel and Board members	22 216

Information about voting rights, etc.

Representatives elected by the equity certificate owners shall have 40% of the votes at the AGM.

Representatives elected by and from our customers shall have 36% of the votes at the AGM.

Representatives elected by and from our employees shall have 24% of the votes at the AGM.

As well as requiring majority support at the AGM in the same way as for changes to the articles of association, the following matters require the support of at least 2/3 of the votes representing the equity certificate holders:

- Buying back equity certificates (Financial Institutions Act, Section 10-5)
- Any reduction or increase in the equity share capital (Financial Institutions Act, Sections 10-21 and 10-22)
- Establishing subscription rights (Financial Institutions Act, Section 10-23)
- Loans with a right to require that equity certificates be issued (Financial Institutions Act, Section 10-24)
- Decisions relating to mergers and demergers (Financial Institutions Act, Section 12-3)
- Decisions about restructuring (Financial Institutions Act, Section 12-14)

The articles of association entitle the Bank to issue negotiable equity certificates.

Note 13 Fair value of financial instruments

FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

Consolidated	Carrying	Fair	Carrying	Fair
	amount	valuei	amount	value
	30.06.2022	30.06.2022	30.06.2021	30.06.2021
Assets				
Cash and cash equivalents	22	22	19	19
Loans and advances to credit institutions/central banks	719	719	944	944
Loans to customers	55 233	55 233	51 409	51 409
Total financial assets measured at amortised cost	55 974	55 974	52 373	52 373
Liabilities				
Debt to credit institutions	501	501	1 202	1 202
Deposits from and debt to customers	34 303	34 303	30 825	30 825
Debt securities in issue	20 572	20 509	20 191	20 356
Subordinated debt instruments	602	602	601	601
Total financial liabilities measured at amortised cost	55 979	55 915	52 820	52 985

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Classification by level

Consolidated

Assets at 30.06.2022	Level 1	Level 2	Level 3	Total
Loans to customers	0	0	3 929	3 929
Commercial paper and bonds	10	8 244	0	8 254
Financial derivatives	0	396	0	396
Shares	0	224	497	721
Total financial assets measured at fair value	10	8 864	4 426	13 300
Liabilities at 30.06.2022				
Deposits from and debt to customers	0	0	1 031	1 031
Debt securities in issue	0	2 537	0	2 537
Debt securities in issue used as hedging instruments	0	2 716	0	2 716
Financial derivatives	0	588	0	588
Total financial liabilities measured at fair value	0	5 841	1 031	6 873

Assets and liabilities measured at fair value shall be classified according to how reliable the fair value estimate is.

There are three classification levels:

- Level 1: Prices quoted in active markets
- Level 2: Valuation is directly or indirectly based on observable prices for similar assets
- Level 3: Valuation is not based on observable prices, and instead relies on e.g. our own valuation models

Breakdown of fair value, level 3

Consolidated At 30.06.2022	Financial assets		Financial liabilities	
	Loans to customers	Shares	Customer deposits	
Nominal value/cost	4 078	505	1 031	
Fair value adjustment	- 150	- 8	1	
Total fair value	3 929	497	1 031	

Note 13 Fair value of financial instruments (cont.)

Breakdown of changes in level 3:

Consolidated	Financial assets Loans to customers	Shares	Financial liabilities Deposits from and debt to customers
Carrying amount at 31.03.2022	4 004	362	1 018
Net gains/losses on financial instruments through profit or loss	- 59	- 13	- 0,4
Acquisitions over the period	0	149	14
Sales/redemptions over the period	- 17	0	0
Moved into level 3	0	0	0
Moved out of level 3	0	0	0
Carrying amount at 30.06.2022	3 929	497	1 031

Loans to customers and customer deposits measured at fair value comprise fixed-rate loans and deposits. The acquisitions/purchases or sales/redemptions shown for the period represent the net change excluding changes in market value. Fixed-rate deposits and fixed-rate loans are valued based on discounted cash flows.

The discount rate that we use is supposed to represent the interest rate on an equivalent new product issued at the reporting date. To help us value retail loans, we use the fixed rates offered by a representative sample of our competitors. For the corporate market we use our own internal calculation models for those products.

Sensitivity analysis, level 3

For fixed-rate deposits the average remaining term is approx. 0.50 years. Using a simple duration-based approach, a 1% fall in interest rates will increase the value of our fixed-rate deposits by approx. NOK 4.5 million. For fixed-rate loans the weighted average remaining term is approx. 3.8 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approx. NOK 147 million.

Shares defined as level 3 assets are not listed on a stock exchange, have no known transactions and are shares for which the Bank has no observable assets that can be used for valuation purposes. In such cases we use our own valuations based on discounted cash flows or an analysis of key figures. For companies valued using a cash flow model, a required rate of return on equity of 9.03% has been used. A 10% reduction in the price to book ratio of a company valued using key figures and a 1 percentage point increase in the required rate of return in the cash flow models would cut the value by approx. NOK 36 million.

Method used to calculate fair value of financial instruments

For more information about how the fair value of financial instruments is calculated, please see our 2021 annual report.

Note 14 Off balance sheet items

Guarantees	30.06.2022	30.06.2021	31.12.2021
Payment guarantees	592	806	612
Contract guarantees	296	308	305
Other guarantee liabilities	60	60	60
Commitments to investments in shares	19	23	3
Total in NOK	967	1 198	981

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the financial statements for the first six months of 2022 have been prepared in accordance with current accounting standards, and that the information contained therein provides a true picture of the assets, liabilities, financial position and results of the Group. The Board believes that the financial statements give a true picture of the most important areas of uncertainty and potential risks faced by the Group in 2022.

Førde, 10 August 2022

Sindre Kvalheim
Chair

Magny Øvrebø
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Lise Mari Haugen

Marie Heieren

Ole Martin Eide

Trond Teigene
CEO

Income statement, parent company

AMOUNTS IN MILLIONS OF NOK	H1 2022	H1 2021	Full-year 2021
Interest income	636	500	1 016
Interest expenses	216	157	318
Net interest income	420	343	698
Commission income	73	69	147
Commission expenses	14	12	28
Net gains/losses on financial instruments	213	230	328
Other income	6	6	11
Net other operating income	278	292	458
Total revenues	698	635	1 156
Wages, salaries, etc.	121	121	244
Other expenses	90	87	169
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	17	20	40
Total operating expenses	229	229	453
Profit before impairment loss and net gain on fixed assets	469	407	703
Impairment loss	4	1	- 38
Profit/loss before taxation	465	405	741
Tax expense	61	47	108
Profit/loss for the reporting period	404	358	633
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	404	358	633
Other comprehensive income			
Other items that may be reclassified subsequently to profit or loss, after tax			
Remeasurements, pensions	0	0	0
Total other items that will never be reclassified to profit or loss, after tax	0	0	0
Comprehensive income	404	358	633

Balance sheet, parent company

AMOUNTS IN MILLIONS OF NOK	30.06.2022	30.06.2021	31.12.2021
ASSETS			
Cash and cash equivalents	22	19	22
Loans and advances to credit institutions/central banks	4 949	2 086	1 866
Loans to customers	33 646	32 350	34 047
Commercial paper and bonds measured at fair value	8 344	10 134	8 871
Financial derivatives	729	278	215
Shares and other securities with variable returns	721	820	765
Investments in associates	3	3	3
Investments in subsidiaries	1 812	1 812	1 812
Intangible assets and goodwill	18	31	24
Fixed assets	80	80	79
Deferred tax assets	18	5	18
Other assets	166	108	44
Total assets	50 508	47 726	47 768
DEBT AND EQUITY			
Debt to credit institutions	675	1 380	642
Deposits from and debt to customers	35 354	32 061	32 568
Debt securities in issue	6 597	7 243	7 308
Financial derivatives	637	230	162
Tax payable	61	47	121
Other liabilities and provisions	323	377	312
Subordinated debt instruments	602	601	602
Total liabilities	44 249	41 939	41 715
Equity share capital	4 412	4 139	4 416
Primary capital	645	593	645
Other equity	851	705	454
Hybrid capital	350	350	350
Proposed allocation for dividends and gifts	0	0	187
Total equity	6 259	5 786	6 053
Total debt and equity	50 508	47 726	47 768

Consolidated income statement

As a % of average total assets

	H1 2022	H1 2021	Full-year 2021
Interest income	2,65 %	2,19 %	2,20 %
Interest expenses	1,08 %	0,74 %	0,74 %
Net interest income	1,58 %	1,45 %	1,46 %
Commission income	0,22 %	0,22 %	0,23 %
Commission expenses	0,04 %	0,04 %	0,04 %
Net gains/losses on financial instruments	0,05 %	0,23 %	0,27 %
Other income	0,05 %	0,06 %	0,06 %
Net other operating income	0,28 %	0,47 %	0,51 %
Total revenues	1,85 %	1,91 %	1,97 %
Wages, salaries, etc	0,39 %	0,41 %	0,41 %
Other expenses	0,29 %	0,29 %	0,28 %
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	0,05 %	0,06 %	0,06 %
Total operating expenses	0,72 %	0,76 %	0,75 %
Profit before impairment loss and net gain on fixed assets	1,13 %	1,15 %	1,22 %
Impairment loss	0,01 %	0,00 %	- 0,06 %
Profit/loss before taxation	1,11 %	1,15 %	1,28 %
Tax expense	0,25 %	0,23 %	0,25 %
Profit/loss for the reporting period	0,86 %	0,92 %	1,03 %
STATEMENT OF COMPREHENSIVE INCOME			
Profit/loss for the reporting period	0,86 %	0,92 %	1,03 %
Other comprehensive income			
Remeasurements, pensions	0,00 %	0,00 %	0,00 %
Total other comprehensive income for the year, after tax	0,00 %	0,00 %	0,00 %
Comprehensive income	0,86 %	0,92 %	1,03 %
AVERAGE TOTAL ASSETS	67 123	63 964	64 604

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

	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

Consolidated financial results by quarter

As a % of average total assets

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net interest income	1,58 %	1,57 %	1,52 %	1,43 %	1,45 %
Other operating income	0,25 %	0,21 %	0,26 %	0,23 %	0,25 %
Dividends and gains/losses on financial instruments	- 0,06 %	0,17 %	0,38 %	0,22 %	0,37 %
Net other operating income	0,19 %	0,38 %	0,64 %	0,45 %	0,62 %
Total revenues	1,77 %	1,93 %	2,17 %	1,89 %	2,04 %
Operating expenses	0,73 %	0,71 %	0,75 %	0,72 %	0,70 %
Impairment loss	- 0,08 %	0,10 %	0,00 %	- 0,23 %	0,06 %
Profit/loss before taxation	1,11 %	1,12 %	1,41 %	1,40 %	1,28 %
Tax expense	0,26 %	0,24 %	0,22 %	0,32 %	0,23 %
Profit/loss after taxation	0,84 %	0,88 %	1,20 %	1,08 %	1,05 %
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	0,84 %	0,88 %	1,20 %	1,08 %	1,05 %
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	
Net interest income	1,46 %	1,48 %	1,43 %	1,35 %	
Other operating income	0,23 %	0,24 %	0,22 %	0,23 %	
Dividends and gains/losses on financial instruments	0,09 %	0,17 %	0,04 %	0,86 %	
Net other operating income	0,32 %	0,41 %	0,27 %	1,09 %	
Total revenues	1,76 %	1,90 %	1,71 %	2,44 %	
Operating expenses	0,82 %	0,90 %	0,74 %	0,74 %	
Impairment loss	- 0,06 %	0,00 %	0,17 %	0,04 %	
Profit/loss before taxation	1,00 %	1,00 %	0,80 %	1,65 %	
Tax expense	0,23 %	0,24 %	0,19 %	0,20 %	
Profit/loss after taxation	0,77 %	0,76 %	0,61 %	1,46 %	
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	
COMPREHENSIVE INCOME	0,77 %	0,76 %	0,61 %	1,46 %	

Information about the company

SPAREBANKEN SOGN OG FJORDANE

ADDRESS: Langebruvegen 12
6800 Førde

TEL. NO.: +47 57 82 97 00

WEBSITE: www.ssf.no

E-MAIL: kundesenter@ssf.no

ORGANISATION NUMBER: 946 670 081

CONTACT PEOPLE:

Trond Teigene
CEO
Tel. no.: +47 90 82 50 86

Frode Vasseth
CFO
Tel. no.: +47 951 98 452