



*sparebanken*  
sogn og fjordane



# Interim report

Q4 2023 (unaudited)



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This report is a translation of the official Norwegian report.

FRONT COVER: Lene Neverdal

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

ENGLISH TRANSLATION: Språkverkstaden AS

# Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	31 Dec. 2023 / Full-year 2023	31 Dec. 2022 / Full-year 2022
<b>INCOME STATEMENT</b>		
Net interest income	1 466	1 148
Dividends and gains/losses on financial instruments	34	0
Other operating income	167	166
Operating expenses	546	499
<b>Profit/loss before impairment loss (incl. securities)</b>	<b>1 121</b>	<b>815</b>
<b>Profit/loss before impairment loss (excl. securities)</b>	<b>1 088</b>	<b>815</b>
Impairment loss	13	36
<b>Profit/loss before taxation</b>	<b>1 108</b>	<b>779</b>
Tax expense	261	177
<b>Profit/loss after taxation</b>	<b>847</b>	<b>602</b>
Other comprehensive income	0	0
<b>Comprehensive income</b>	<b>847</b>	<b>602</b>
<b>BALANCE SHEET</b>		
<b>Assets</b>		
Gross loans and advances to customers	64 286	61 498
Loss allowance	- 316	- 314
Security investments (shares, fixed income funds, commercial paper and bonds)	8 361	8 225
<b>Debt and equity</b>		
Deposits from and debt to customers	35 796	34 846
Debt securities and debt to credit institutions	28 542	27 673
Equity	7 316	6 645
Total assets	73 556	70 824
Average total assets	72 573	68 515
<b>KEY FIGURES</b>		
<b>Profitability</b>		
Net interest margin	2,02 %	1,67 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,23 %	0,24 %
Operating expenses as a % of average total assets	0,75 %	0,73 %
Profit/loss before impairment loss as a % of average total assets	1,55 %	1,19 %
Profit/loss before tax as a % of average total assets	1,53 %	1,14 %
Profit/loss after tax as a % of average total assets	1,17 %	0,88 %
Comprehensive income as a % of average total assets	1,17 %	0,88 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	33,41 %	37,99 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	32,73 %	37,98 %
Impairment loss as a % of gross loans	0,02 %	0,06 %
Return on equity before tax 1)	17,60 %	13,21 %
Return on equity after tax 1)	13,46 %	10,21 %
Pre-tax return on equity (comprehensive income) 1)	13,46 %	10,21 %
Consolidated comprehensive income per equity certificate, in NOK	37,79	26,98
Dividend payable per equity certificate, in NOK	25,00	12,00
1) Return on equity is calculated based on opening equity excl. hybrid capital		
<b>Capital and liquidity position</b>		
Capital adequacy ratio	21,03 %	20,15 %
Core capital adequacy ratio	19,04 %	18,39 %
Core Tier 1 capital adequacy ratio	17,75 %	17,36 %
Leverage ratio	8,84 %	8,65 %
Liquidity Coverage Ratio (LCR)	165 %	165 %
NSFR, consolidated	122 %	122 %
NSFR, parent company	135 %	140 %
<b>Balance sheet history</b>		
Growth in total assets (year-on-year)	3,86 %	7,62 %
Growth in gross customer lending (year-on-year)	4,53 %	6,67 %
Growth in customer deposits (year-on-year)	2,72 %	7,10 %
Deposits as a % of consolidated gross lending	55,68 %	56,66 %
Deposits as a % of parent company's gross lending	91,49 %	104,80 %
<b>Employees</b>		
Full-time equivalent employees	286	283

# Interim report 31.12.2023

All of the figures specified below refer to the consolidated accounts unless otherwise stated. The figures in brackets are the figures for the same period of 2022.

## Q4 2023 highlights

- NOK 381 million (332 million) of net interest income
- Net loss of NOK 11 million (gain of 1 million) on financial instruments
- Operating expenses of NOK 150 million (128 million)
- Impairment gain of NOK 1 million (loss of NOK 30 million)
- Pre-tax profit of NOK 260 million (220 million)
- Profit after tax of NOK 201 million (169 million)
- Profit after tax per equity certificate of NOK 8.98 (7.57)
- Return on equity after tax of 12.1% (11.0%)

## Full-year 2023 highlights

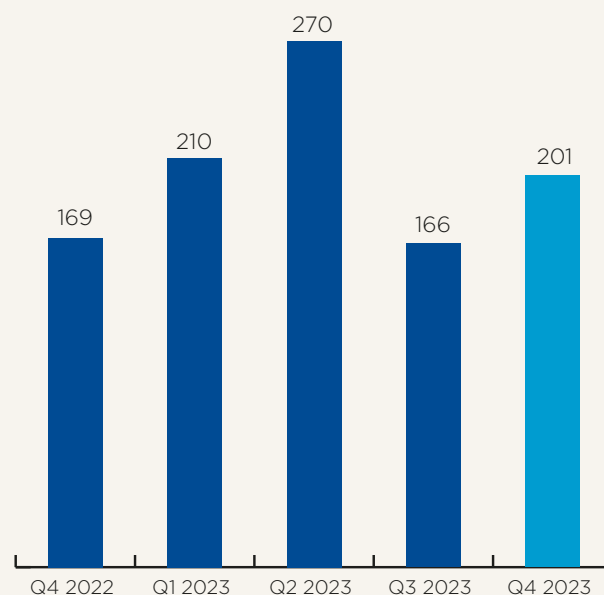
- NOK 1,466 million (1,148 million) of net interest income
- Net gain on financial instruments of NOK 34 million (0 million)
- Operating expenses of NOK 546 million (499 million)
- Impairment loss of NOK 13 million (36 million)
- Pre-tax profit of NOK 1,108 million (779 million)
- Profit after tax of NOK 847 million (602 million)
- Profit per equity certificate of NOK 37.79 (26.98)
- Return on equity of 13.5% (10.2%)
- Capital adequacy ratio of 21.0% (20.2%)

## Q4 financial results

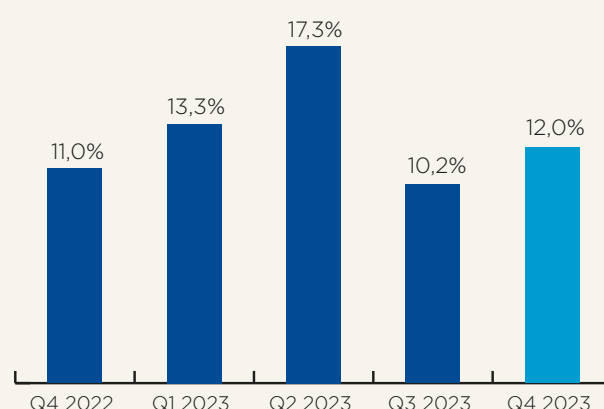
The Group made a pre-tax profit of NOK 260 million, compared with NOK 220 million in the same quarter of 2022. The improvement was due to strong growth in net interest income and a small impairment gain. However, financial instruments made a negative contribution, commission income fell and operating expenses rose in comparison with the year-earlier period.

The Group made a profit after tax of NOK 201 million in the fourth quarter, compared with NOK 169 million in the same quarter of the previous year. That corresponds to a return on equity of 12.1% in the fourth quarter of 2023, against 11.0% in the same quarter of 2022.

Graph of profit after taxation by quarter:



Post-tax return on equity by quarter:



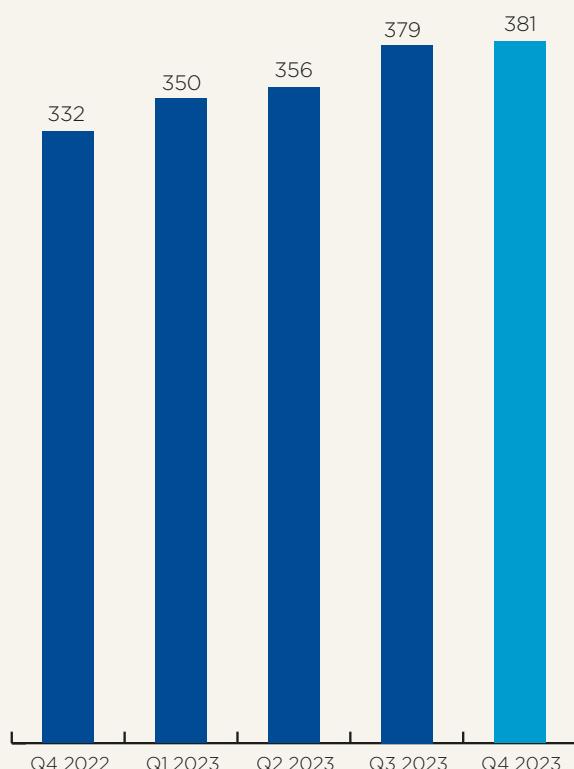
## Net interest income in Q4

Net interest income totalled NOK 381 million, which was an improvement of NOK 49 million (14.7%) over the same quarter of 2022.

Loan growth came to 4.5% over the past 12 months, and deposits grew by 2.7%. Net interest income rose strongly thanks to the combination of a higher customer margin and growth in deposits and loans. The cost of funding through debt securities was significantly higher than in the fourth quarter of 2022, due to the increase in the 3-month NIBOR, and viewed in isolation that had a negative impact on net interest income.

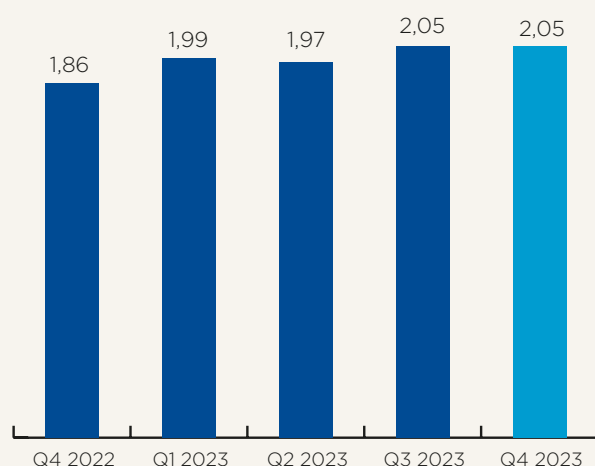
The Bank has notified its customers that interest rates on loans and deposits will rise further, in response to Norges Bank raising the key policy rate on 13 December 2023. The key policy rate is now 4.50%, compared with 2.75% in December of the previous year. The latest rise in interest rates has not yet come into effect. The overall impact on net interest income will depend on how the 3-month NIBOR rate evolves.

*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 2.05% in the fourth quarter of 2023, which was 0.19 percentage points higher than in the fourth quarter of 2022.

*Graph of net interest margin:*

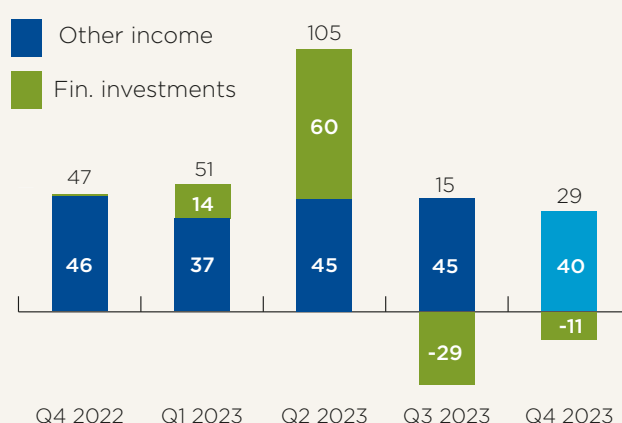


## Net other operating income in Q4

In the fourth quarter, net other operating income came to NOK 29 million, compared with NOK 47 million in the year-earlier period. The reduction was due to a deterioration in the contribution from financial instruments, with a NOK 11 million loss in the fourth quarter of 2023, compared with a gain of NOK 1 million in the fourth quarter of 2022. The fourth quarter loss in 2023 was due to valuation losses on interest items. On the other hand, both foreign currency items and shares made a positive contribution.

Other income (excluding gains on financial investments) totalled NOK 40 million, NOK 6 million lower than in the fourth quarter of 2022. The decline reflected lower income from insurance services (due to lower profit commission). Meanwhile, revenues from payment services, guarantee commissions and mutual fund commissions saw a healthy increase.

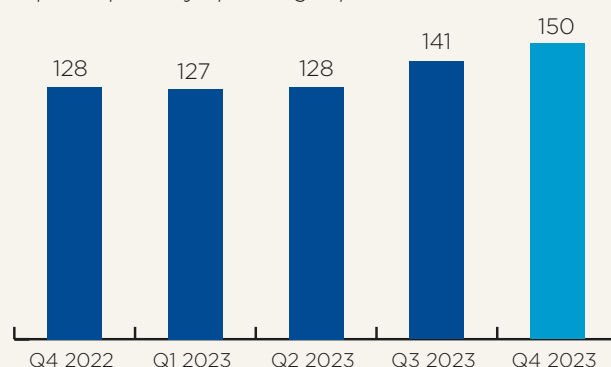
*Graph of other income and gains/losses on financial investments by quarter, in millions of NOK:*



## Q4 operating expenses

Fourth quarter operating expenses were NOK 150 million, up NOK 22 million (16.8%) from the same quarter of the previous year. The growth rate was affected by a gain on the sale of a property in the fourth quarter of 2022. Adjusted for this, the growth rate was 12%. The increase in expenses is mainly due to higher consultancy fees, higher employee benefits and high general inflation.

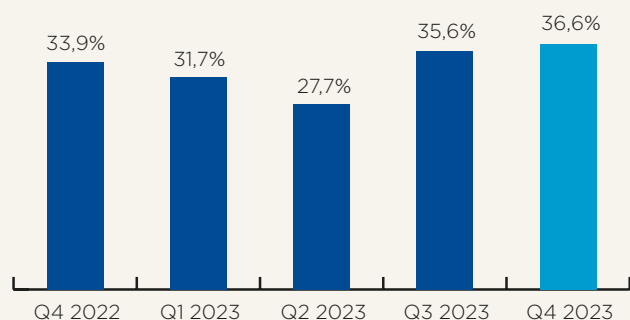
*Graph of quarterly operating expenses in millions of NOK:*



Operating expenses in the fourth quarter of 2023 were equivalent to 0.82% of average total assets, against 0.73% in the year-earlier quarter.

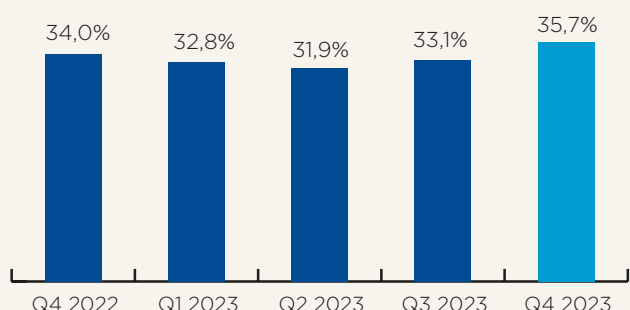
The cost-to-income ratio including financial instruments was 36.6%, against 33.9% in the fourth quarter of 2022.

*Graph of cost-to-income ratio including contribution from financial instruments by quarter:*



Since the contribution from financial instruments varies significantly over time, the cost-to-income ratio excluding financial instruments is a better reflection of how our cost-efficiency is evolving. On this basis, the cost-to-income ratio rose slightly to 35.7% in the fourth quarter of 2023, compared with 34.0% in the year-earlier period.

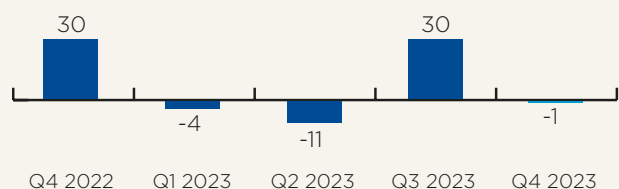
*Graph of cost-to-income ratio excluding contribution from financial instruments by quarter:*



## Q4 impairment loss

There was a NOK 1 million impairment gain on loans and guarantees in the fourth quarter, compared with an impairment loss of NOK 30 million in the same quarter of the previous year. There was a NOK 12 million reduction in the model-based loss allowance, whereas the allowance for individually assessed assets rose by NOK 11 million.

*Graph of impairment loss by quarter in millions of NOK:*



## Full-year net interest income

Net interest income totalled NOK 1,466 million in 2023, which is NOK 319 million, or 28%, higher than in 2022. The customer margin was higher than the previous year, and customer loans and deposits are growing strongly. However, our cost of funding rose significantly due to the increase in the 3-month NIBOR. Overall, net interest income saw strong growth, but that was from a relatively low base in 2022.

The net interest margin was 2.02% in 2023, compared with 1.67% in 2022.

## Full-year other operating income

Other operating income totalled NOK 201 million in 2023, compared with NOK 167 million the previous year.

Net other operating income rose thanks to a strong NOK 34 million contribution from financial instruments, compared with NOK 0 million in 2022. The figure for 2023 included NOK 42 million from long-term shareholdings, compared with NOK 55 million the previous year. There was a net NOK 21 million loss on other financial instruments (interest items) in 2023, compared with a loss of NOK 69 million the previous year. For further details see Note 3.

Net commission income and other income (excl. profit/loss on financial instruments) came to NOK 167 million in 2023, which was NOK 1 million higher than in 2022. Income from payment services, investment funds and guarantee commissions saw healthy growth, while income from insurance services fell.

## Full-year operating expenses

2023 operating expenses came to NOK 546 million, which was NOK 47 million (9.3%) higher than in 2022.

Expenses were mainly pushed up by fees to external consultants, an increase in head count and wage growth. On the other hand, IT expenses/depreciation fell.

Operating expenses in 2023 amounted to 0.75% of average total assets against 0.73% the previous year.

Including gains/losses on financial instruments, the cost-to-income ratio was 32.7% in 2023, against 38.0% in 2022.

Excluding gains/losses on financial instruments, the cost-to-income ratio was 33.4% in 2023, against 38.0% the previous year.

## Full-year impairment losses

Net losses on loans and guarantees amounted to 13 NOK million, against NOK 36 million the previous year. This increase was primarily due to a higher allowance for expected losses on individually assessed assets. Meanwhile, the model-based loss allowance fell. The loss allowance on the balance sheet for expected credit losses on loans was NOK 316 million, equivalent to 0.49% of gross loans at 31 December 2023, compared with 0.51% at 31 December 2022.

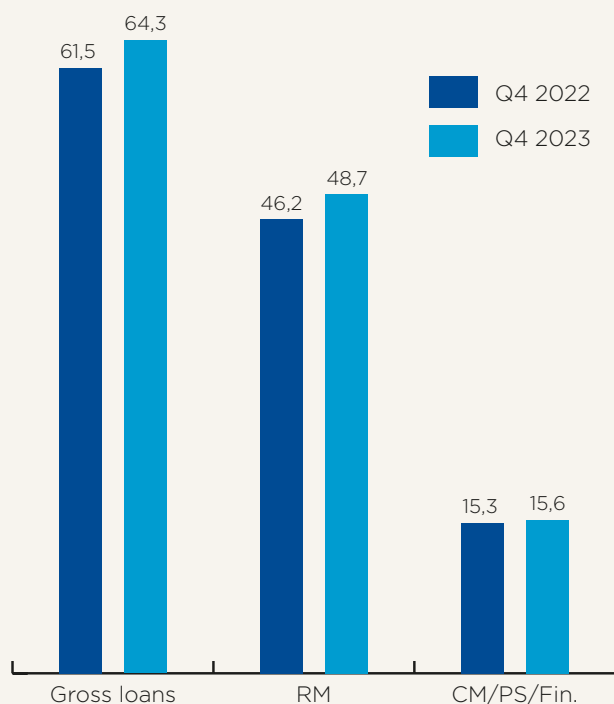
## Balance sheet

The Group had total assets of NOK 73.6 billion at 31 December 2023. This represented an increase of NOK 2.7 billion (3.9%) 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 64.3 billion at the end of the year. Growth over the past year was NOK 2.8 billion (4.5%).

Graph of gross loans by sector in billions of NOK:

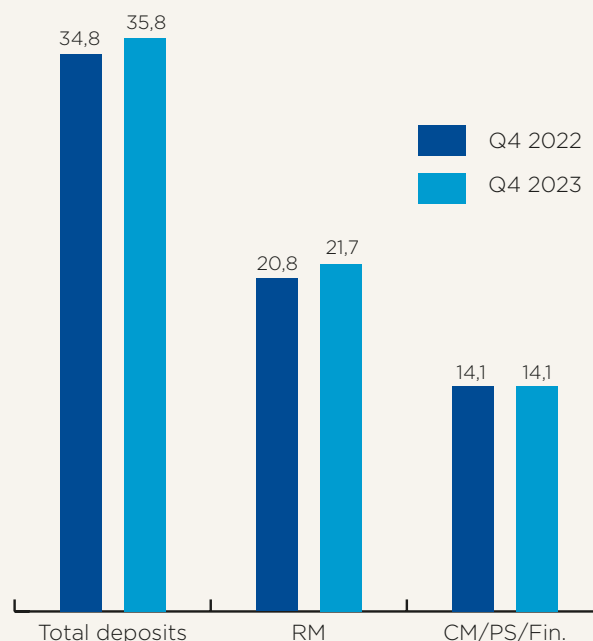


Over the past 12 months, lending to the retail market (RM) rose by 5.3%, while lending to the corporate market (CM) (including loans to the public and financial sectors) was up 2.3%.

## Deposits

Customer deposits totalled NOK 35.8 billion at the end of the year. Growth over the past 12 months was NOK 0.9 billion (2.7%).

Graph of deposits by sector in billions of NOK:



Over the past 12 months, retail market deposits increased by 4.5%, while corporate market deposits (incl. deposits from the public and financial sectors) rose 0.1%.

The Group's deposit/loan ratio was 55.7%, down from 56.7% at 31 December 2022.

## Credit risk

The outstanding balance of loans that were over 90 days past due reached NOK 208 million, up NOK 67 million from the equivalent figure at 31 December 2022.

The number of people converting to interest-only payments or extending their mortgage terms has risen in comparison to previous years. Higher interest rates and generally high inflation is being reflected in our customers' liquidity and saving. This increases the likelihood of more of our customers having difficulties meeting their payment obligations if they are unable to adapt their spending habits to higher cost levels. Nevertheless, our assessment is that most of our customers are able to cope with higher costs and that this will remain the case going forward provided unemployment remains low. Over 99% of loans to retail customers are secured with a mortgage on a property, so even if the risk of payment defaults has increased somewhat as a result of interest rate rises, we consider the Bank's credit risk to be low.

Higher interest rates and rapid inflation also have a negative impact on businesses. For the moment, business activity remains strong, but the Bank is expecting a slowdown in activity and investment, and some industries are experiencing

falling demand. This particularly applies to the construction industry. We closely monitor the business community in Sogn og Fjordane, and our assessment is that, overall, local businesses are in a strong position to deal with a more uncertain macroeconomic environment. Consequently, we consider credit risk in the corporate market to be moderate.

As a proportion of outstanding loans, exposure to the corporate market was 24.3% at 31 December 2023, compared with 24.8% at 31 December 2022.

The amount of equity and subordinated debt required to meet credit risk reached NOK 2,576 million, NOK 43 million higher than at 31 December 2022.

## 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 8.2 billion at 31 December 2023. 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 165%, the same level as at 31 December 2022.

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

At 31 December 2023, the latter company had covered bonds with a face value of NOK 20.9 billion trading on the market. The total value of its cover pool was NOK 24.7 billion. At 31 December 2023, the company's cover pool was worth NOK 3.8 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 31 December 2023, the company had a NOK 25.1 billion loan portfolio. That represented a 10.1% decline over the previous 12 months. The company had NOK 2.3 billion of equity. The company made a pre-tax profit of NOK 184 million in 2023, against NOK 153 million in 2022. The increase was due to higher net interest income and a stronger contribution from financial instruments.

The decline in the volume of loans was due to the Bank's strategic decision to cooperate with the SpareBank 1 alliance. Over time, this change will involve the parent company transferring some of its mortgage loans to SpareBank 1 Boligkreditt.

Consequently, Bustadkreditt Sogn og Fjordane will see its business shrink, but the company will remain in business and will continue to fulfil all of its obligations.

### *Bankeigedom Sogn og Fjordane AS*

Bankeigedom Sogn og Fjordane AS is a wholly-owned subsidiary, which owns the Group's bank buildings. In 2023, it made a pre-tax profit of NOK 5.7 million, compared with NOK 14.5 million the previous year. Profit was lower on account of a gain being realised on the sale of a property in 2022.

### *Eigedomsmekling Sogn og Fjordane AS*

The estate agency Eigedomsmekling Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. Its operating revenues came to NOK 31.1 million in 2023, which was NOK 1.1 million higher than in 2022. The company provided NOK 2.3 million worth of property valuation services to the Bank in 2023, compared with NOK 1.0 million the previous year. This explains the increase in its revenues. The company made a pre-tax profit of NOK 1.2 million in 2023, compared with a loss of NOK 2.7 million the previous year.

## Financial strength and return on equity

The Group's equity at 31 December 2023 totalled NOK 7.3 billion, NOK 671 million (10.1%) higher than the figure at 31 December 2022. The increase came from profit over the past year less dividends and gifts disbursed.

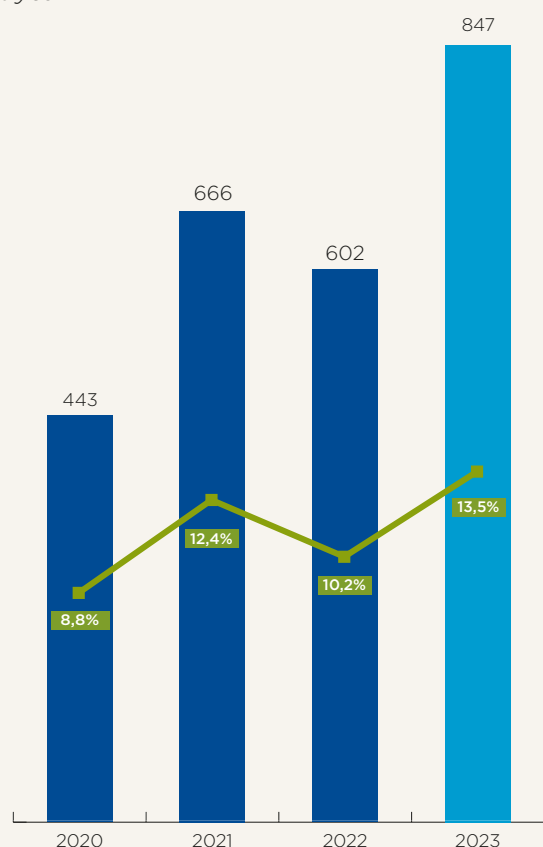
The Group's capital adequacy ratio at 31 December 2023 was 20.9%, compared with 21.0% at 31 December 2022. The core Tier 1 capital adequacy ratio was 17.8%, against 17.4% a year earlier.

The group made a profit after taxation of NOK 847 million in 2023, compared with NOK 602 million in 2022. This corresponds to a return on equity of 13.5%, against 10.2% in 2022. Sparebanken Sogn og Fjordane has consistently managed to achieve a satisfactory return on equity. The Board of Directors is very satisfied with the Group's financial results and return on equity.

In view of the profit for 2023, the Board will present a proposal to the AGM to allocate NOK 507 million for dividends and gifts. This is equivalent to 60% of the Group's profit. The Bank enjoys a strong financial position and the allocation is in line with its goal of having a dividend payout ratio of over 50%.



Graph of profit/loss after taxation in millions of NOK and return on equity in percent by year and year-to-date compared with the equivalent period last year:



## Rating

As of 31 December 2023, 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. In June 2023, Bustadkreditt Sogn og Fjordane was assigned an A1 issuer rating.

## Collaborations with other banks

In April 2023, Sparebanken Sogn og Fjordane announced that it had entered into a strategic partnership with the SpareBank 1 alliance.

In conjunction with this, Sparebanken Sogn og Fjordane is buying an ownership interest in the SpareBank 1 alliance through Samspår. Sparebanken Sogn og Fjordane will invest NOK 630 million to become a joint owner of the SpareBank 1 alliance. In the long term, this investment will improve the Bank's revenue potential by enabling it to offer a better and wider range of products and services, as well as reducing its costs. The partnership means that the Bank intends to sell its shareholdings in its current product suppliers while also buying shares and ownership interests in product suppliers in the SpareBank 1 alliance.

Sparebanken Sogn og Fjordane will become part of the SpareBank 1 alliance during 2024. The project to migrate and adapt to the SpareBank 1 alliance began at the end of August 2023. It has not been resolved when the technical conversion process will be completed.

The amount budgeted for the project to become part of SpareBank 1 is just over NOK 60 million in external costs spread across 2023 and 2024. As of 31 December 2023, NOK 6.9 million of external project costs had been accrued, in addition to a great deal of work put in by the Bank's employees. No provision has been made for future project expenses.

The Bank strongly believes that the partnership will benefit its customers, owners, employees and the Sogn og Fjordane region. After the transition to the SpareBank 1 alliance, the new name of the bank will be SpareBank 1 Sogn og Fjordane.

## Summary and outlook

In the fourth quarter of 2023, the Group made a profit after tax of NOK 201 million, compared with NOK 169 million in the fourth quarter of 2022. The improvement was due to strong growth in net interest income and an impairment gain on loans.

However, financial instruments made a negative contribution, while commission income fell and operating expenses rose in the fourth quarter of 2023 compared with the year-earlier period.

Return on equity in the fourth quarter of 2023 was 12.1%, compared with 11.0% in the fourth quarter of 2022.

Total loan growth came to 4.5% over the past 12 months, and deposits grew by 2.7%. This growth is slower than it has been in the past, but it remains healthy, particularly in the retail banking market.

For 2023 as a whole, the Bank achieved a good profit of NOK 847 million, compared with NOK 602 million the previous year. Return on equity in 2023 was 13.5%, compared with 10.2% in 2022. The good financial results were primarily driven by strong growth in net interest income. In addition, there was a good contribution from other income and impairment losses were low. Total operating income rose by 27% and operating expenses rose by 9.3%. The cost-to-income ratio for 2023 progressed well, falling to 32.7% from 38.0% in 2022.

The Bank had a capital adequacy ratio of 21.0% at 31 December 2023, and a core Tier 1 ratio of 17.8%.

The Bank has a strong capital adequacy ratio, cost-efficient operations and a solid market position in Sogn og Fjordane. It is also achieving healthy growth in the retail market outside Sogn og Fjordane.

The outlook has become more uncertain over the past year on account of rapidly rising interest rates and high general inflation. The Bank's customers are in a strong position to cope with higher interest rates and higher prices. The number of loans that are past due has increased, but it remains relatively low. We are prepared for the fact that some customers may face a challenging situation, due to rising expenses, and that is taken into account in our loss allowance for loans and guarantees.

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

Sparebanken Sogn og Fjordane has entered into a partnership with the SpareBank 1 alliance. This is an important strategic venture for the bank, which will strengthen its revenue potential and help it to remain strongly profitable in the future. The Board is looking forward to a successful and long-lasting partnership with the SpareBank 1 alliance.

Førde, 14 February 2024

Lise Mari Haugen  
Chair

Magny Øvrebø  
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Kristian Skibenes

Camilla C. Holvik

Ole Martin Eide

Trond Teigene  
CEO

# Consolidated income statement

AMOUNTS IN MILLIONS OF NOK	Note	Q4 2023	Q4 2022	2023	2022
Interest income		1 088	737	3 789	2 176
Interest expenses		708	406	2 323	1 029
<b>Net interest income</b>		<b>381</b>	<b>332</b>	<b>1 466</b>	<b>1 148</b>
Commission income		42	47	170	166
Commission expenses		9	8	34	31
Net gains/losses on financial instruments		- 11	1	34	0
Other income		7	7	31	31
<b>Net other operating income</b>	<b>3</b>	<b>29</b>	<b>47</b>	<b>201</b>	<b>167</b>
<b>Total revenues</b>		<b>410</b>	<b>379</b>	<b>1 667</b>	<b>1 314</b>
Wages, salaries, etc.		79	75	294	276
Other expenses		64	53	229	199
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets		7	1	23	24
<b>Total operating expenses</b>		<b>150</b>	<b>128</b>	<b>546</b>	<b>499</b>
<b>Profit/loss before impairment loss</b>		<b>259</b>	<b>250</b>	<b>1 121</b>	<b>815</b>
Impairment loss	<b>4</b>	- 1	30	13	36
<b>Profit/loss before taxation</b>		<b>260</b>	<b>220</b>	<b>1 108</b>	<b>779</b>
Tax expense		59	51	261	177
<b>Profit/loss for the reporting period</b>		<b>201</b>	<b>169</b>	<b>847</b>	<b>602</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>Profit/loss for the reporting period</b>		<b>201</b>	<b>169</b>	<b>847</b>	<b>602</b>
<b>Other comprehensive income</b>					
<b>Other items that will never be reclassified to profit or loss, after tax</b>					
Remeasurements, pensions		0	0	0	0
<b>Total other comprehensive income for the year, after tax</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income</b>		<b>201</b>	<b>169</b>	<b>847</b>	<b>602</b>
Comprehensive income per equity certificate (weighted), in NOK		8,98	7,57	37,79	26,98

# Consolidated balance sheet

AMOUNTS IN MILLIONS OF NOK

<b>ASSETS</b>	Note	31.12.23	31.12.22
Cash and cash equivalents		18	19
Loans and advances to credit institutions/central banks	<b>13</b>	534	714
Loans to customers	<b>4-7, 13</b>	63 970	61 184
Commercial paper and bonds measured at fair value		7 627	7 467
Financial derivatives		413	375
Shares and other securities with variable returns		734	758
Investments in associates		0	3
Intangible assets and goodwill		9	16
Fixed assets		101	88
Deferred tax assets		16	20
Other assets		132	180
<b>Total assets</b>		<b>73 556</b>	<b>70 824</b>
<b>DEBT AND EQUITY</b>			
Debt to credit institutions	<b>13</b>	502	504
Deposits from and debt to customers	<b>8, 13</b>	35 796	34 846
Debt securities in issue	<b>9, 13</b>	28 040	27 169
Financial derivatives		614	612
Tax payable		256	187
Other liabilities and provisions		326	258
Subordinated debt instruments		705	603
<b>Total liabilities</b>		<b>66 240</b>	<b>64 179</b>
Equity share capital	<b>12</b>	4 943	4 650
Primary capital		798	700
Other equity		618	696
Hybrid capital		450	350
Proposed allocation for dividends and gifts		507	248
<b>Total equity</b>		<b>7 316</b>	<b>6 645</b>
<b>Total debt and equity</b>		<b>73 556</b>	<b>70 824</b>

Førde, 14 February 2024

Lise Mari Haugen  
Chair

Magny Øvrebø  
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Kristian Skibenes

Camilla C. Holvik

Ole Martin Eide

Trond Teigene  
CEO



# Consolidated cash flow statement

	31.12.23	31.12.22
Profit/loss before taxation	1 108	779
Increase/(reduction) in customer deposits	953	2 309
Reduction/(increase) in loans to customers	- 2 786	- 4 038
Depreciation and impairment of assets	23	24
Impairment loss	13	36
Losses/(gains) on disposal of fixed assets	- 3	- 9
Tax paid	- 187	- 172
Other non-cash transactions	42	- 120
Adjustment for other items	53	111
<b>A) Net cash flow from operating activities</b>	<b>- 784</b>	<b>- 1 079</b>
Reduction/(increase) in shares and other securities with variable returns	24	7
Reduction/(increase) in investments in commercial paper and bonds	- 143	- 894
Investments in fixed assets, intangible assets and goodwill	- 37	- 28
Sale of fixed assets	5	17
<b>B) Net cash flow from investment activities</b>	<b>- 151</b>	<b>- 898</b>
Increase/(decrease) in loans from credit institutions	- 1	4
Increase/(reduction) in debt securities in issue	796	2 147
Increase/(reduction) in subordinated debt	102	2
Increase/(reduction) in equity share capital	- 1	- 3
Increase in hybrid capital	100	0
Dividends and gifts	- 242	- 179
<b>C) Net cash flow from financing activities</b>	<b>754</b>	<b>1 970</b>
<b>D) Net cash flow during the year (A+B+C)</b>	<b>- 181</b>	<b>- 6</b>
Opening balance of cash and cash equivalents	733	739
<b>Closing balance of cash and cash equivalents</b>	<b>552</b>	<b>733</b>
<b>Breakdown of cash and cash equivalents</b>		
Cash and cash equivalents	18	19
Deposits at other financial institutions and central banks	534	714
<b>Total</b>	<b>552</b>	<b>733</b>

# Consolidated statement of changes in equity

## EQUITY SHARE CAPITAL

	Equity certifi- cates	Divi- dend equali- sation reserve	Own equity certifi- cates	Share pre- mium ac- count	Primary capital	Hybrid capital	Reserve for unreali- sed gains	Other equity	Allo- cated dividends and gifts	Total
<b>Balance at 31.12.2021</b>	<b>1 948</b>	<b>2 452</b>	<b>0</b>	<b>16</b>	<b>645</b>	<b>350</b>	<b>454</b>	<b>196</b>	<b>187</b>	<b>6 249</b>
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	- 16	0	0	0	- 16
Purchase and sale of own equity certificates	0	0	- 3	0	0	0	0	0	0	- 3
Proposed allocation of profit/loss for reporting period	0	237	0	0	55	16	115	- 69	248	602
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31.12.2022</b>	<b>1 948</b>	<b>2 689</b>	<b>- 3</b>	<b>16</b>	<b>700</b>	<b>350</b>	<b>569</b>	<b>127</b>	<b>248</b>	<b>6 645</b>
<b>Balance at 31.12.2022</b>	<b>1 948</b>	<b>2 689</b>	<b>- 3</b>	<b>16</b>	<b>700</b>	<b>350</b>	<b>569</b>	<b>127</b>	<b>248</b>	<b>6 645</b>
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	- 248	- 248
Change in hybrid capital	0	0	0	0	0	100	0	0	0	100
Interest paid to investors in hybrid capital	0	0	0	0	0	- 28	0	0	0	- 28
Purchase and sale of own equity certificates	0	0	- 1	0	0	0	0	0	0	- 1
Proposed allocation of profit/loss for reporting period	0	293	0	0	97	28	- 94	15	507	847
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31.12.2023</b>	<b>1 948</b>	<b>2 982</b>	<b>- 3</b>	<b>16</b>	<b>798</b>	<b>450</b>	<b>476</b>	<b>142</b>	<b>507</b>	<b>7 316</b>

# 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 2022 annual report on our website: [www.ssf.no](http://www.ssf.no).

### **CHANGES TO ACCOUNTING STANDARDS**

There have been no changes to accounting standards or interpretations in the fourth quarter of 2023 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	Prop- erty man- age- ment	Elimina- tions
<b>2023 INCOME STATEMENT</b>								
Net interest income and credit commissions	1 466	3	592	872	- 1	1	0	0
Net other operating income	201	13	64	102	4	31	8	- 21
<b>Total operating income</b>	<b>1 667</b>	<b>15</b>	<b>656</b>	<b>974</b>	<b>3</b>	<b>32</b>	<b>8</b>	<b>- 21</b>
Operating expenses	546	16	167	339	12	30	2	- 21
<b>Profit/loss before impairment loss</b>	<b>1 121</b>	<b>0</b>	<b>489</b>	<b>635</b>	<b>- 9</b>	<b>1</b>	<b>6</b>	<b>0</b>
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	13	0	- 16	29	0	0	0	0
<b>Profit/loss before taxation</b>	<b>1 108</b>	<b>0</b>	<b>505</b>	<b>606</b>	<b>- 9</b>	<b>1</b>	<b>6</b>	<b>0</b>

### BALANCE SHEET AT 31.12.23

Net loans and advances to customers	63 970	0	15 081	48 889	0	0	0	0
Other assets	9 585	9 171	2 196	3 643	0	22	46	- 5 493
<b>Total assets</b>	<b>73 556</b>	<b>9 171</b>	<b>17 277</b>	<b>52 533</b>	<b>0</b>	<b>22</b>	<b>46</b>	<b>- 5 493</b>
Deposits from and debt to customers	35 796	0	14 128	21 699	0	0	0	- 32
Other liabilities	30 444	6 427	265	26 983	0	8	7	- 3 245
Equity (incl. profit/loss for the period)	7 316	2 744	2 884	3 851	0	14	39	- 2 217
<b>Total debt and equity</b>	<b>73 556</b>	<b>9 171</b>	<b>17 277</b>	<b>52 533</b>	<b>0</b>	<b>22</b>	<b>46</b>	<b>- 5 493</b>

	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Prop- erty man- age- ment	Elimina- tions
<b>2022 INCOME STATEMENT</b>								
Net interest income and credit commissions	1 148	8	477	662	- 1	0	0	0
Net other operating income	167	- 15	58	100	4	30	8	- 19
<b>Total operating income</b>	<b>1 314</b>	<b>- 6</b>	<b>535</b>	<b>762</b>	<b>4</b>	<b>30</b>	<b>8</b>	<b>- 19</b>
Operating expenses	499	16	152	308	11	33	- 6	- 15
<b>Profit/loss before impairment loss</b>	<b>815</b>	<b>- 23</b>	<b>383</b>	<b>455</b>	<b>- 8</b>	<b>- 3</b>	<b>15</b>	<b>- 3</b>
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	36	0	19	17	0	0	0	0
<b>Profit/loss before taxation</b>	<b>779</b>	<b>- 23</b>	<b>364</b>	<b>438</b>	<b>- 8</b>	<b>- 3</b>	<b>15</b>	<b>- 3</b>

### BALANCE SHEET AT 31.12.22

Net loans and advances to customers	61 184	0	14 703	46 486	0	0	0	0
Other assets	9 640	10 388	2 106	4 203	0	20	54	- 7 132
<b>Total assets</b>	<b>70 824</b>	<b>10 388</b>	<b>16 809</b>	<b>50 689</b>	<b>0</b>	<b>21</b>	<b>54</b>	<b>- 7 132</b>
Deposits from and debt to customers	34 846	0	14 110	20 760	0	0	0	- 23
Other liabilities	29 332	7 829	219	26 167	0	10	8	- 4 897
Equity (incl. profit/loss for the period)	6 645	2 559	2 480	3 763	0	11	45	- 2 212
<b>Total debt and equity</b>	<b>70 824</b>	<b>10 388</b>	<b>16 809</b>	<b>50 689</b>	<b>0</b>	<b>21</b>	<b>54</b>	<b>- 7 132</b>

## Note 3 Other operating income

<b>NET COMMISSION INCOME</b>	<b>31.12.23</b>	<b>31.12.22</b>
Payment services	82	78
Security trading	30	27
Guarantee commissions	16	13
Currency services and international payments	5	5
Insurance services	19	24
Other commission income	17	18
<b>Total charges and commission income</b>	<b>170</b>	<b>166</b>
Interbank fees	1	1
Payment services	28	25
Cash back Visa credit	5	5
<b>Total commission expenses</b>	<b>34</b>	<b>31</b>
<b>Net commission income</b>	<b>136</b>	<b>135</b>
<b>NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS</b>		
Net gains/losses on foreign currency	13	14
Net gains/losses on financial derivatives	21	- 174
Net gains/losses on loans measured at fair value	14	- 162
Net gains/losses on deposits measured at fair value	4	- 2
Net gains/losses on commercial paper and bonds	15	- 48
Net gains/losses on shares	42	55
Net gains/losses on financial liabilities	- 75	317
<b>Net gains/losses on financial instruments measured at fair value</b>	<b>34</b>	<b>0</b>
<b>OTHER INCOME</b>		
Income from property	1	1
Estate agency	29	29
Other operating income	1	1
<b>Total other income</b>	<b>31</b>	<b>31</b>
<b>TOTAL NET OTHER OPERATING INCOME</b>	<b>201</b>	<b>167</b>

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

	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>2023</b>	<b>2022</b>
Increase (+)/reduction (-) in individually assessed allowances	11	2	19	- 83
Increase (+)/reduction (-) in model-based expected credit losses	- 12	29	- 13	104
Losses realised during period for which a loss allowance had previously been made	0	2	8	18
Losses realised during period for which a loss allowance had not previously been made	0	2	1	4
Recoveries against previous years' realised losses	- 1	- 5	- 3	- 7
<b>Impairment loss for the period</b>	<b>- 1</b>	<b>30</b>	<b>13</b>	<b>36</b>

## 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.

As of the first quarter of 2023, changes were made to the loss allowances after validating the impairment model. Amongst other things, major changes were made to how the collateral ratio is calculated and to the cure rate in the Bank's LGD model. A change was also made to the rules for transferring loans to Stage 2, whereby the absolute limit for changes in the PD was lowered from 0.75 to 0.50 percentage points. A loan is now moved to Stage 2 if its PD has increased by at least 100% from when it was originated and the increase in the PD is over 0.50 percentage points.

### CONSOLIDATED

#### 2023

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for loans at amortised cost at 01.01.2023</b>	<b>58</b>	<b>136</b>	<b>112</b>	<b>306</b>
Transferred to Stage 1	2	- 14	- 3	- 15
Transferred to Stage 2	- 9	54	- 3	42
Transferred to Stage 3	0	- 28	28	- 1
New financial assets issued or acquired	22	25	2	49
Derecognised financial assets	- 15	- 31	- 24	- 70
Changes to model/macroeconomic parameters	- 5	- 25	13	- 17
Actual losses covered by previous provisions	0	0	- 8	- 8
Other changes	5	6	14	25
<b>Loss allowance for loans at amortised cost at 31.12.2023</b>	<b>58</b>	<b>123</b>	<b>130</b>	<b>311</b>
<b>Loss allowance for loans at fair value at 31.12.2023</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>5</b>
<b>Total loss allowance for loans at 31.12.2023</b>	<b>60</b>	<b>126</b>	<b>130</b>	<b>316</b>
<i>Of which in the retail market</i>	<i>17</i>	<i>31</i>	<i>25</i>	<i>73</i>
<i>Of which in the corporate and public sector markets</i>	<i>43</i>	<i>95</i>	<i>105</i>	<i>243</i>

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2023</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>20</b>
Changes during the reporting period	- 1	- 4	4	0
<b>Loss allowance for undrawn credit facilities and guarantees at 31.12.2023</b>	<b>11</b>	<b>4</b>	<b>5</b>	<b>20</b>
<i>Of which in the retail market</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>Of which in the corporate and public sector markets</i>	<i>10</i>	<i>4</i>	<i>4</i>	<i>19</i>

## Note 5 Loss allowance (cont.)

### 2022

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for loans at amortised cost at 01.01.2022</b>	<b>35</b>	<b>69</b>	<b>196</b>	<b>300</b>
Transferred to Stage 1	5	- 13	- 25	- 34
Transferred to Stage 2	- 4	46	- 29	14
Transferred to Stage 3	0	- 1	10	9
New financial assets issued or acquired	26	29	8	63
Derecognised financial assets	- 11	- 19	- 60	- 90
Changes to model/macroeconomic parameters	12	23	3	38
Actual losses covered by previous provisions	0	0	- 18	- 18
Other changes	- 6	3	27	24
<b>Loss allowance for loans at amortised cost at 31.12.2022</b>	<b>58</b>	<b>136</b>	<b>112</b>	<b>306</b>
<b>Loss allowance for loans at fair value at 31.12.2022</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>8</b>
<b>Loss allowance for loans at 31.12.2022</b>	<b>59</b>	<b>139</b>	<b>116</b>	<b>314</b>
<i>Of which in the retail market</i>	<i>11</i>	<i>20</i>	<i>19</i>	<i>49</i>
<i>Of which in the corporate and public sector markets</i>	<i>48</i>	<i>119</i>	<i>97</i>	<i>265</i>

	Stage 1	Stage 2	Stage 3	Total
<b>Opening loss allowance for undrawn credit facilities and guarantees at 01.01.2022</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>15</b>
Changes during the reporting period	8	- 1	- 2	5
<b>Loss allowance for undrawn credit facilities and guarantees at 31.12.2022</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>20</b>
<i>Of which in the retail market</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>Of which in the corporate and public sector markets</i>	<i>11</i>	<i>8</i>	<i>1</i>	<i>19</i>

### 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. During the Covid-19 pandemic and subsequently, there have been such great fluctuations in macroeconomic variables used as independent variables in the model that the model is 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 outlook in Norges Bank's monetary policy report and Statistics Norway's estimates. 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 31.12.2023	Probability of default starting from 31.12.2023					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Optimistic scenario for retail market	1,65	1,50	1,35	1,20	1,00	4,3 %	25 %
Scenario 2: Base scenario for retail market	2,20	2,00	1,80	1,60	1,40	3,3 %	50 %
Scenario 3: Pessimistic scenario for retail market	2,75	2,50	2,25	2,00	1,80	0,5 %	25 %

Future scenarios for corporate market used to measure estimated expected credit losses at 31.12.2023	Probability of default starting from 31.12.2023					Collateral values	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Optimistic scenario for corporate market	1,28	1,23	1,23	1,15	1,00	- 0,3 %	25 %
Scenario 2: Base scenario for corporate market	1,50	1,45	1,45	1,35	1,25	- 1,8 %	50 %
Scenario 3: Pessimistic scenario for corporate market	1,88	1,81	1,81	1,69	1,60	- 5,0 %	25 %



## Note 6 Changes in gross loans and exposures

A change in the rules for transferring loans to Stage 2 was introduced as of the first quarter of 2023, whereby the absolute limit for changes in the PD was lowered from 0.75 to 0.50 percentage points. This increased the volume of loans in Stage 2 by around NOK 2,298 million.

2023	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.2023</b>	<b>51 529</b>	<b>5 692</b>	<b>583</b>	<b>57 805</b>
Transferred to Stage 1	1 407	- 1 367	- 40	0
Transferred to Stage 2	- 4 203	4 248	- 44	0
Transferred to Stage 3	- 120	- 318	438	0
New financial assets issued or acquired	15 515	2 253	35	17 802
Derecognised financial assets	- 13 402	- 1 610	- 169	- 15 181
Other changes	124	356	- 18	462
<b>Gross loans at amortised cost at 31.12.2023</b>	<b>50 850</b>	<b>9 254</b>	<b>784</b>	<b>60 888</b>
Loss allowance for loans at amortised cost at 31.12.2023	58	123	130	311
<b>Net loans at amortised cost at 31.12.2023</b>	<b>50 791</b>	<b>9 132</b>	<b>654</b>	<b>60 577</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.12.2023</b>	<b>2 880</b>	<b>507</b>	<b>12</b>	<b>3 398</b>
Loss allowance for loans at fair value at 31.12.2023	2	3	1	5
<b>Net loans at fair value at 31.12.2023</b>	<b>2 878</b>	<b>504</b>	<b>11</b>	<b>3 393</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at 31.12.2023</b>	<b>53 729</b>	<b>9 761</b>	<b>796</b>	<b>64 286</b>
<i>Of which in the retail market</i>	<i>42 330</i>	<i>5 945</i>	<i>391</i>	<i>48 666</i>
<i>Of which in the corporate and public sector markets</i>	<i>11 399</i>	<i>3 817</i>	<i>405</i>	<i>15 621</i>
Loss allowance for loans at 31.12.2023	60	126	130	316
<b>Net loans at 31.12.2023</b>	<b>53 669</b>	<b>9 635</b>	<b>665</b>	<b>63 970</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Undrawn credit facilities and guarantees at 31.12.2023</b>	<b>6 832</b>	<b>421</b>	<b>27</b>	<b>7 280</b>
<i>Of which in the retail market</i>	<i>3 703</i>	<i>97</i>	<i>3</i>	<i>3 803</i>
<i>Of which in the corporate and public sector markets</i>	<i>3 129</i>	<i>324</i>	<i>24</i>	<i>3 477</i>
Loss allowance for guarantees and undrawn credit facilities at 31.12.2023	11	4	5	20
<b>Net exposure to undrawn credit facilities and guarantees at 31.12.2023</b>	<b>6 821</b>	<b>417</b>	<b>22</b>	<b>7 260</b>

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

2022	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at amortised cost at 01.01.2022</b>	<b>47 903</b>	<b>4 654</b>	<b>1 043</b>	<b>53 600</b>
Transferred to Stage 1	1 324	- 1 164	- 160	0
Transferred to Stage 2	- 1 518	1 826	- 309	0
Transferred to Stage 3	- 59	- 74	133	0
New financial assets issued or acquired	16 159	1 482	75	17 716
Derecognised financial assets	- 15 031	- 1 392	- 182	- 16 605
Other changes	2 751	360	- 16	3 094
<b>Gross loans at amortised cost at 31.12.2022</b>	<b>51 529</b>	<b>5 692</b>	<b>583</b>	<b>57 805</b>
Loss allowance for loans at amortised cost at 31.12.2022	58	136	112	306
<b>Net loans at amortised cost at 31.12.2022</b>	<b>51 471</b>	<b>5 556</b>	<b>472</b>	<b>57 499</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans at fair value at 31.12.2022</b>	<b>3 282</b>	<b>394</b>	<b>18</b>	<b>3 693</b>
Loss allowance for loans at fair value at 31.12.2022	1	3	4	8
<b>Net loans at fair value at 31.12.2022</b>	<b>3 280</b>	<b>391</b>	<b>13</b>	<b>3 685</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Total gross loans at 31.12.2022</b>	<b>54 811</b>	<b>6 086</b>	<b>601</b>	<b>61 498</b>
<i>Of which in the retail market</i>	42 149	3 794	285	46 229
<i>Of which in the corporate and public sector markets</i>	12 662	2 292	316	15 270
Loss allowance for loans at 31.12.2022	59	139	116	314
<b>Net loans at 31.12.2022</b>	<b>54 752</b>	<b>5 947</b>	<b>485</b>	<b>61 184</b>
	Stage 1	Stage 2	Stage 3	Total
<b>Undrawn credit facilities and guarantees at 31.12.2022</b>	<b>5 872</b>	<b>429</b>	<b>37</b>	<b>6 338</b>
<i>Of which in the retail market</i>	3 611	53	2	3 667
<i>Of which in the corporate and public sector markets</i>	2 261	375	35	2 671
Loss allowance for guarantees and undrawn credit facilities at 31.12.2022	12	8	1	29
<b>Net exposure to undrawn credit facilities and guarantees at 31.12.2022</b>	<b>5 860</b>	<b>421</b>	<b>36</b>	<b>6 317</b>

### 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	
CONSOLIDATED	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22
11-30 days past due	83	41	1	0	5	0
31-90 days past due	56	47	0	0	2	1
More than 90 days past due	204	139	5	2	75	48
<b>Total assets more than 10 days past due</b>	<b>343</b>	<b>227</b>	<b>5</b>	<b>3</b>	<b>82</b>	<b>50</b>

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

### Assets in default or at risk of default

An asset is considered in default or at risk of default if one or more of the following criteria apply:

- At least one of the customer's accounts is more than 90 days past due and the amount overdue is material
- An individually assessed allowance has been made for the customer
- A loss has been realised in relation to the customer
- One or more of the following external indicators applies to the customer:
  - Debt restructuring
  - Insolvency/Bankruptcy

The threshold for considering overdue payments material has been set at NOK 1,000.

	Gross loans		Guarantees and undrawn credit facilities		Loss allowance	
CONSOLIDATED	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22
More than 90 days past due	204	139	5	2	75	48
Other assets in default	592	462	23	34	61	68
<b>Total assets in default</b>	<b>796</b>	<b>601</b>	<b>27</b>	<b>37</b>	<b>135</b>	<b>117</b>
<i>Of which in the retail market</i>	<i>391</i>	<i>285</i>	<i>3</i>	<i>2</i>	<i>25</i>	<i>19</i>
<i>Of which in the corporate and public sector markets</i>	<i>405</i>	<i>316</i>	<i>24</i>	<i>35</i>	<i>109</i>	<i>97</i>

## Note 7 Loans by sector and industry

	Gross loans		Guarantees and undrawn credit facilities		Loans in default and at risk of default		Loss allowance	
	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22
<b>CONSOLIDATED</b>								
Wage and salary earners and pensioners	48 666	46 229	3 803	3 667	394	285	74	51
Public sector	4	10	119	64	0	0	0	0
Farming and forestry	1 690	1 611	187	192	9	2	11	11
Fishing and hunting	2 092	2 034	137	171	163	3	20	33
Aquaculture and hatcheries	549	532	127	90	1	42	7	10
Industry and mining	802	847	936	362	11	20	12	18
Power/water supply	739	980	344	28	3	3	10	10
Building and construction	1 603	1 529	618	759	131	116	85	83
Commerce	993	858	426	378	11	31	7	8
Transport	563	585	122	121	4	15	1	3
Hotels and tourism	471	459	52	43	3	4	4	4
Services	835	927	116	127	48	46	30	31
Property management	5 280	4 898	293	337	45	71	75	72
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>64 286</b>	<b>61 498</b>	<b>7 280</b>	<b>6 338</b>	<b>823</b>	<b>638</b>	<b>336</b>	<b>334</b>
<i>Of which in the retail market</i>	<i>48 666</i>	<i>46 229</i>	<i>3 803</i>	<i>3 667</i>	<i>394</i>	<i>285</i>	<i>74</i>	<i>51</i>
<i>Of which in the corporate and public sector markets</i>	<i>15 621</i>	<i>15 270</i>	<i>3 477</i>	<i>2 671</i>	<i>429</i>	<i>353</i>	<i>262</i>	<i>284</i>

## Note 8 Customer deposits by sector and industry

	31.12.23	31.12.22
Retail market	21 699	20 760
Corporate market	11 940	11 441
Public sector/other	2 157	2 646
<b>Customer deposits</b>	<b>35 796</b>	<b>34 846</b>

### Breakdown of customer deposits, consolidated

Deposits from and debt to customers at amortised cost	32 327	33 339
Deposits from and debt to customers at fair value	3 469	1 507
<b>Customer deposits</b>	<b>35 796</b>	<b>34 846</b>

### Breakdown of customer deposits, parent company

Deposits from and debt to customers at amortised cost	32 358	33 363
Deposits from and debt to customers at fair value	3 469	1 507
<b>Customer deposits</b>	<b>35 827</b>	<b>34 870</b>



## Note 9 Debt securities in issue

CONSOLIDATED	FACE VALUE		CARRYING AMOUNT	
	31.12.23	31.12.22	31.12.23	31.12.22
Bonds in issue	18 717	18 341	18 911	18 509
– of which own bonds, not amortised	– 354	0	– 358	0
<b>Debt securities in issue at amortised cost</b>	<b>18 363</b>	<b>18 341</b>	<b>18 553</b>	<b>18 509</b>
Bonds in issue (MREs)	1 400	1 400	1 413	1 409
– of which own bonds, not amortised	0	0	0	0
<b>Debt securities in issue (MREs) at amortised cost</b>	<b>1 400</b>	<b>1 400</b>	<b>1 413</b>	<b>1 409</b>
Bonds in issue (MREs)	1 350	800	1 282	721
– of which own bonds, not amortised	0	0	0	0
<b>Debt securities (MREs) measured at fair value</b>	<b>1 350</b>	<b>800</b>	<b>1 282</b>	<b>721</b>
Bonds in issue	7 025	6 825	6 793	6 530
– of which own bonds, not amortised	0	0	0	0
<b>Debt securities measured at fair value</b>	<b>7 025</b>	<b>6 825</b>	<b>6 793</b>	<b>6 530</b>
<b>Total debt securities in issue</b>	<b>28 138</b>	<b>27 366</b>	<b>28 040</b>	<b>27 169</b>

### MATURITY STRUCTURE OF DEBT SECURITIES (NET FACE VALUE)

	31.12.23	31.12.22
2023	0	3 041
2024	3 263	4 100
2025	6 800	4 800
2026	5 000	4 000
2027	6 500	5 400
2028	1 100	800
2029	1 250	1 000
2030	1 000	1 000
2031	200	200
2032	525	525
2033	1 000	1 000
2034	1 000	1 000
2037	500	500
<b>Total debt securities (net face value)</b>	<b>28 138</b>	<b>27 366</b>

**New debt securities issued in 2023** **5 050**

**Net repayment of debt securities in 2023** **3 504**

### PARENT COMPANY

Debt securities in issue by valuation method (carrying amount)

	31.12.23	31.12.22
Debt securities in issue at amortised cost	2 818	1 940
Debt securities in issue (MREs) at amortised cost	1 413	1 409
Debt securities measured at fair value	2 006	1 746
Debt securities (MREs) measured at fair value	1 282	721
<b>Total debt securities in issue</b>	<b>7 519</b>	<b>5 817</b>

The Bank uses hedge accounting for six 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

<b>EQUITY AND SUBORDINATED DEBT</b>	<b>31.12.23</b>	<b>31.12.22</b>
Equity share capital	1 948	1 948
Deduction for own equity certificates	- 3	- 3
Primary capital	798	700
Share premium account	16	16
Dividend equalisation reserve	2 982	2 689
Allocated dividends and gifts	507	248
Reserve for unrealised gains	476	569
Other equity	142	127
<b>Equity excluding hybrid capital</b>	<b>6 866</b>	<b>6 295</b>
<b>Other core capital</b>		
Hybrid capital	450	350
<b>Equity</b>	<b>7 316</b>	<b>6 645</b>
<b>Deductions</b>		
Deferred tax assets	- 16	- 20
Other intangible assets	- 7	- 12
Deduction for ownership interests in other companies in financial sector	- 95	- 94
Adjustment to comply with prudent valuation rules	- 19	- 20
Dividends and gifts	- 507	- 248
<b>Net core capital</b>	<b>6 671</b>	<b>6 252</b>
<b>Core Tier 1 capital</b>	<b>6 221</b>	<b>5 902</b>
<b>Supplementary capital</b>		
Subordinated debt instruments	700	600
<b>Net supplementary capital</b>	<b>700</b>	<b>600</b>
<b>Net equity and subordinated debt</b>	<b>7 371</b>	<b>6 852</b>
<b>BASIS FOR CALCULATION</b>	<b>31.12.23</b>	<b>31.12.22</b>
<b>Credit risk</b>		
Local and regional authorities	5	20
Institutions	274	277
Enterprises	2 512	2 845
Retail loans	4 457	4 262
Residential mortgage loans	21 924	20 926
Overdue advances	783	560
Particularly high-risk assets (property development projects)	259	297
Equity investments	1 330	1 837
Covered bonds	535	539
Other advances	122	102
<b>Total calculation basis for credit risk</b>	<b>32 202</b>	<b>31 665</b>
Currency risk	0	0
Operational risk	2 659	2 300
CVA	180	36
<b>Total calculation basis</b>	<b>35 041</b>	<b>34 002</b>
<b>Excess equity and subordinated debt</b>	<b>4 568</b>	<b>4 131</b>
<b>CAPITAL ADEQUACY</b>		
Capital adequacy ratio	21,03 %	20,15 %
Core capital adequacy ratio	19,04 %	18,39 %
Core Tier 1 capital adequacy ratio	17,75 %	17,36 %
Unweighted core capital ratio	8,84 %	8,65 %

The capital adequacy ratio has been calculated using the Basel II capital adequacy regulations. The standardised approach has been used for credit risk, whilst the basic indicator approach has been used for operational risk. The original exposure method has been used for derivatives.

## 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 organisational 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
	<b>1 948 318 700</b>		<b>19 483 187</b>

Figures in NOK '000s unless otherwise specified

<b>Equity share capital</b>	<b>31.12.23</b>	<b>31.12.22</b>
Equity certificates	1 948 319	1 948 319
Share premium account	15 608	15 608
Dividend equalisation reserve	2 982 203	2 689 343
Own equity certificates	- 3 401	- 2 841
<b>Total equity share capital (A)</b>	<b>4 942 729</b>	<b>4 650 429</b>
<b>Primary capital (B)</b>	<b>797 730</b>	<b>700 305</b>
Reserve for unrealised gains	475 652	569 237
Hybrid capital	450 000	350 000
Proposed allocation for dividends and gifts	507 080	247 798
Other equity	0	0
<b>Total equity</b>	<b>7 173 191</b>	<b>6 517 769</b>
<b>Equity share capital ratio A / (A+B) after disbursement of dividends</b>	<b>86,10 %</b>	<b>86,91 %</b>
Parent company's earnings per equity certificate (weighted), in NOK	37,10	30,06
Consolidated earnings per equity certificate (weighted), in NOK	37,79	26,98
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)	303,41	280,81
<b>Proposed allocation for dividends</b>		
Dividend payable per equity certificate, in NOK	25,00	12,00
<b>Total dividends</b>	<b>487 080</b>	<b>233 798</b>
<b>Proposed allocation for gifts</b>		
Charitable donations	20 000	14 000
<b>Total proposed allocation for dividends and gifts</b>	<b>507 080</b>	<b>247 798</b>
<b>Dividends and gifts as a % of consolidated profit after taxation</b>	<b>59,9 %</b>	<b>41,1 %</b>
<b>Dividends and gifts as a % of parent company profit after taxation</b>	<b>61,0 %</b>	<b>36,9 %</b>

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

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

	31.12.23 Number of equity certificates	Percentage
Sparebankstiftinga Sogn og Fjordane	18 119 496	93,00 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	182 663	0,94 %
Own equity certificates	28 036	0,14 %
<b>Total</b>	<b>19 483 187</b>	<b>100,00 %</b>

\*) 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
Harald Slettvoll, Director of Risk Management and Compliance	4 057
Trond Teigene, CEO	3 800
Vasseth AS and Frode Vasseth, CFO	3 100
RLK Holding AS represented by Johnny Haugsbakk, Board member	3 000
Linda Marie Vøllestad Westbye, Retail Banking Director	1 650
Eirik Rostad Ness, Director of Human Resources	1 597
Ole Martin Eide, Board member, employee representative	1 159
Roy Stian Farsund, Corporate Banking Director	1 150
Mar Invest represented by Kristian Skibenes, Board member	1 000
Reiel Haugland, Director of Strategic Projects	698
Jill Aasen Hole, Acting Technology Director	335
Lise Mari Haugen, Chair	300
Johanne Viken Sandnes, Director of Communications	274
Camilla C. Holvik, Board member, employee representative	147
<b>Total equity certificates held by key personnel and Board members</b>	<b>22 267</b>

### 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 amount 31.12.23	Fair value 31.12.23	Carrying amount 31.12.22	Fair value 31.12.22
<b>Assets</b>				
Cash and cash equivalents	18	18	19	19
Loans and advances to credit institutions/central banks	534	534	714	714
Loans to customers	60 577	60 577	57 499	57 499
<b>Total financial assets measured at amortised cost</b>	<b>61 129</b>	<b>61 129</b>	<b>58 232</b>	<b>58 232</b>
<b>Liabilities</b>				
Debt to credit institutions	502	502	504	504
Deposits from and debt to customers	32 327	32 327	33 339	33 339
Debt securities in issue	19 965	20 003	19 918	19 879
Subordinated debt instruments	705	705	603	603
<b>Total financial liabilities measured at amortised cost</b>	<b>53 500</b>	<b>53 538</b>	<b>54 364</b>	<b>54 326</b>

### FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

#### Classification by level

CONSOLIDATED	Level 1	Level 2	Level 3	Total
<b>Assets at 31.12.23</b>				
Loans to customers	0	0	3 393	<b>3 393</b>
Commercial paper and bonds	0	7 627	0	<b>7 627</b>
Financial derivatives	0	413	0	<b>413</b>
Shares	0	375	359	<b>734</b>
<b>Total financial assets measured at fair value</b>	<b>0</b>	<b>8 416</b>	<b>3 752</b>	<b>12 167</b>
<b>Liabilities at 31.12.23</b>				
Deposits from and debt to customers	0	0	3 469	<b>3 469</b>
Debt securities in issue	0	3 288	0	<b>3 288</b>
Debt securities in issue used as hedging instruments	0	4 787	0	<b>4 787</b>
Financial derivatives	0	614	0	<b>614</b>
<b>Total financial liabilities measured at fair value</b>	<b>0</b>	<b>8 689</b>	<b>3 469</b>	<b>12 158</b>

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	Financial assets		Financial liabilities
<b>At 31.12.23</b>	<b>Loans to customers</b>	<b>Shares</b>	<b>Customer deposits</b>
Nominal value/cost	3 539	252	3 471
Fair value adjustment	- 146	107	- 1
<b>Total fair value</b>	<b>3 393</b>	<b>359</b>	<b>3 469</b>



## Note 13 Fair value of financial instruments (cont.)

### Breakdown of changes in level 3:

	Financial assets Loans to customers	Shares	Financial liabilities Deposits from and debt to customers
<b>CONSOLIDATED</b>			
<b>Carrying amount at 30.09.23</b>	<b>3 323</b>	<b>363</b>	<b>2 725</b>
Net gains/losses on financial instruments through profit or loss	65	- 7	0,6
Acquisitions over the period	4	13	743
Sales/redemptions over the period	0	0	0
Moved into level 3	0	0	0
Moved out of level 3	0	- 10	0
<b>Carrying amount at 31.12.23</b>	<b>3 393</b>	<b>359</b>	<b>3 469</b>

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 approximately 0.6 years. Using a simple duration-based approach, a 1% fall in interest rates will increase the value of our fixed-rate deposits by approximately NOK 19.3 million. For fixed-rate loans the weighted average remaining term is approx. 3.4 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approximately NOK 116 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 10.8% 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 78.4 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 2022 annual report.

## Note 14 Off-balance-sheet items

<b>Guarantees</b>	<b>31.12.23</b>	<b>31.12.22</b>
Payment guarantees	691	680
Contract guarantees	277	272
Other guarantee liabilities	62	61
Commitments to investments in shares	0	3
<b>Total in NOK</b>	<b>1 030</b>	<b>1 016</b>

## DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the financial statements for the end of the fourth quarter of 2023 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 at 31 December 2023.

Førde, 14 February 2024

Lise Mari Haugen  
Chair

Magny Øvrebø  
Deputy Chair

Monica Rydland

Johnny Haugsbakk

Geir Opseth

Kristian Skibenes

Camilla C. Holvik

Ole Martin Eide

Trond Teigene  
CEO

# Income statement, parent company

## AMOUNTS IN MILLIONS OF NOK

	2023	2022
Interest income	2 658	1 556
Interest expenses	1 401	600
<b>Net interest income</b>	<b>1 257</b>	<b>956</b>
Commission income	167	164
Commission expenses	34	31
Net gains/losses on financial instruments	160	210
Other income	13	12
<b>Net other operating income</b>	<b>307</b>	<b>355</b>
<b>Total revenues</b>	<b>1 564</b>	<b>1 311</b>
Wages, salaries, etc.	274	256
Other expenses	219	187
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	26	32
<b>Total operating expenses</b>	<b>519</b>	<b>475</b>
<b>Profit/loss before impairment loss</b>	<b>1 045</b>	<b>836</b>
Impairment loss	- 6	23
<b>Profit/loss before taxation</b>	<b>1 051</b>	<b>813</b>
Tax expense	219	141
<b>Profit/loss for the reporting period</b>	<b>832</b>	<b>671</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Profit/loss for the reporting period</b>	<b>832</b>	<b>671</b>
<b>Other comprehensive income</b>		
<b>Other items that will never be reclassified to profit or loss, after tax</b>		
Remeasurements, pensions	0	0
<b>Total other items that will never be reclassified to profit or loss, after tax</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income</b>	<b>832</b>	<b>671</b>

# Balance sheet, parent company

AMOUNTS IN MILLIONS OF NOK

	31.12.23	31.12.22
<b>ASSETS</b>		
Cash and cash equivalents	18	19
Loans and advances to credit institutions/central banks	3 140	5 032
Loans to customers	38 888	33 272
Commercial paper and bonds measured at fair value	7 194	7 259
Financial derivatives	741	716
Shares and other securities with variable returns	734	758
Investments in associates	0	3
Investments in subsidiaries	2 212	2 212
Intangible assets and goodwill	8	14
Fixed assets	88	79
Deferred tax assets	26	29
Other assets	124	159
<b>Total assets</b>	<b>53 173</b>	<b>49 553</b>
<b>DEBT AND EQUITY</b>		
Debt to credit institutions	731	640
Deposits from and debt to customers	35 827	34 870
Debt securities in issue	7 519	5 817
Financial derivatives	669	680
Tax payable	216	153
Other liabilities and provisions	333	273
Subordinated debt instruments	705	603
<b>Total liabilities</b>	<b>46 000</b>	<b>43 035</b>
Equity share capital	4 943	4 650
Primary capital	798	700
Other equity	476	569
Hybrid capital	450	350
Proposed allocation for dividends and gifts	507	248
<b>Total equity</b>	<b>7 173</b>	<b>6 518</b>
<b>Total debt and equity</b>	<b>53 173</b>	<b>49 553</b>

# Consolidated income statement

As a % of average total assets

	31.12.23	31.12.22
Interest income	5,22 %	3,18 %
Interest expenses	3,20 %	1,50 %
<b>Net interest income</b>	<b>2,02 %</b>	<b>1,67 %</b>
Commission income	0,23 %	0,24 %
Commission expenses	0,05 %	0,05 %
Net gains/losses on financial instruments	0,05 %	0,00 %
Other income	0,04 %	0,05 %
<b>Net other operating income</b>	<b>0,28 %</b>	<b>0,24 %</b>
<b>Total revenues</b>	<b>2,30 %</b>	<b>1,92 %</b>
Wages, salaries, etc.	0,41 %	0,40 %
Other expenses	0,32 %	0,29 %
Depreciation and impairment of assets, valuation changes and gains/losses on non-financial assets	0,03 %	0,04 %
<b>Total operating expenses</b>	<b>0,75 %</b>	<b>0,73 %</b>
<b>Profit/loss before impairment loss</b>	<b>1,55 %</b>	<b>1,19 %</b>
Impairment loss	0,02 %	0,05 %
<b>Profit/loss before taxation</b>	<b>1,53 %</b>	<b>1,14 %</b>
Tax expense	0,36 %	0,26 %
<b>Profit/loss for the reporting period</b>	<b>1,17 %</b>	<b>0,88 %</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Profit/loss for the reporting period</b>	<b>1,17 %</b>	<b>0,88 %</b>
<b>Other comprehensive income</b>		
Remeasurements, pensions	0,00 %	0,00 %
<b>Total other comprehensive income for the year, after tax</b>	<b>0,00 %</b>	<b>0,00 %</b>
<b>Comprehensive income</b>	<b>1,17 %</b>	<b>0,88 %</b>
<b>AVERAGE TOTAL ASSETS</b>	<b>72 573</b>	<b>68 515</b>

# Consolidated financial results by quarter

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
<b>Net interest income</b>	<b>381</b>	<b>379</b>	<b>356</b>	<b>350</b>	<b>332</b>
Other operating income	40	45	45	37	46
Dividends and gains/losses on financial instruments	- 11	- 29	60	14	1
<b>Net other operating income</b>	<b>29</b>	<b>15</b>	<b>105</b>	<b>51</b>	<b>47</b>
<b>Total revenues</b>	<b>410</b>	<b>395</b>	<b>462</b>	<b>401</b>	<b>379</b>
Operating expenses	150	141	128	127	128
<b>Profit/loss before impairment loss</b>	<b>259</b>	<b>254</b>	<b>334</b>	<b>274</b>	<b>250</b>
Impairment loss	- 1	30	- 11	- 4	30
<b>Profit/loss before taxation</b>	<b>260</b>	<b>225</b>	<b>345</b>	<b>278</b>	<b>220</b>
Tax expense	59	58	75	69	51
<b>Profit/loss after taxation</b>	<b>201</b>	<b>166</b>	<b>270</b>	<b>210</b>	<b>169</b>
Remeasurements, pensions	0	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>201</b>	<b>166</b>	<b>270</b>	<b>210</b>	<b>169</b>

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



# Consolidated financial results by quarter

As a % of average total assets

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
<b>Net interest income</b>	<b>2,05 %</b>	<b>2,05 %</b>	<b>1,97 %</b>	<b>1,99 %</b>	<b>1,86 %</b>
Other operating income	0,22 %	0,24 %	0,25 %	0,21 %	0,26 %
Dividends and changes in the value of fin. instr.	- 0,06 %	- 0,16 %	0,33 %	0,08 %	0,00 %
<b>Net other operating income</b>	<b>0,16 %</b>	<b>0,08 %</b>	<b>0,58 %</b>	<b>0,29 %</b>	<b>0,27 %</b>
<b>Total revenues</b>	<b>2,23 %</b>	<b>2,15 %</b>	<b>2,54 %</b>	<b>2,25 %</b>	<b>2,14 %</b>
Operating expenses	0,82 %	0,76 %	0,71 %	0,71 %	0,73 %
<b>Profit/loss before impairment loss</b>	<b>1,41 %</b>	<b>1,38 %</b>	<b>1,84 %</b>	<b>1,54 %</b>	<b>1,42 %</b>
Impairment loss	0,00 %	0,16 %	- 0,06 %	- 0,02 %	0,17 %
<b>Profit/loss before taxation</b>	<b>1,42 %</b>	<b>1,22 %</b>	<b>1,90 %</b>	<b>1,56 %</b>	<b>1,25 %</b>
Tax expense	0,32 %	0,32 %	0,41 %	0,39 %	0,29 %
<b>Profit/loss after taxation</b>	<b>1,10 %</b>	<b>0,91 %</b>	<b>1,49 %</b>	<b>1,18 %</b>	<b>0,96 %</b>
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
<b>COMPREHENSIVE INCOME</b>	<b>1,10 %</b>	<b>0,91 %</b>	<b>1,49 %</b>	<b>1,18 %</b>	<b>0,96 %</b>

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Net interest income</b>	<b>1,65 %</b>	<b>1,58 %</b>	<b>1,57 %</b>	<b>1,52 %</b>
Other operating income	0,25 %	0,25 %	0,21 %	0,26 %
Dividends and changes in the value of fin. instr.	- 0,10 %	- 0,06 %	0,17 %	0,38 %
<b>Net other operating income</b>	<b>0,14 %</b>	<b>0,19 %</b>	<b>0,38 %</b>	<b>0,64 %</b>
<b>Total revenues</b>	<b>1,80 %</b>	<b>1,77 %</b>	<b>1,93 %</b>	<b>2,17 %</b>
Operating expenses	0,73 %	0,73 %	0,71 %	0,75 %
<b>Profit/loss before impairment loss</b>	<b>1,07 %</b>	<b>1,03 %</b>	<b>1,22 %</b>	<b>1,42 %</b>
Impairment loss	0,01 %	- 0,08 %	0,10 %	0,00 %
<b>Profit/loss before taxation</b>	<b>1,06 %</b>	<b>1,11 %</b>	<b>1,12 %</b>	<b>1,41 %</b>
Tax expense	0,24 %	0,26 %	0,24 %	0,22 %
<b>Profit/loss after taxation</b>	<b>0,82 %</b>	<b>0,84 %</b>	<b>0,88 %</b>	<b>1,20 %</b>
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %
<b>COMPREHENSIVE INCOME</b>	<b>0,82 %</b>	<b>0,84 %</b>	<b>0,88 %</b>	<b>1,20 %</b>

# Information about the company

## **SPAREBANKEN SOGN OG FJORDANE**

ADDRESS: Langebruvegen 12  
6800 Førde

TEL. NO.: +47 57 82 97 00

WEBSITE: [www.ssf.no](http://www.ssf.no)

E-MAIL: [kundesenter@ssf.no](mailto: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