Quarterly presentation 2025

Q1

A strong challenger in the Norwegian banking market

The integration of SpareBank 1 Sør-Norge is proceeding as planned

SpareBank 1 Sør-Norge is formed

1 October 2024

Day 1 – merger of Forretningspartner and Regnskaphuset

1 April 2025

Merger of real estate brokers

Autumn 2025

Technical integration SpareBank 1 Sør-Norge

September 2025

SpareBank 1 SØR-NORGE

Financial targets

Long-term target ROE

> 14%

Cost- and capital effective	Customer growth in South of Norway	Growth in other income	Joint effort in the SpareBank 1 alliance	Diversified portfolio
> 17,6%	< 40%	~ 50%	> NOK 300 million	
CET 1 Capital ratio	Cost to income	Dividend share	Operational synergies	

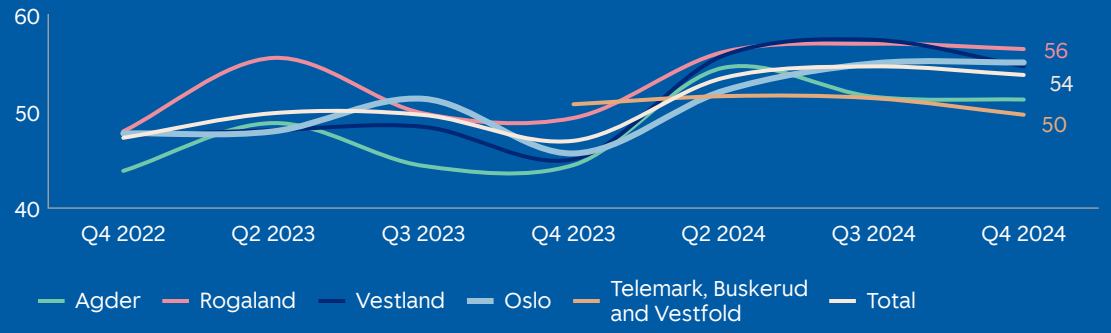
SpareBank 1 SØR-NORGE

A solid platform for further growth

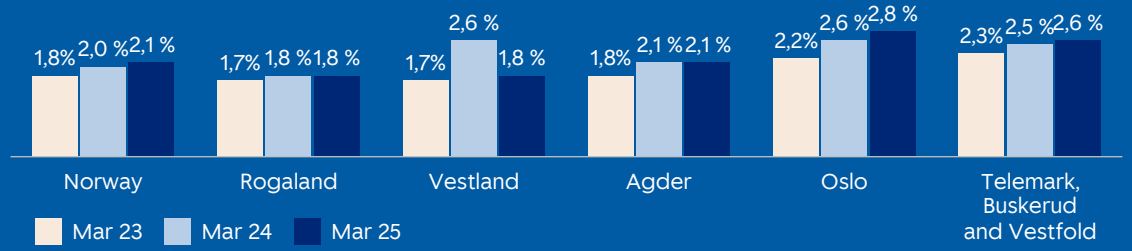
- Strong position in Southern Norway with growth opportunities
- Stable earnings and profitable growth
- Strong prospects for the Group and the region
- Increased uncertainty due to market turbulance

Corporates expect growth and more employees in 2025

SpareBank 1 Sør-Norge's business survey



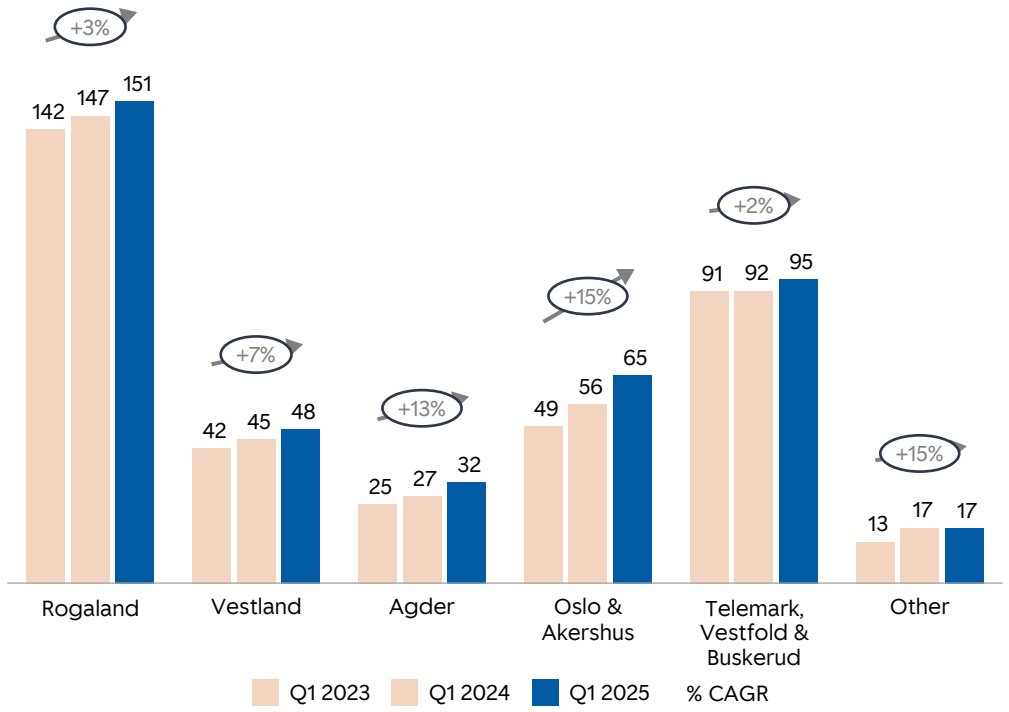
Unemployment remains low



SpareBank 1 Sør-Norge

Pro forma

Lending volume in NOK billion



Strong results from SpareBank 1 Sør-Norge: Solid operations and low loan losses

Result 31 March 2025

13.5%

14.7% excl. one-off effects and GW*
Return on equity after tax

MNOK 2,186

Pre-tax profit

MNOK 23

Impairments on lending and financial commitments

0.03% of gross lending

36.7%

Cost to income ratio

18.3%

CET 1 capital ratio

6.5%

12 months lending growth

Retail market	7.3%
Corporate market	1.8%
SME and Agriculture	11.6%

2.4%

12 months deposit growth

Retail market	7.7%
Corporate market	1.1%
SME and Agriculture	7.4%

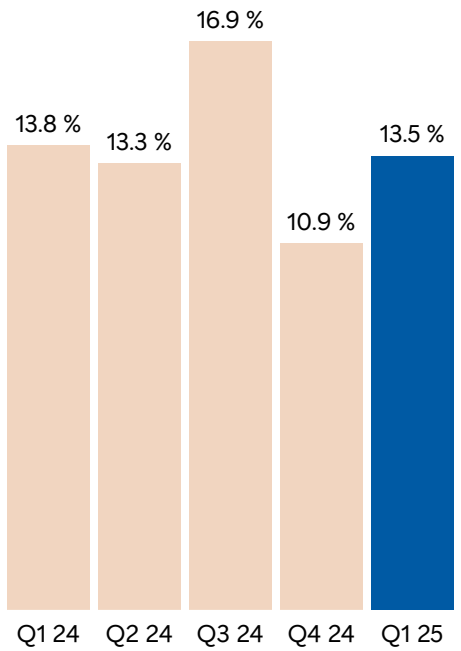
**Adjusted for merger costs (MNOK 22) and goodwill from merger (3.6 NOK billion)*

SpareBank 1 SØR-NORGE

Key figures – quarterly development

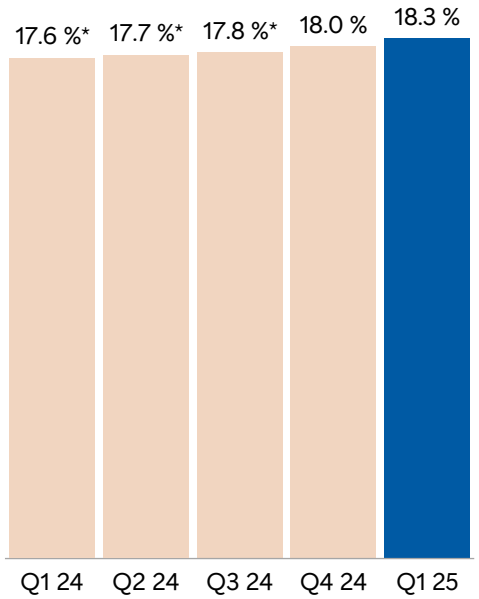
Return on equity

Target: > 14.0%



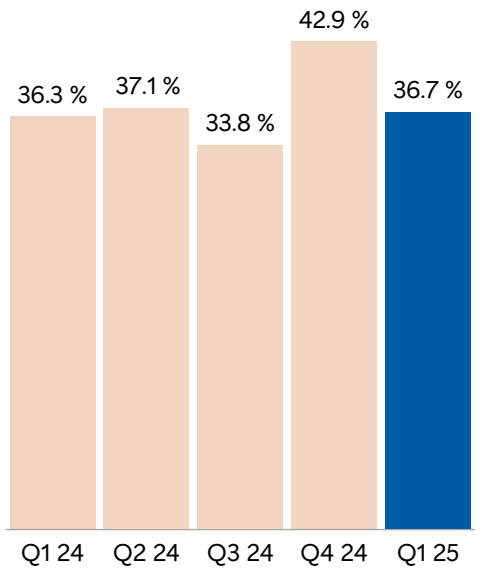
CET 1 capital ratio

Target: > 17.6%



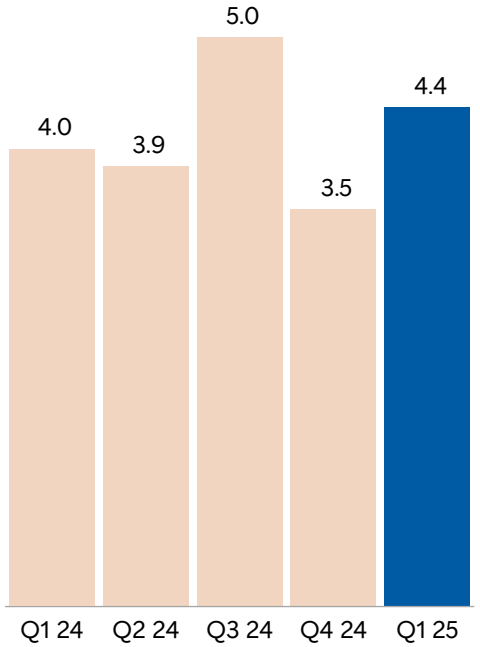
Cost to income ratio

Target: < 40%



Earnings per share (NOK)

Target: ~ 50% dividend share



**CET 1 capital ratio for SpareBank 1 SR-Bank ASA.*

SpareBank 1 SØR-NORGE

Good underlying operations and low loan losses

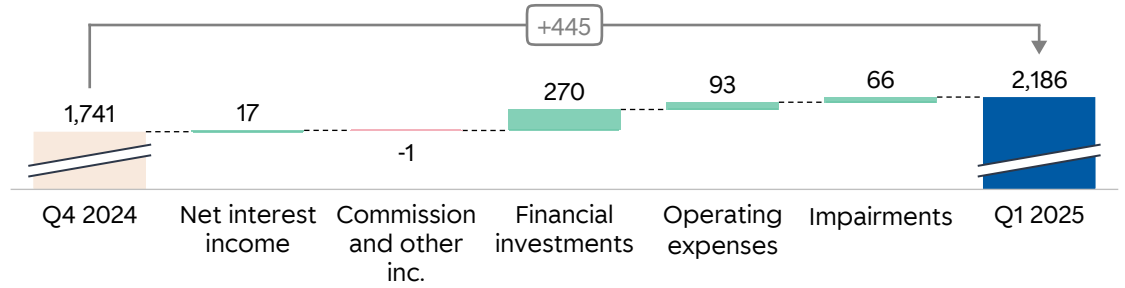
Pro forma

Group Income statement

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	2,310	2,293	2,308	2,262	2,256
Net commission and other income	787	789	694	782	676
Net income on financial investments	394	125	743	173	266
Total income	**3,492**	**3,206**	**3,745**	**3,217**	**3,198**
Total operating expenses	**1,282**	**1,376**	**1,268**	**1,193**	**1,161**
Operating profit before impairments	2,209	1,830	2,478	2,025	2,037
Impairments on loans and financial commitments	23	90	166	98	59
Pre-tax profit	**2,186**	**1,741**	**2,312**	**1,927**	**1,977**
Tax expense	449	350	353	417	398
Profit after tax	**1,737**	**1,390**	**1,959**	**1,510**	**1,580**

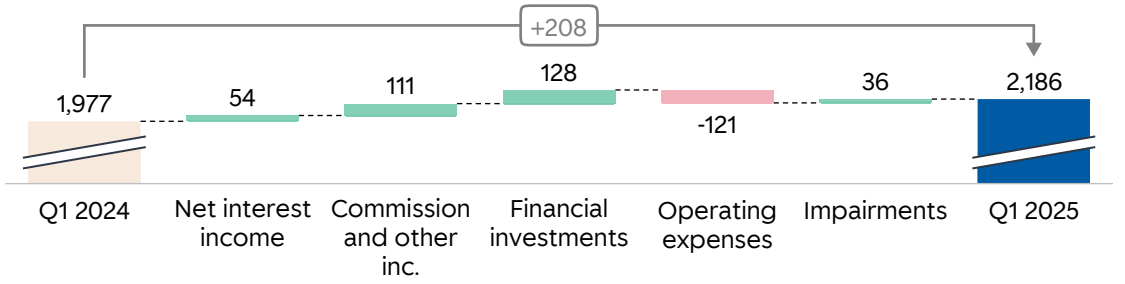
Change from last quarter

(MNOK)



Change from Q1 2024

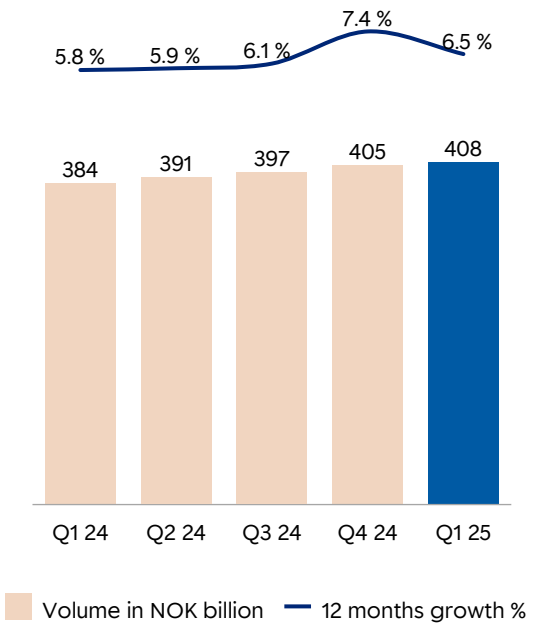
(MNOK)



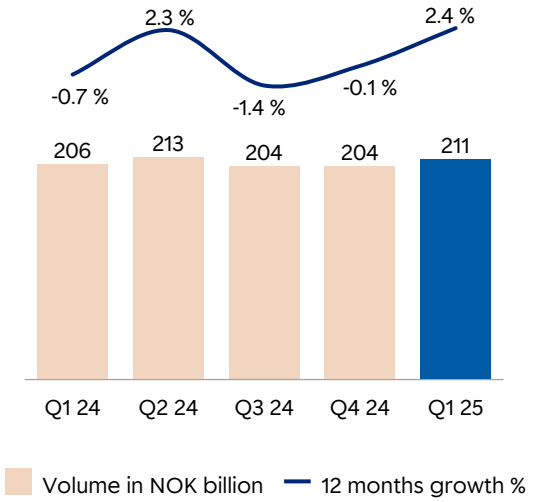
Group

Pro forma

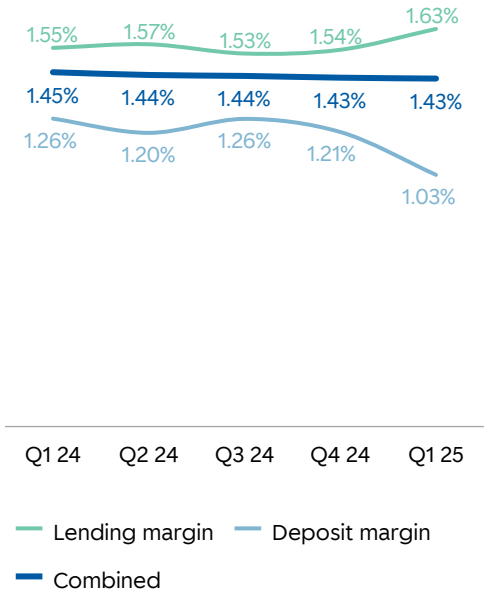
Lending volume



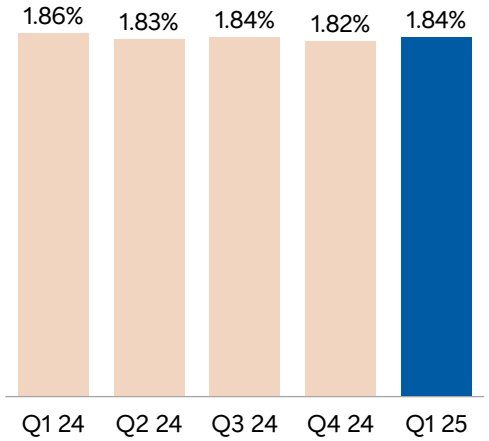
Deposit volume



Margins in customer-segments



Net interest margin



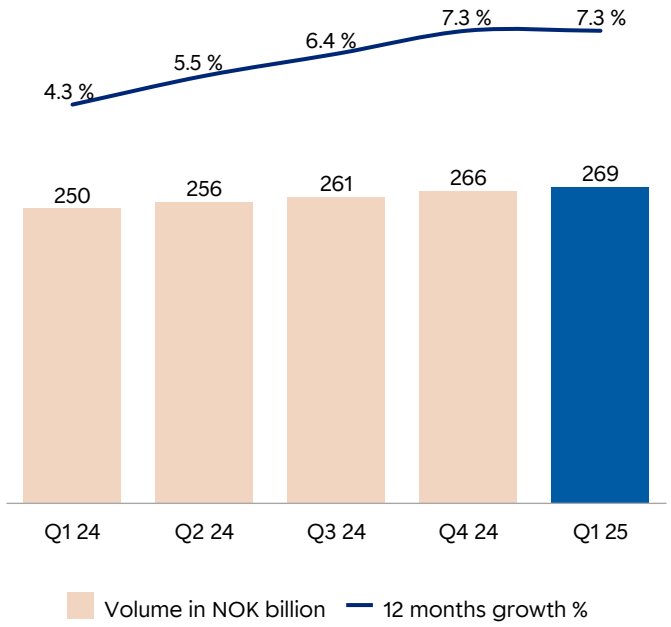
The figures include loans transferred to credit institutions and commission recevied.
Definition margins: Average customer rate measured against money market rates.

SpareBank 1 SØR-NORGE

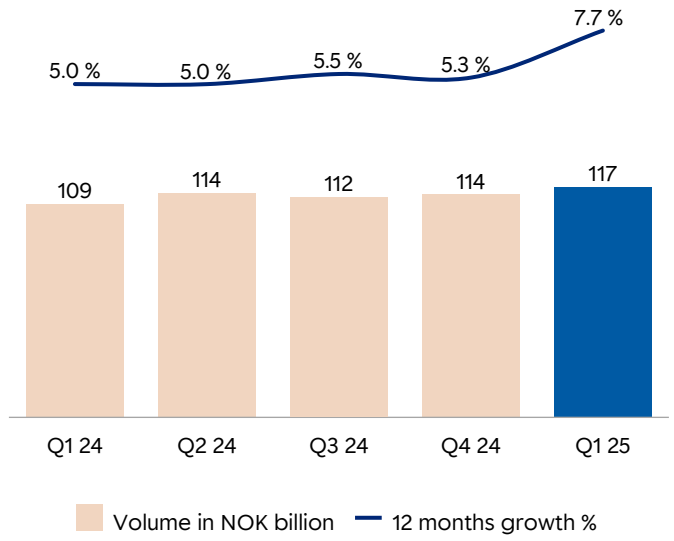
Retail market

Pro forma

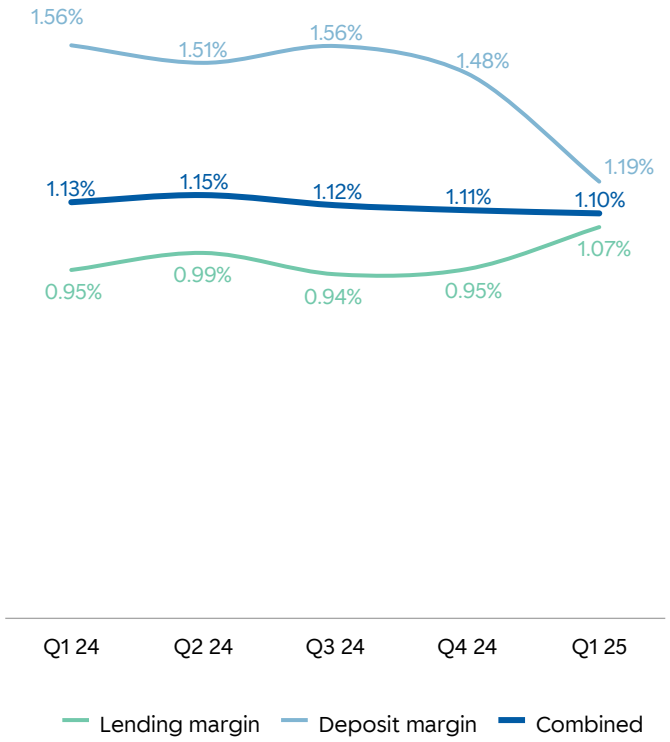
Lending volume*



Deposit volume*



Margins



The figures include loans transferred to credit institutions and commission recevied.
Definition margins: Average customer rate measured against money market rates.

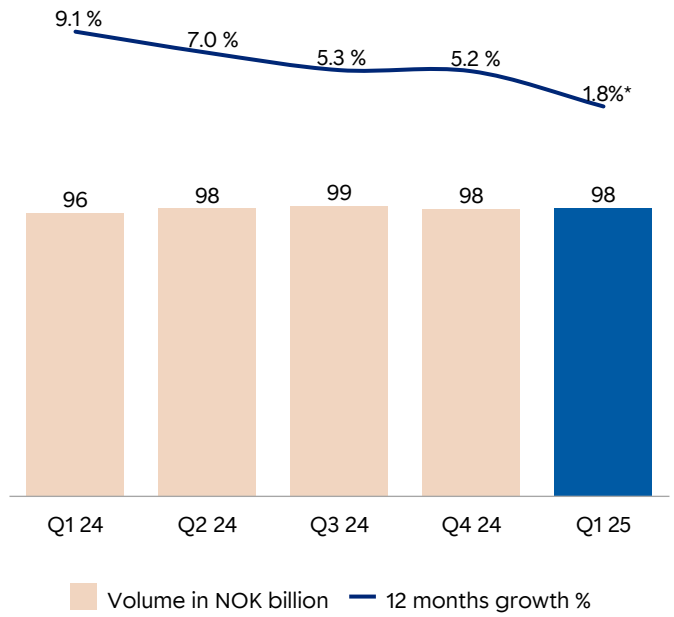
**Including loans and deposits to employees.*

SpareBank 1 SØR-NORGE

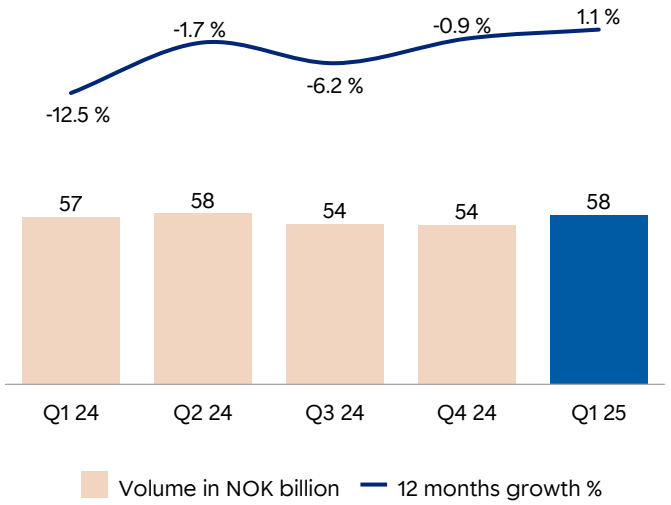
Corporate market

Pro forma

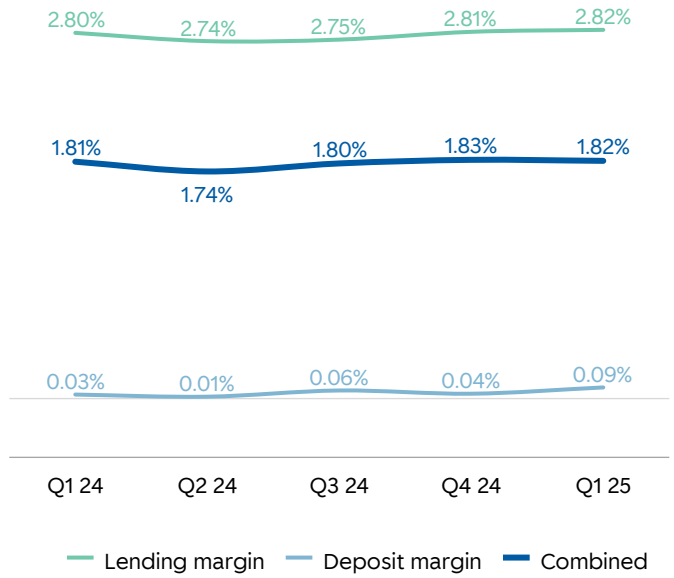
Lending volume



Deposit volume



Margins



The figures include loans transferred to credit institutions and commission recevied.
Definition margins: Average customer rate measured against money market rates.

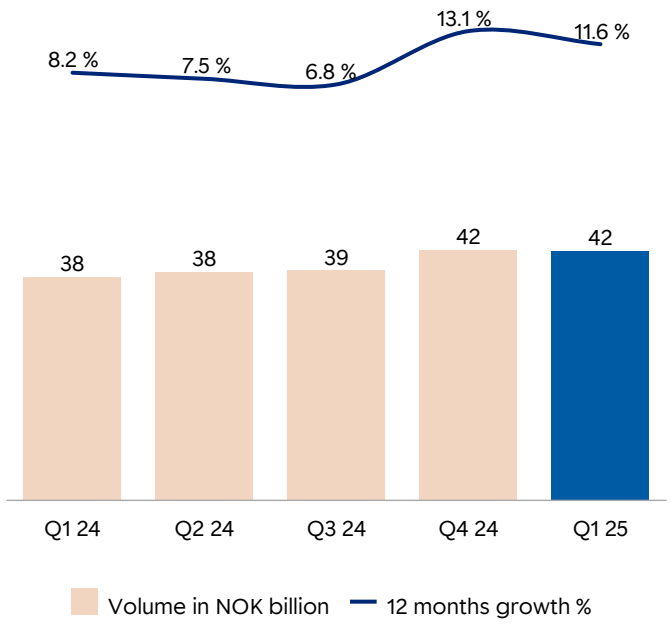
**12 months lending growth in Corporate market excluding currency effect is 2.2%.*

SpareBank 1 SØR-NORGE

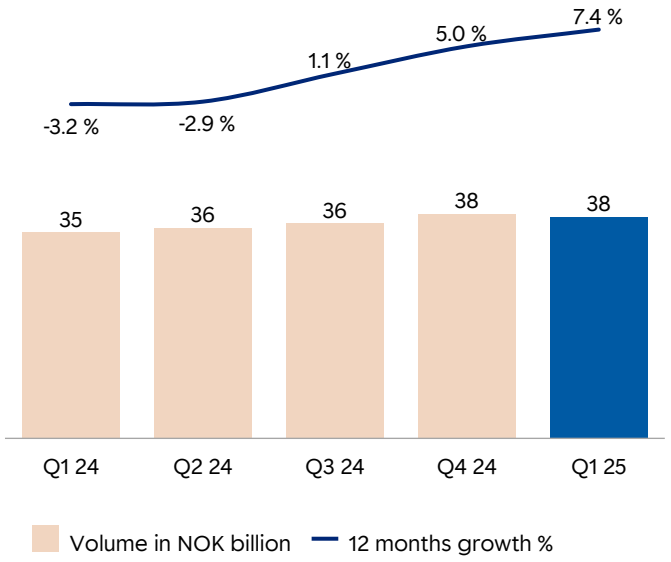
SME and Agriculture

Pro forma

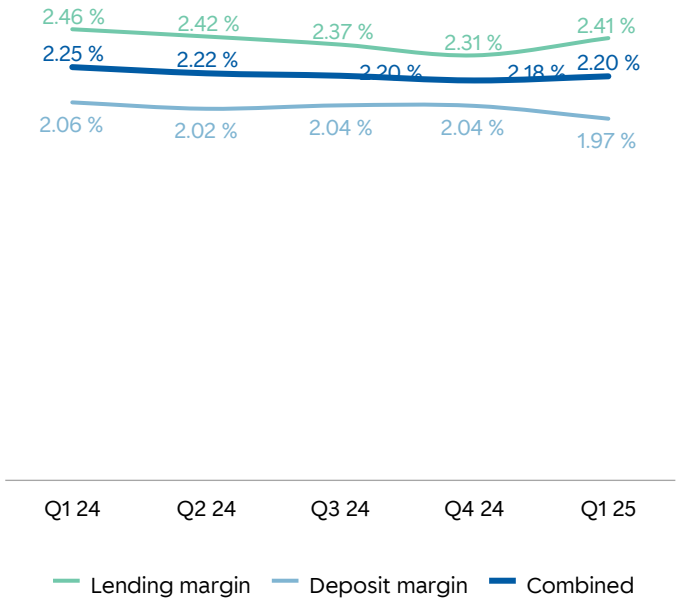
Lending volume



Deposit volume



Margins



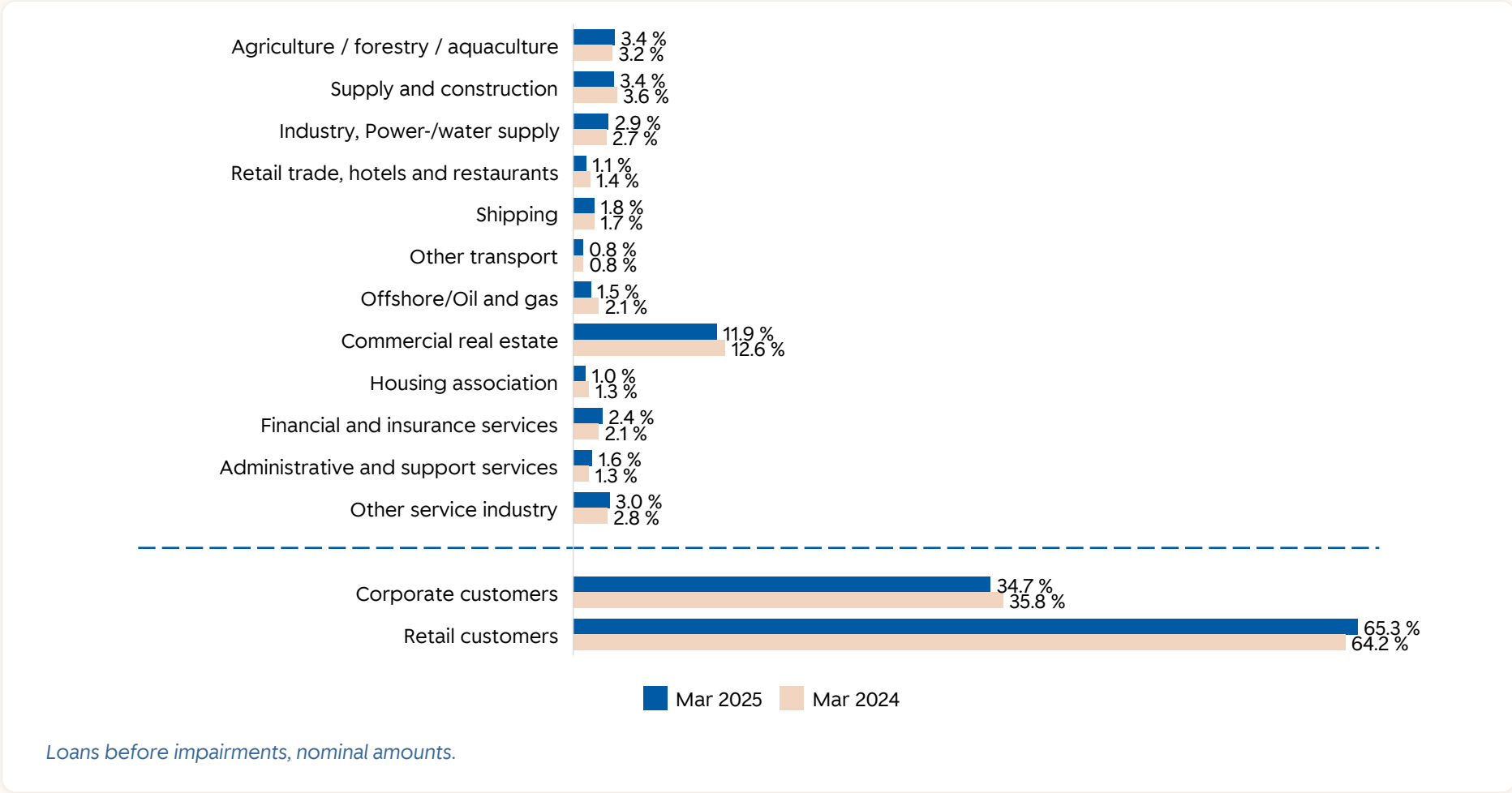
The figures include loans transferred to credit institutions and commission recevied.
Definition margins: Average customer rate measured against money market rates.

SpareBank 1 SØR-NORGE

Well-diversified lending portfolio

Pro forma

- Gross loans increased to NOK 408 billion from NOK 384 billion year over year
- 12 months lending growth is 6.5%
- Low offshore, oil and gas exposure
- Commercial real estate – low concentration risk and good credit quality



Loans before impairments, nominal amounts.

Industry distribution based on standard division from Statistics Norway (SSB).

Net commission and other income

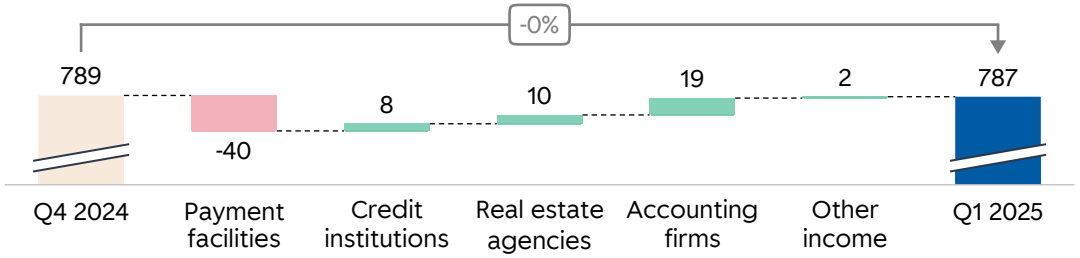
Pro forma

Net commission and other income

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Payment facilities	122	161	153	135	125
Insurance products	109	104	103	99	97
Savings/placements	46	45	37	56	43
Guarantee commission	27	32	32	27	32
Arrangement- and customer fees	66	70	57	63	54
Commission income - Real estate agencies	217	207	171	212	137
Commission income - Accounting firms	147	128	91	142	138
Commission income - Credit institutions	37	29	31	34	32
Other	16	12	19	15	17
Net commission and other income	**787**	**789**	**694**	**782**	**676**

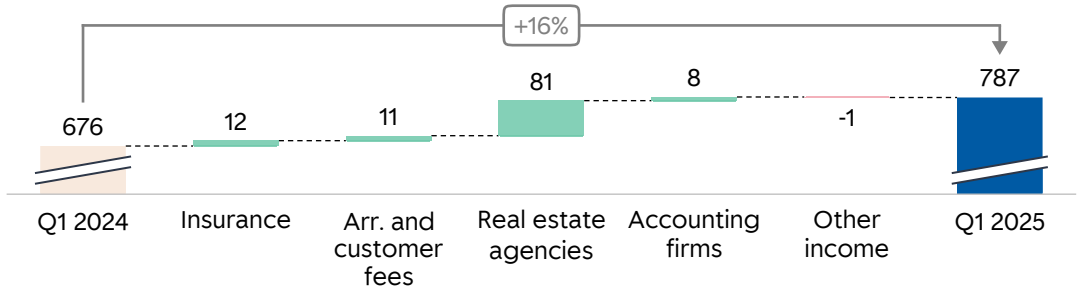
Change from previous quarter

(MNOK)



Change from Q1 2024

(MNOK)



Net income on financial investments

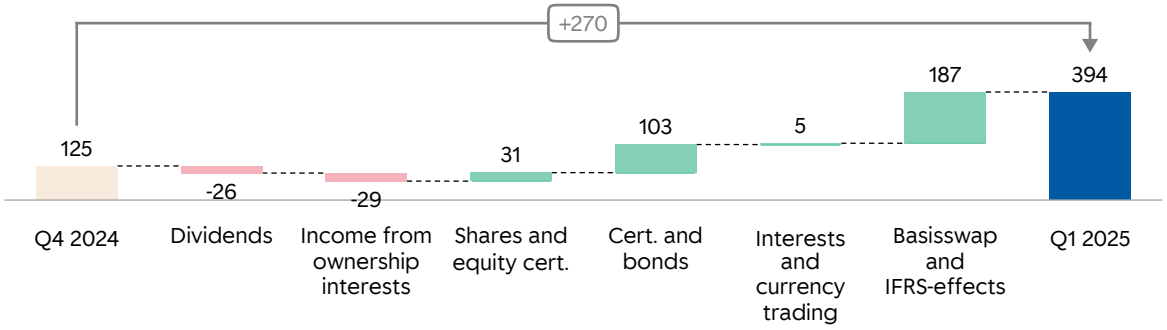
Pro forma

Net income on financial investments

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Dividends	**0**	**26**	**23**	**46**	**63**
Income from ownership interests	**193**	**223**	**242**	**135**	**174**
Gain merger Eika/Fremtind			**577**		
Total securities gains/losses	**201**	**-124**	**-99**	**-9**	**29**
• Shares and equity certificates	47	16	-42	-24	34
• Certificates and bonds	6	-97	-44	24	8
• Interests and currency trading	40	35	37	37	38
• Basisswap and IFRS-effects	109	-78	-50	-46	-51
Net income on financial investments	**394**	**125**	**743**	**172**	**266**

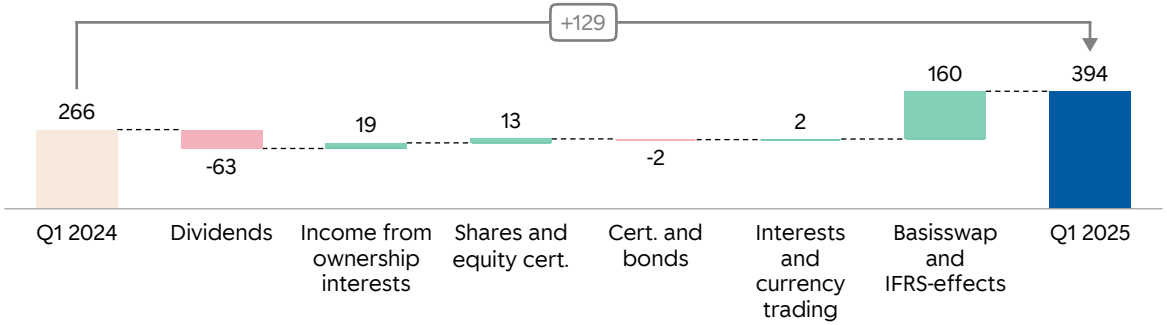
Change from previous quarter

(MNOK)



Change from Q1 2024

(MNOK)



When a basisswap is defined as a hedging instrument, changes in "basis spread" is recognized through other comprehensive income.

Income from ownership interests

Pro forma

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
SpareBank 1 Gruppen AS	59	99	686	1	53
BN Bank AS	89	83	93	89	102
SpareBank 1 Forvaltning AS	27	34	22	22	17
SpareBank 1 Markets AS	17	16	17	22	21
Kredittbanken ASA	-1	-7	-3	1	-3
SpareBank 1 Betaling AS	-5	-5	-1	-2	-10
Others	7	2	4	2	-5
Total income from ownership interests	**193**	**223**	**819**	**135**	**174**

Ownership interests

SpareBank 1 SØR-NORGE

Operating expenses

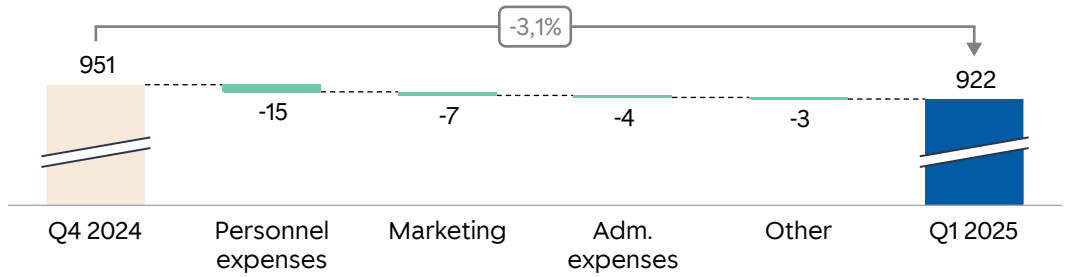
Pro forma

Operating expenses

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Personnel expenses	531	545	538	496	498
IT expenses	167	164	165	174	166
Marketing	33	41	32	36	35
Administrative expenses	97	101	76	83	78
Operating expenses	46	51	49	63	52
Depreciation and impairments	47	49	47	45	46
Sum operating expenses	**922**	**951**	**908**	**895**	**874**
Merger expenses	22	90	97	18	9
Total operating expenses parent bank	**944**	**1,042**	**1,005**	**913**	**882**
Total operating expenses group	**1,282**	**1,376**	**1,268**	**1,193**	**1,161**

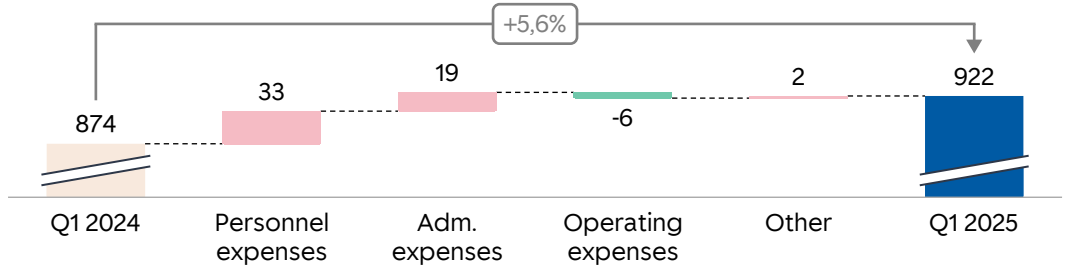
Change from previous quarter (parent bank)

(MNOK)



Change from Q1 2024 (parent bank)

(MNOK)



Synergies

Capital synergies

The introduction of new capital requirements in 2025 for A-IRB banks has reduced the previously assumed capital synergies from around NOK 2.5 billion to NOK 1.7 billion.

Operational synergies

The Group is on track in realisation of funding, operations and cost synergies. Total synergies are estimated at NOK 300 million annually by 2027 and will be communicated quarterly.

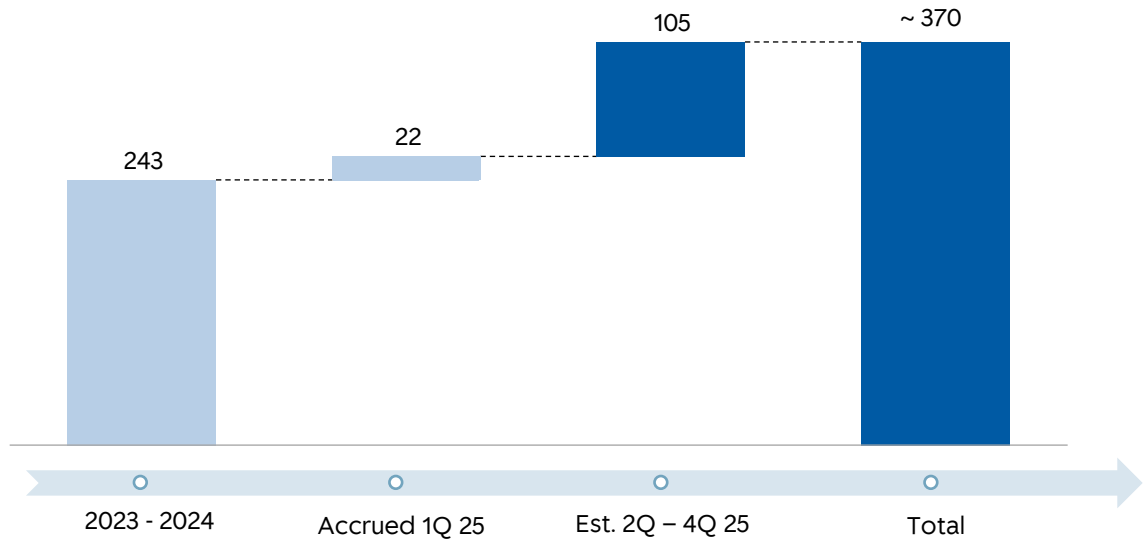
Merger costs

Pro forma

- Estimated total merger costs remain unchanged.
- Low merger costs in the first quarter amounting to NOK 22 million.
- The majority of estimated costs in 2025 will occur in the third quarter in connection with the technical merger.

Total merger cost

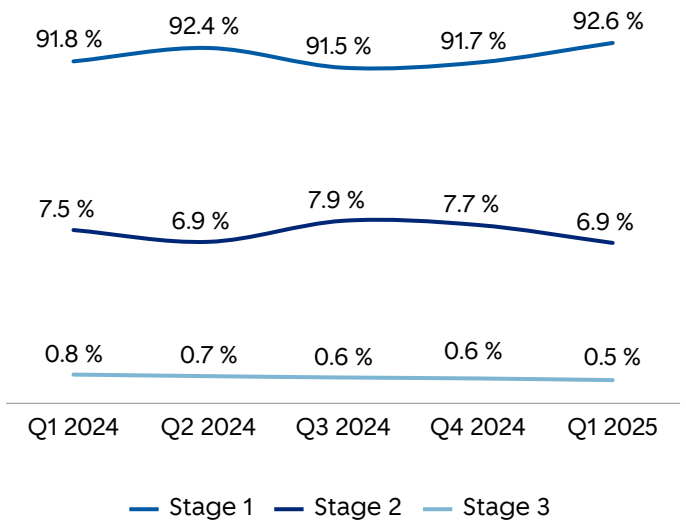
(MNOK)



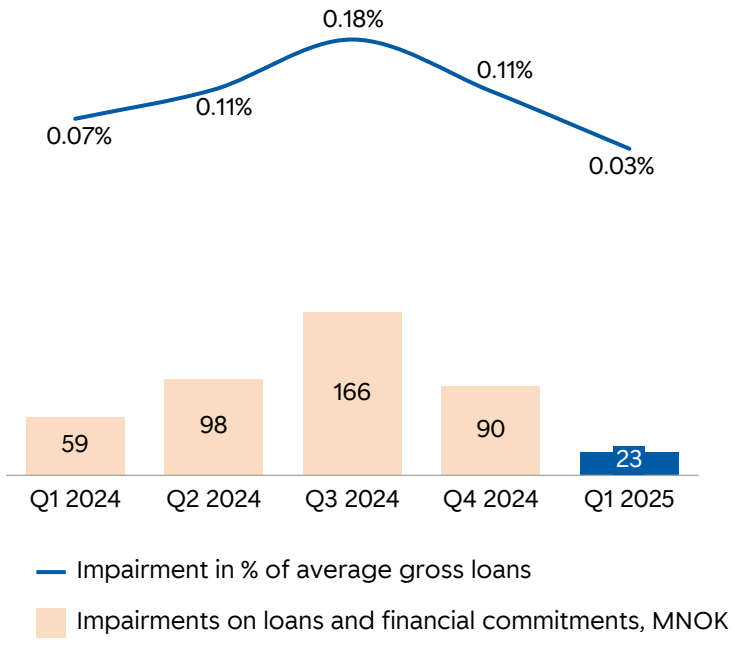
Loans and financial commitments

Pro forma

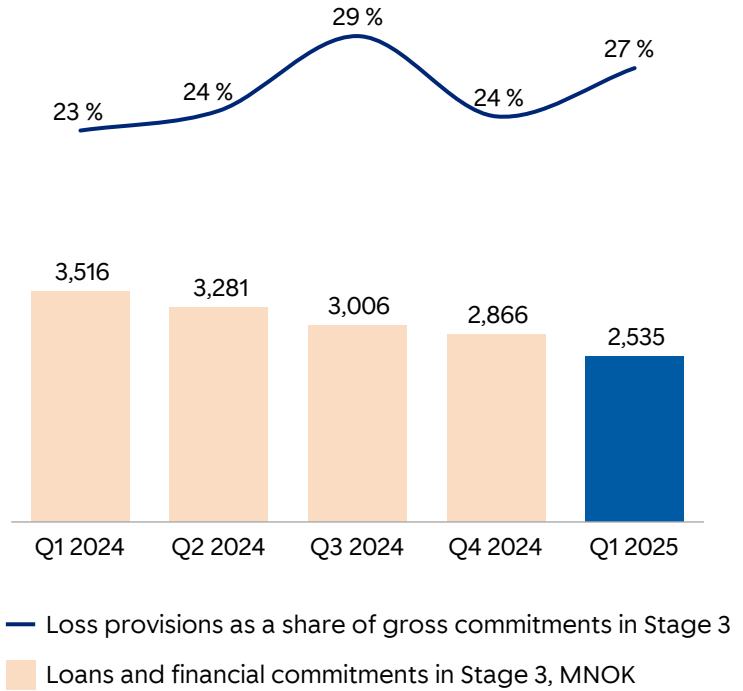
Change in gross loans and financial commitments



Impairments on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3

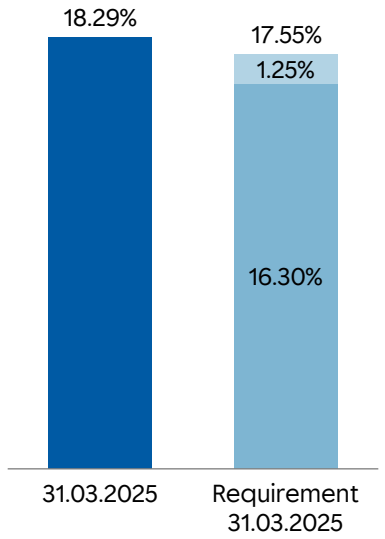


Capital adequacy

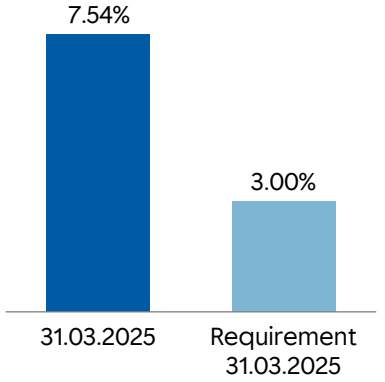
Solid capital ratio

- The CET 1 capital ratio is 18.29% as of 31 March 2025
- The minimum requirement for the CET 1 capital ratio is 17.55% as of 31 March 2025, including a temporary Pillar 2 requirement of 0.28% and a Pillar 2 guidance requirement of 1.25%
- In March 2025, it was determined that the CRR3 regulations will apply from 1 April 2025 in Norway.
- The Ministry of Finance has decided to increase the IRB risk weight floor for mortgage loans from 20 to 25 percent with effect from 1 July 2025.
- Net effect of these regulatory changes and expected A-IRB approval of the former SpareBank 1 Sørøst-Norge portfolio are estimated to have low impact on the Group's capital adequacy.
- The leverage ratio is 7.54% as of 31 March 2025, well above the minimum requirement at 3.0%

CET 1



Leverage ratio

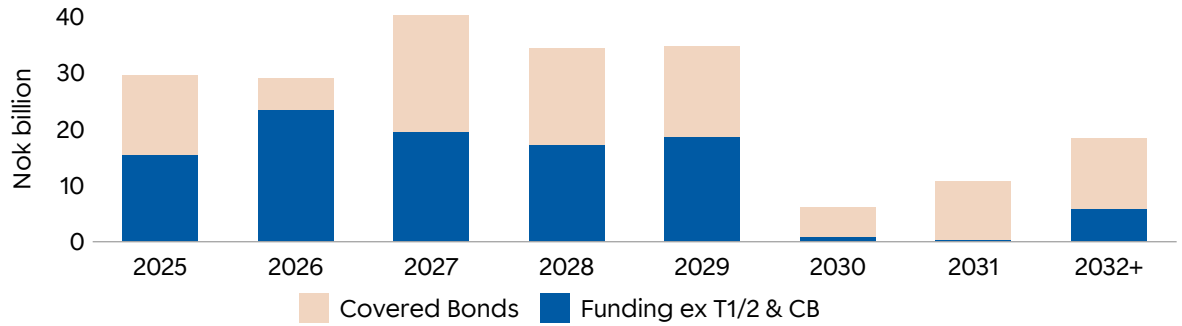


Strong liquidity

Key figures

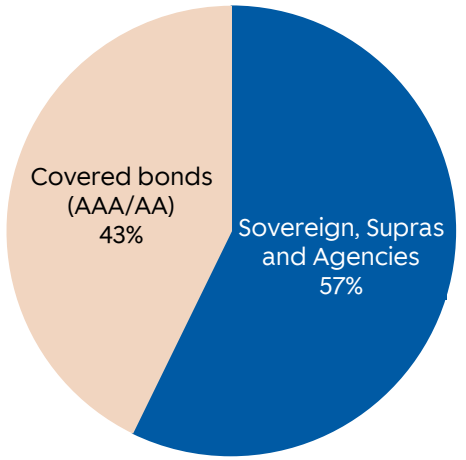
- LCR 163%
- NSFR 134%
- Average duration of funding is 3.5 years
- NOK 27.8 billion net refinancing need over the next 12 months
- Deposit to loan incl. transfers to credit institutions ratio 51.6%
- MREL-requirement 39.2%, MREL-subordination requirement 31.3%
    - As of 31 March 2025, SpareBank 1 Sør-Norge has issued NOK 22.1 billion in senior non-preferred. The requirement is approx. NOK 16 billion.

Annual funding maturity



Bonds and certificates

- The average duration of the portfolio is 2 years
- All fixed interest exposure is hedged to floating rate



Outlook

- A majority of the companies in Southern Norway expect increased activity, although there are large regional differences
- Industry, IT, oil and exports are the most positive sectors
- Expects job growth and low unemployment
- Increased uncertainty due to market turbulance

APPENDIX

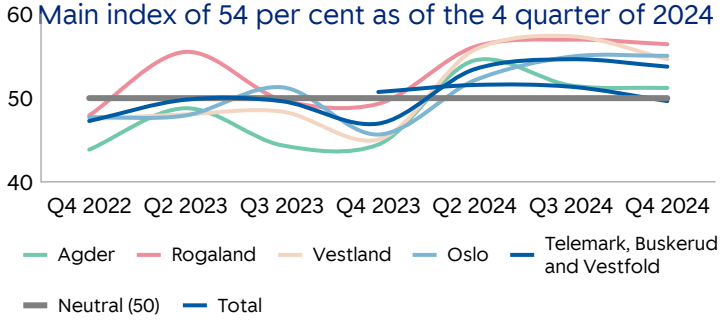
1) **Macro**
2) Loan portfolio
3) Risk
4) SB1NO

SpareBank 1 SØR-NORGE

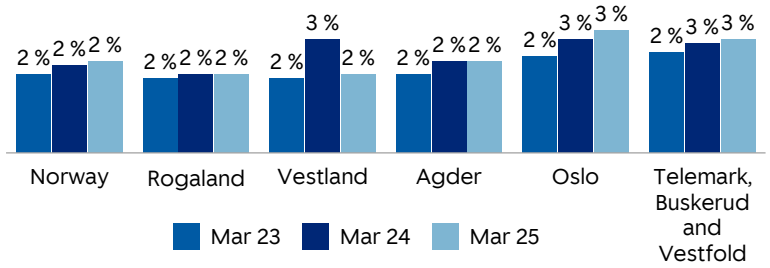
Macro in Southern Norway

SpareBank 1 Sør-Norges's business survey

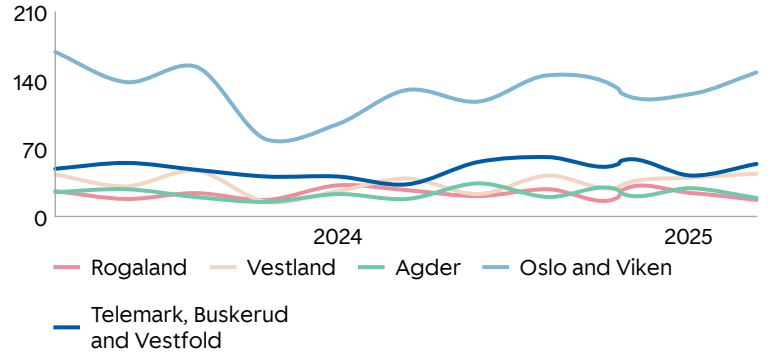
Main index of 54 per cent as of the 4 quarter of 2024



Unemployment rate

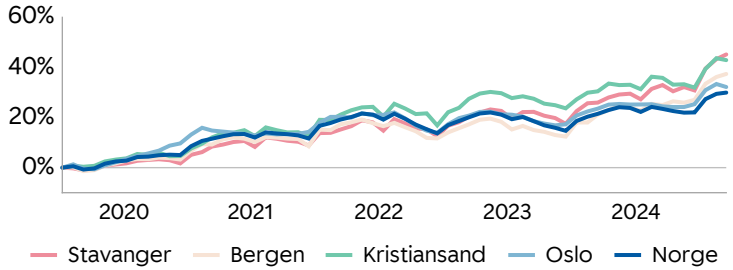


Number of bankruptcies

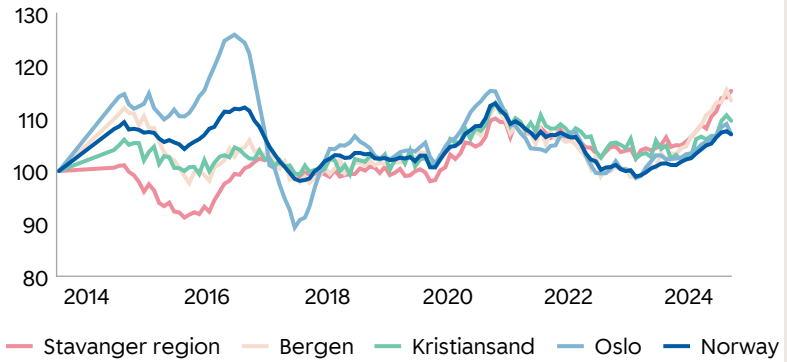


House price development

Norwegian house prices have increased by 7.0 % the last 12 months

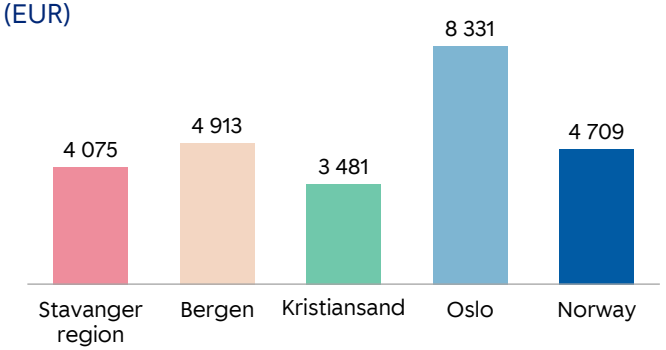


Index change 12 month (%)



Prices by city per square meter

(EUR)



Sources: Eiendom Norge, Eiendomsverdi, NAV, Brønnøysundregisteret, SB1 Sør-Norge Business survey

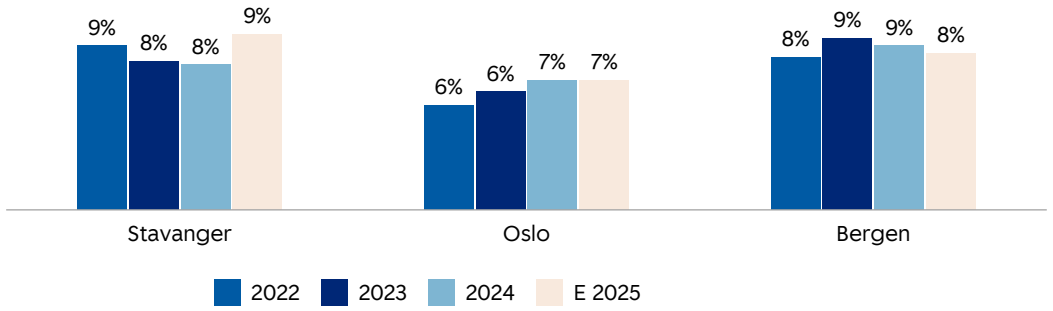
APPENDIX

1) Macro
2) **Loan portfolio**
3) Risk
4) SB1NO

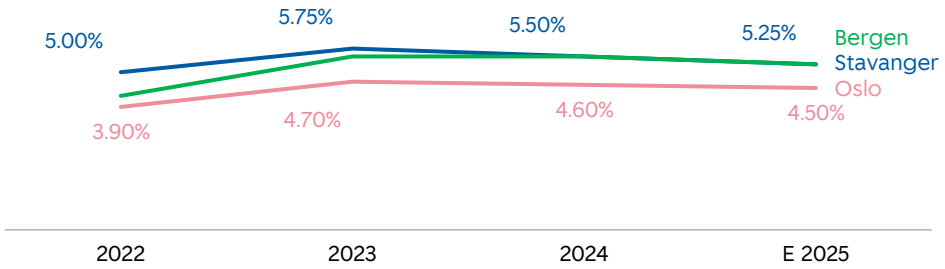
SpareBank 1 SØR-NORGE

Market – Commercial real estate

Office vacancy

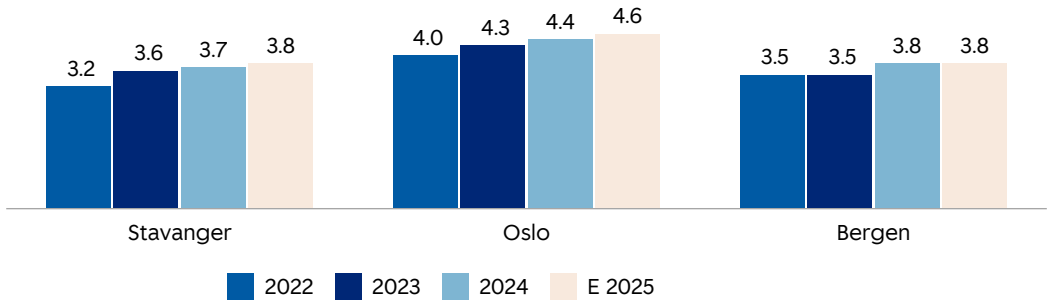


Prime yield



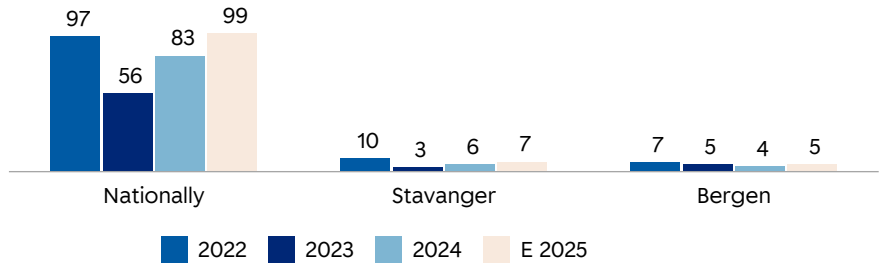
Rental prices

(TNOK per sq.m)



Transaction volume

(NOK billion)

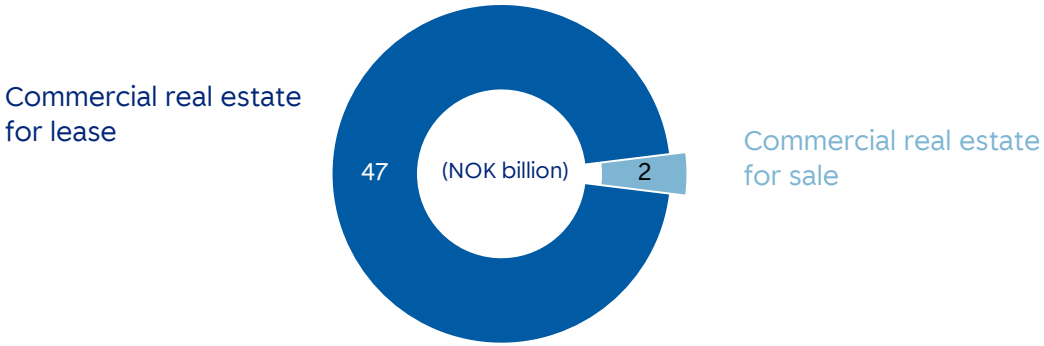


Source: Entra, WPS, og EM1 SR-Eiendom AS

SpareBank 1 SØR-NORGE

Lending to commercial real estate

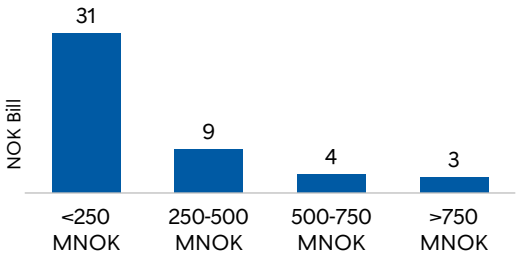
Commercial real estate portfolio 11.9% of total lending volum



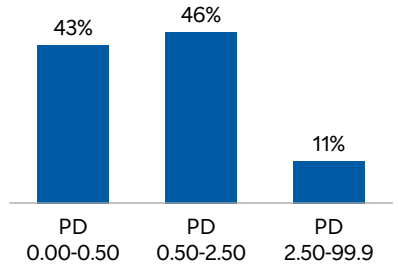
- Lending volume for commercial real estate for lease is NOK 46.8 billion, 11.5% of the bank's total lending volume
- The portfolio is characterized by lending to commercial properties for lease with long-term conctracts and financially solid tenants.

Commercial real estate for lease

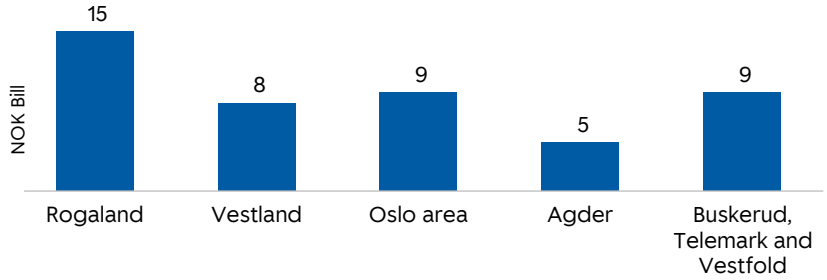
Low concentration risk



89% of volume has a PD under 2.5%



Well differentiated across regions



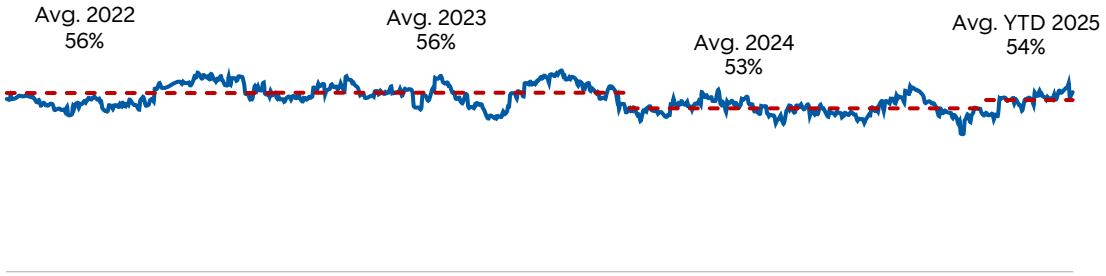
APPENDIX

1) Macro
2) Loan portfolio
3) **Risk**
4) SB1NO

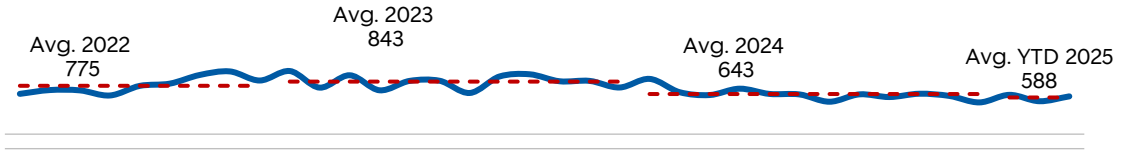
SpareBank 1 SØR-NORGE

Our customers are doing well

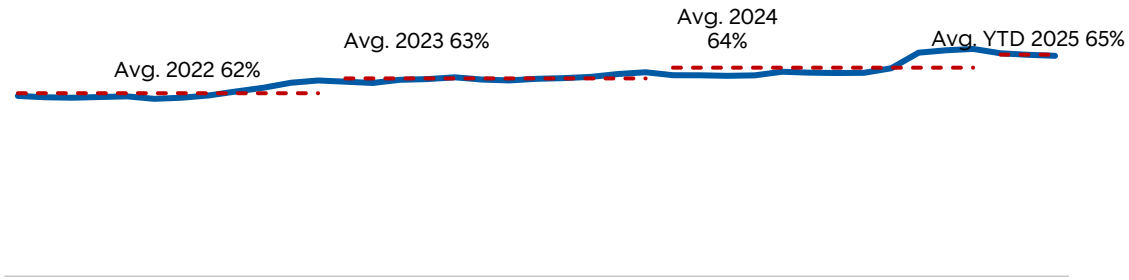
Corporate market - Drawn amount on credit facilities



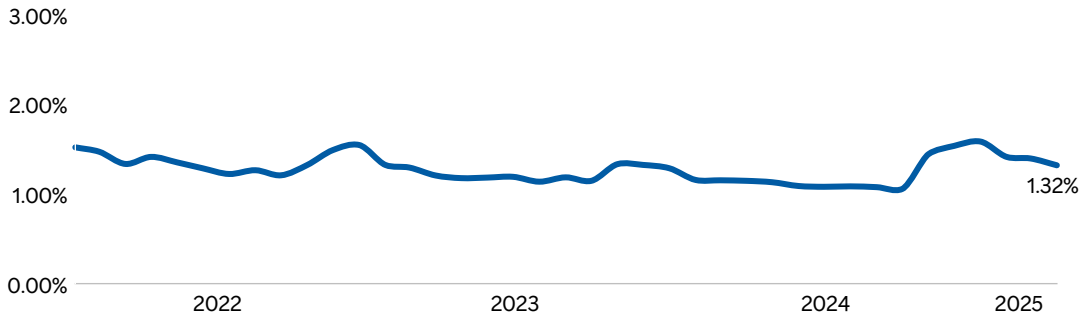
Retail market – Avg. number of applications for interest-only per month



Retail market – Drawn amount on interest only loans



Retail market – Share of exposure (EAD)* with payment remarks



Proportion of Exposure of default that has payment notice externally/Bisnode.

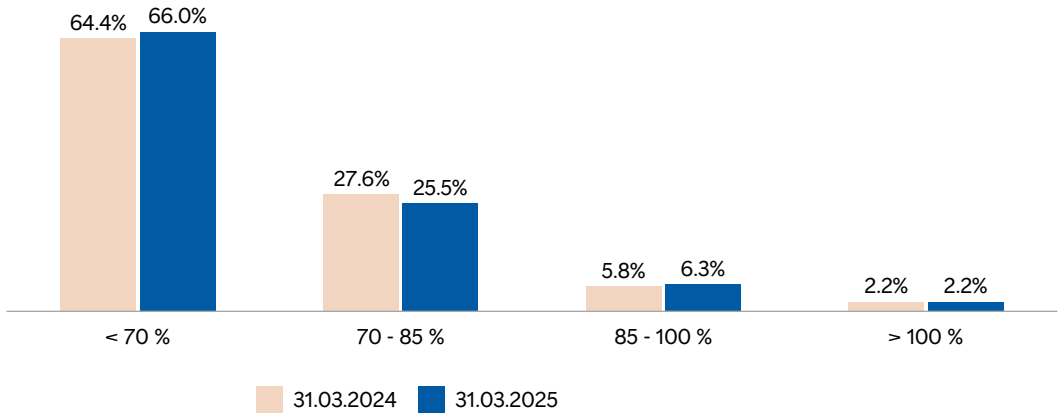
SpareBank 1 SØR-NORGE

Loan to value ratio and RWA on home mortgage loans

Pro forma

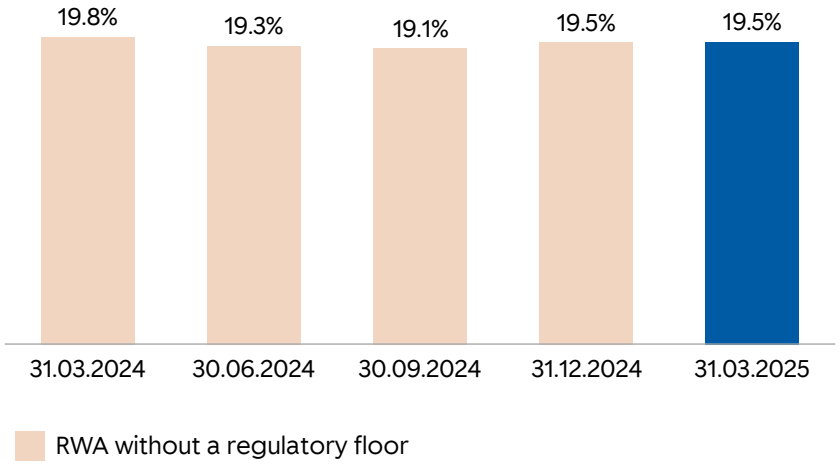
Loan to value ratio on home mortgage loans

- The proforma figures for SpareBank 1 Sør-Norge show that 91.5% of the exposure is within 85% of the assessed value of collateral.



Risk weight home mortgages*

- RWA on home mortgages reflects a solid portfolio with a moderate loan-to-value ratio and low potential loss.
- Risk weights on home mortgage loans are subject to a regulatory floor of 20%.



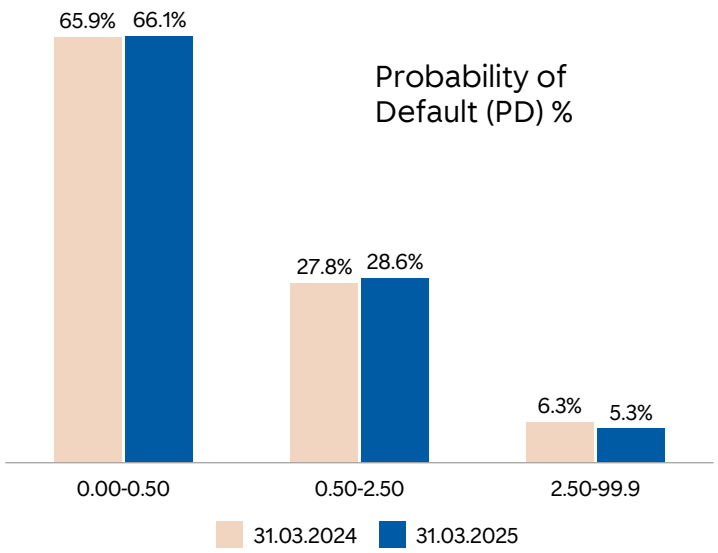
**IRB framework only applied to former SB1 SR-Bank and SR-Boligkreditts loan portfolio, the former portfolio of SB1 Sørøst-Norge is based on the standard method*
In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
Home mortgages as defined in the Norwegian IRB framework; the value of the residential property must be at least 30% of a loan's security.

Profile of the loan portfolio

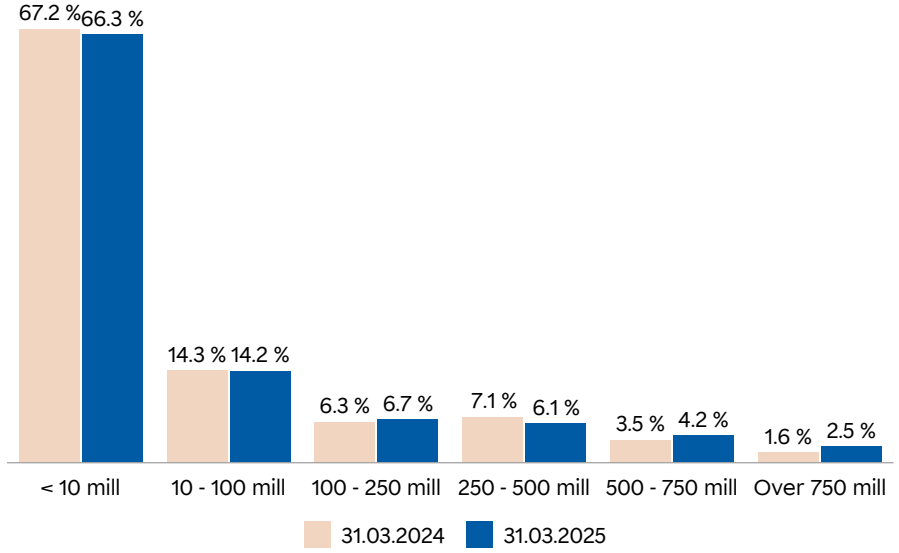
Pro forma

- SpareBank 1 Sør-Norge has a solid loan portfolio.
- The loan portfolio consists mainly of small and medium-sized loans.

Loan portfolio distributed by risk class



Loan portfolio distributed by size of loan



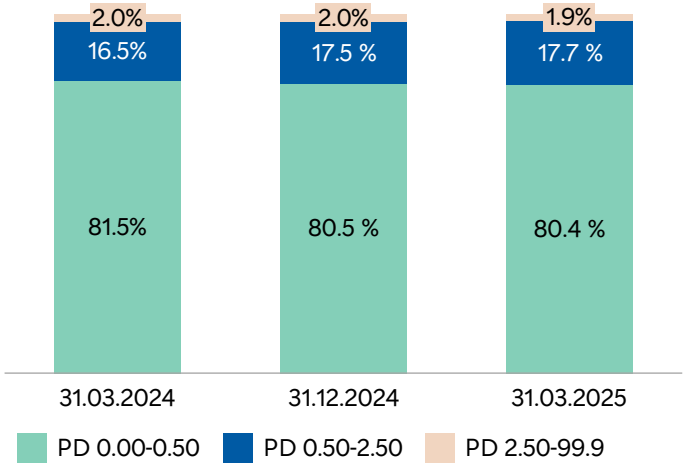
Probability of default (PD) through a full cycle of loss.

Risk profile – Loan portfolio

Pro forma

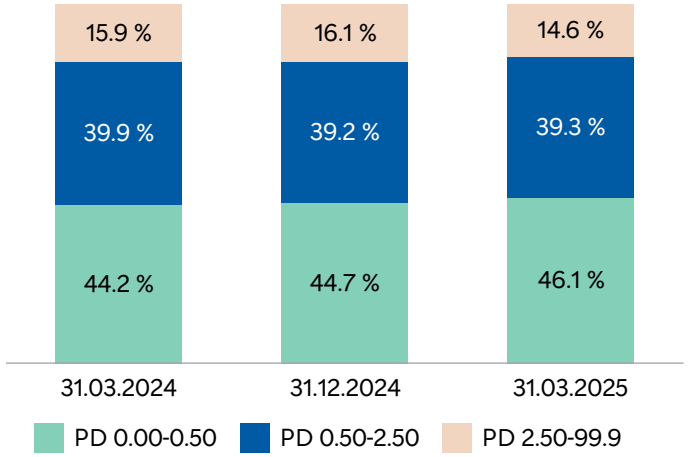
- Portfolio distributed by risk class

Retail



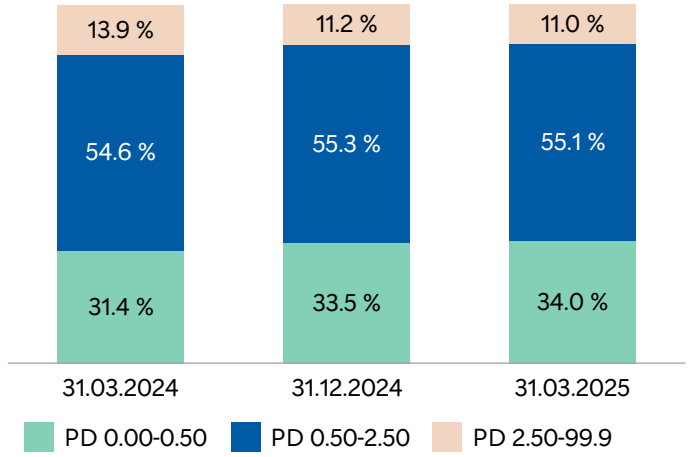
- The quality of the retail market portfolio is considered to be very good and has low potential losses.
- The low risk profile is achieved through prudent costumer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.

SME & Agriculture



- The quality of the SME and Agriculture market portfolio is considered to be good.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

Corporate



- The quality of the corporate market portfolio is good.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

Probability of default (PD) through a full cycle of loss.

SpareBank 1 SØR-NORGE

Impairments on loans and financial commitments

Pro forma

Impairments on loans and financial commitments in the income statement

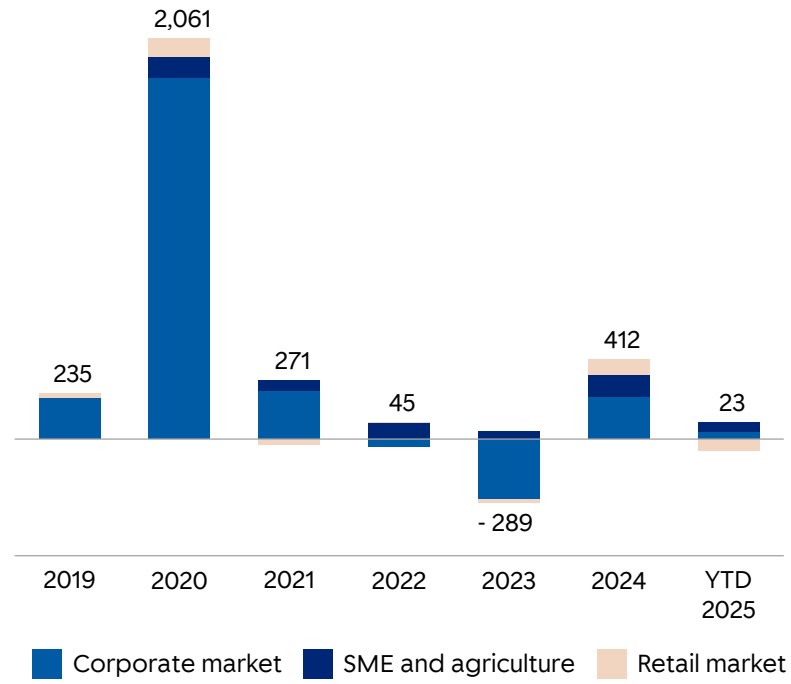
(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Corporate Market	37	85	86	83	- 38
SME and agriculture	48	- 35	85	- 12	78
Retail market	- 62	41	- 5	27	19
Total impairments	**23**	**90**	**166**	**98**	**59**

Impairments on loans and financial commitments in the balance sheet

(MNOK)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Corporate Market	848	873	923	918	938
SME and agriculture	515	495	503	422	456
Retail market	248	313	254	266	237
Total impairments	**1,611**	**1,681**	**1,680**	**1,606**	**1,630**

Impairments on loans and financial commitments in the income statement

(MNOK)



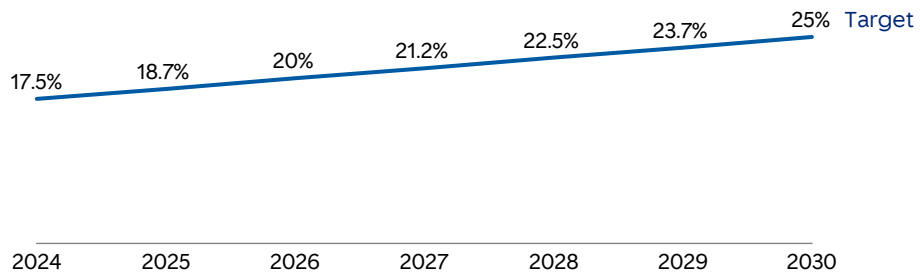
APPENDIX

1) Macro
2) Loan portfolio
3) Risk
4) **SB1NO**

SpareBank 1 SØR-NORGE

Sustainable financing

Target: Sustainable lending constitutes 25% of the group's total lending volume by the end of 2030*



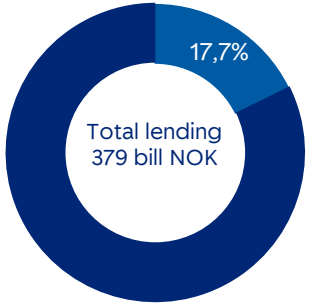
Retail market

- Green residential buildings
- Green car loans

Corporate market

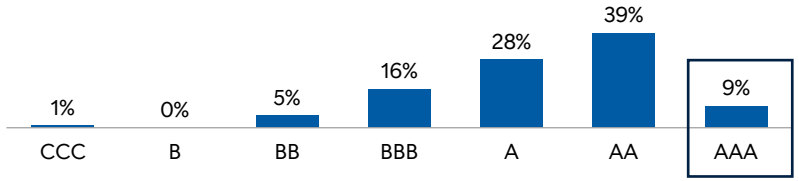
- Lending to the corporate market which qualifies as sustainable according to the internal sustainable product framework
- Sustainability-linked lending

Sustainable lending constitutes 17.7% of total lending volume



SpareBank 1 Sør-Norge among top 9 % of banks globally

MSCI has maintained SpareBank 1 Sør-Norge's AAA ESG rating



(MSCI ACWI Index constituents, Banks, n=203)

*Sustainable lending according to the internal sustainable product framework

SpareBank 1 Sør-Norge ASA

Pro forma

Fully owned companies

EiendomsMegler 1 SR-Eiendom
Real estate agency

SpareBank 1 Sør-Norge ForretningsPartner
Accounting and advisory

SR-Boligkreditt
Covered Bond Funding

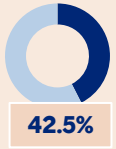
EiendomsMegler 1 Sørøst-Norge
Real estate agency

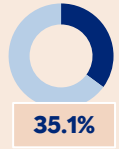
SpareBank 1 Regnskapshuset Sørøst-Norge
Accounting and advisory

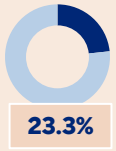
FinStart Nordic
Investmentportfolio FinTec

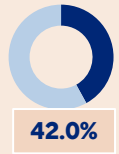
EiendomsMegler 1 Telemark (51%)
Real estate agency

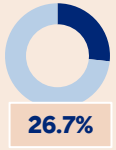
Partly owned companies

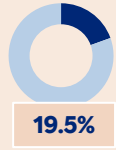
BN Bank


SpareBank 1 Markets


Kreditt-banken ASA


SpareBank 1 Forvaltning


SpareBank 1 Betaling*


SpareBank 1 Gruppen


**Owns 25 % in Vipps AS*

SpareBank 1 SØR-NORGE

Balance sheet

Pro forma

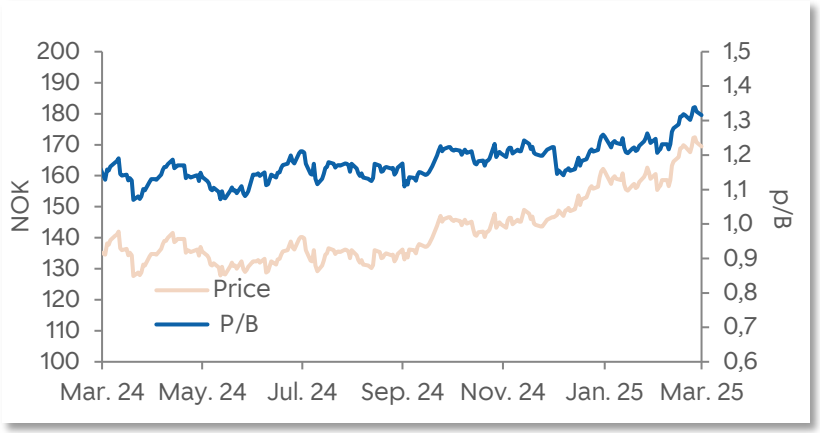
Balance sheet (MNOK)	31.03.2025	31.03.2024
Cash and balances with central banks	717	505
Balances with credit institutions	7,492	9,368
Loans to customers	377,814	352,562
Certificates and bonds	68,925	73,258
Financial derivatives	13,385	16,418
Shares, ownership stakes and other securities	2,505	3,204
Investment in associates	8,014	7,639
Other	9,745	6,929
Total assets	**488,597**	**469,882**
Balances with credit institutions	888	3,251
Deposits from customers	210,778	205,856
Listed debt securities	180,111	167,746
Financial derivatives	10,776	13,158
Other liabilities	3,664	5,237
Senior non-preferred bonds	22,279	22,184
Subordinated loan capital	5,764	4,400
Total liabilities	**434,261**	**421,832**
Total equity	**54,336**	**48,049**
Total liabilities and equity	**488,597**	**469,882**

SpareBank 1 SØR-NORGE

SB1NO

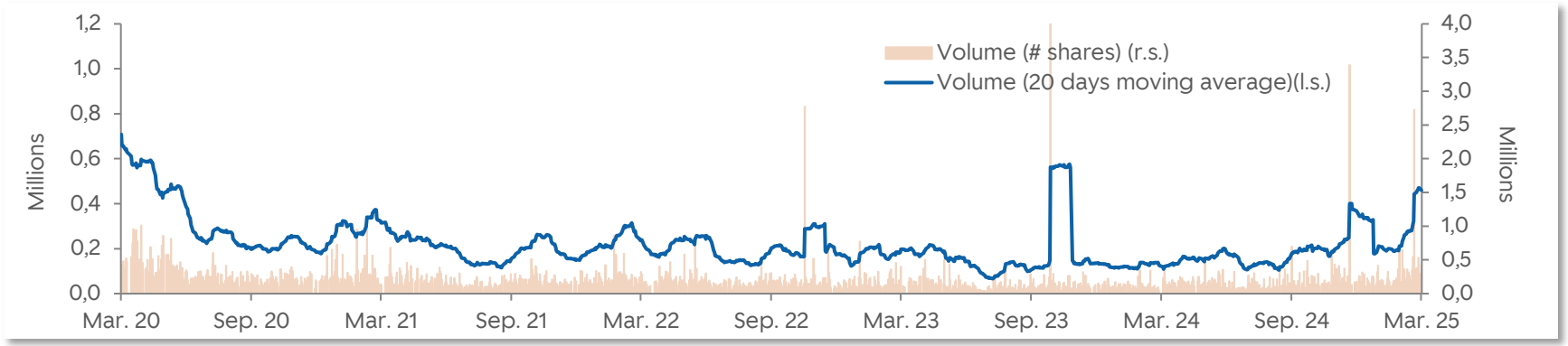
- International ownership is 16.7% per 1. quarter 2025
- Total market value at 1. quarter 2025 is NOK 63,6 billion

Development in Price/Book



Relative share price development

Trading volume development



SB1NO

- Number of shares issued 375.46 million
- Trading volume in Q1 2025: 4.9% (2.8%)

SB1NO	31.03.2025	2024	2023	2022	2021
Share price	169.40	146.60	128.90	120.70	133.20
Stock value (MNOK)	63,602	55,042	34,064	30,869	34,066
Book value per share (incl. Dividends) (group)	133.29	128.77	115.07	106.32	99.05
Earnings per share	4.37	13.08	16.27	12.88	12.08
Dividend per share	-	8.50	7.50	7.00	6.00
P/E	9.55	11.21	7.92	9.37	11.03
P/BV	1.27	1.14	1.12	1.14	1.34

Figures in parentheses as at 31 March 2024.

20 largest shareholders as at 31 March 2025

- Ownership interests:
  - International: 16.7% (21.4%)
  - 10 largest: 54.3% (49.7%)
  - 20 largest: 62.6% (57.8%)
- Number of shareholders: 23.696 (18.850)
- Employees owning 1.5% (1.8%) as at 31 March 2025

Investor	Number	Stake
Sparebankstiftelsen SR-Bank	78,677	21.0%
SpareBank 1 Stiftelsen BV	32,667	8.7%
Sparebankstiftelsen Telemark	25,034	6.7%
Folketrygdfondet	23,433	6.2%
Sparebankstiftelsen Modum	15,624	4.2%
SpareBank 1-stiftinga Kvinnherad	6,527	1.7%
State Street Bank and Trust Co, U.S.A.	6,377	1.7%
Sparebankstiftelsen Nøtterøy-Tønsberg	5,350	1.4%
Sparebankstiftelsen Nome	5,263	1.4%
JPMorgan Chase Bank, N.A., London	4,949	1.3%
J.P.Morgan SE, Luxembourg	3,740	1.0%
Skandinaviska Enskilda Banken AB	3,598	1.0%
Pareto Aksje Norge Verdipapirfond	3,561	0.9%
Verdipapirfond Odin Norge	3,399	0.9%
Verdipapirfondet Alfred Berg Gambak	3,099	0.8%
J.P.Morgan SE, Luxembourg	3,076	0.8%
Brown Brothers Harriman & Co, U.S.A.	2,836	0.8%
Swedbank AB	2,703	0.7%
State Street Bank and Trust Co, U.S.A.	2,685	0.7%
J.P.Morgan SE, Luxembourg	2,591	0.7%
Top 5	175,434	46.7%
Top 10	203,899	54.3%
Top 20	235,188	62.6%

Figures in parentheses as at 31 March 2024.

Disclaimer

This presentation contains forward looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 Sør-Norge believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 Sør-Norge include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 Sør-Norge has undertaken to revise these forward looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Contact Details

Christen Tranes Gate 35
Postboks 250
4068 Stavanger

Tel: +47 915 02002
www.sr-bank.no

Management

Inge Reinertsen
CEO

+47 909 95 033
inge.reinertsen@sr-bank.no

Eirik Børve Monsen
CFO

+47 916 39 831
eirik.monsen@sr-bank.no

Investor Relations

Morten Forgaard
Investor Relations

+47 916 21 425
morten.forgaard@sr-bank.no

Mona Storbrua
IR coordinator

+47 916 39 833
mona.storbrua@sb1sornorge.no

SpareBank 1 SØR-NORGE