# Quarterly presentation 2026

# Q2

SpareBank 1 SØR-NORGE

# Clear Measures to Strengthen The Group's Position

## Q1

**New Group executive management** announced in February and start of the organisational change process

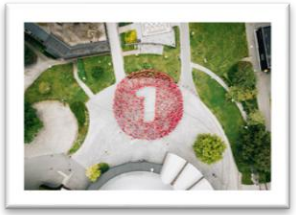
**Helge Leiro Baastad** elected as new Chair of the Board of SpareBank 1 Sør-Norge

SpareBank 1 and Tieto join forces to develop **the mortgage of the future**

**EM1 Sør-Norge strengthens its position** with the acquisition of Panorama Eiendomsmegling AS at Nordstrand

## Q2

**The merger with EM1 Telemark** was completed in April, making EM1 Sør-Norge one team



**Organisational change** at management levels 2 to 4 completed, and the new organisation is operational

**Saves 10,000 hours** with AI-generated logs from customer meetings

**Completed new cloud data platform** with more insight and built-in AI functionality

# Together for **Our Customers**
# When crisis strikes

SpareBank 1 SØR-NORGE

Fremtind

SpareBank 1 SØR-NORGE

# AI in Customer Service Saves **10,000 Working Hours**

- Transcription and AI-summaries give advisors **more time to spend with customers**
- Simplifies and streamlines everyday work
- AI is now embedded in the Group's core operations

SpareBank 1 SØR-NORGE

# Sharpening Focus on Core Operations – Sale of a 55% stake in Forretningspartner

The transaction provides Forretningspartner with stronger opportunities for **growth** and **further development**

**Strengthens the bank's focus on its core business**, improves capital efficiency and supports higher returns

Continued collaboration and development of SpareBank 1 Regnskap **ensure a broad and attractive service offering** for corporate customers

SpareBank 1 SØR-NORGE

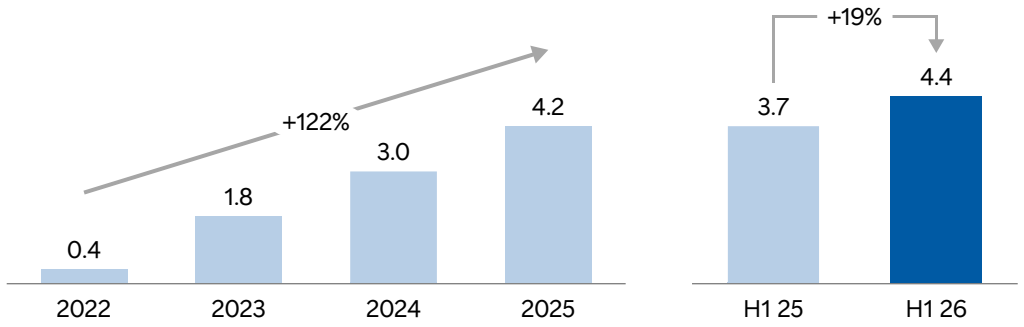
# Strong growth in mutual fund savings

- Attractive product offering and strong distribution network
- Strong growth in AUM strengthens the foundation for future earnings and customer loyalty

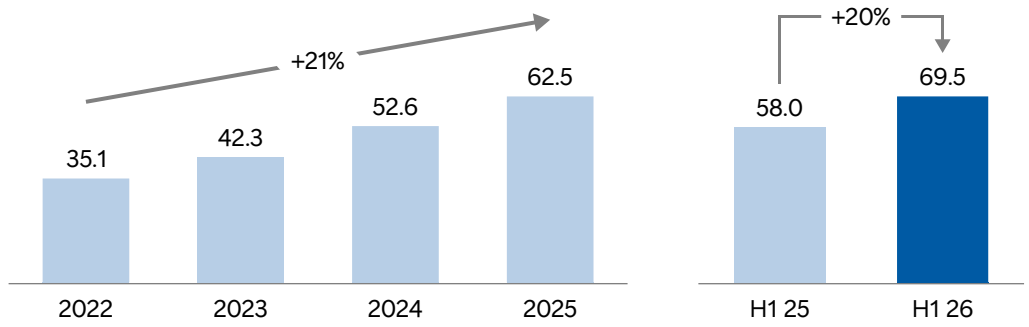
**42,6 %**
SB1NO ownership stake

**SpareBank 1 Forvaltning**
Alliance company with a dynamic ownership model

## Net subscriptions SB1NO
NOK bill




## Total AUM SB1NO
NOK bill




Net subscriptions include SpareBank 1 Funds, Odin Funds, external funds generating fee income, and discretionary portfolio management for SpareBank 1 Sør-Norge. Excludes SpareBank 1 Insurance (pensions) and Odin's direct distribution in Norway and Sweden.

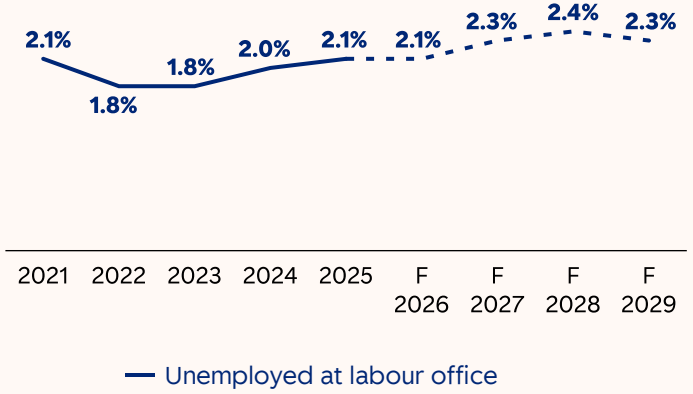


SpareBank 1 SØR-NORGE

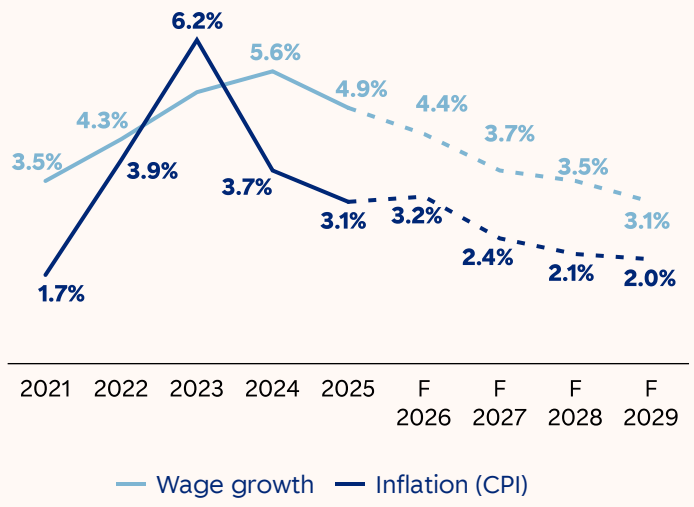
# Macro

- Unemployment remains low
- Inflation declining, still above the target level
- High wage growth, moderate going forward
- Stable house price growth and solid activity

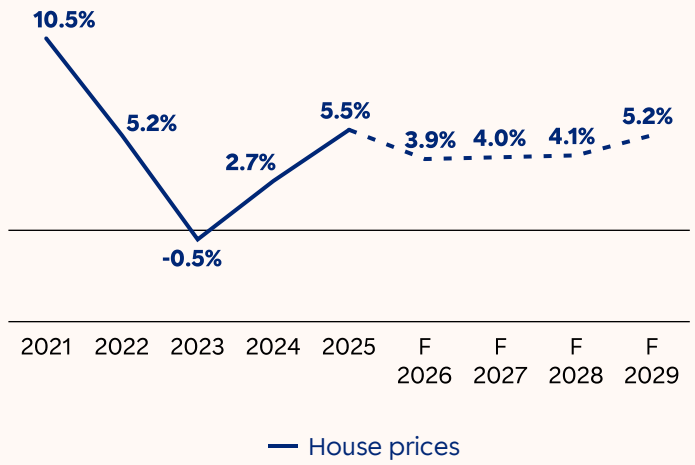
## Unemployment rate




## Inflation and wage growth




## House prices




*Source: Norges Bank and Statistisk Sentralbyrå (SSB)*

SpareBank 1 SØR-NORGE

# SpareBank 1 Sør-Norge's Business survey

- Businesses continue to expect growth and increased net hiring
- Lower investment activity and moderated profitability
- Geopolitical uncertainty and rising energy prices affect sectors differently

SpareBank 1 SØR-NORGE

# Operational efficiency

## Merger synergy target: NOK 550 million

### Personnel synergies

- The Group is on track with the planned FTE reduction of 100 in relation to the merger
- Release of additional 50 FTE's related to management, staff and support functions
- Automation/efficiency

### Operational synergies

- Cost efficiency
- Product harmonisation

### Funding synergies

- SR-Boligkreditt
- Senior debt
- Commercial Paper Programme

**Target merger synergies**

# Financial targets

Long-term target ROE

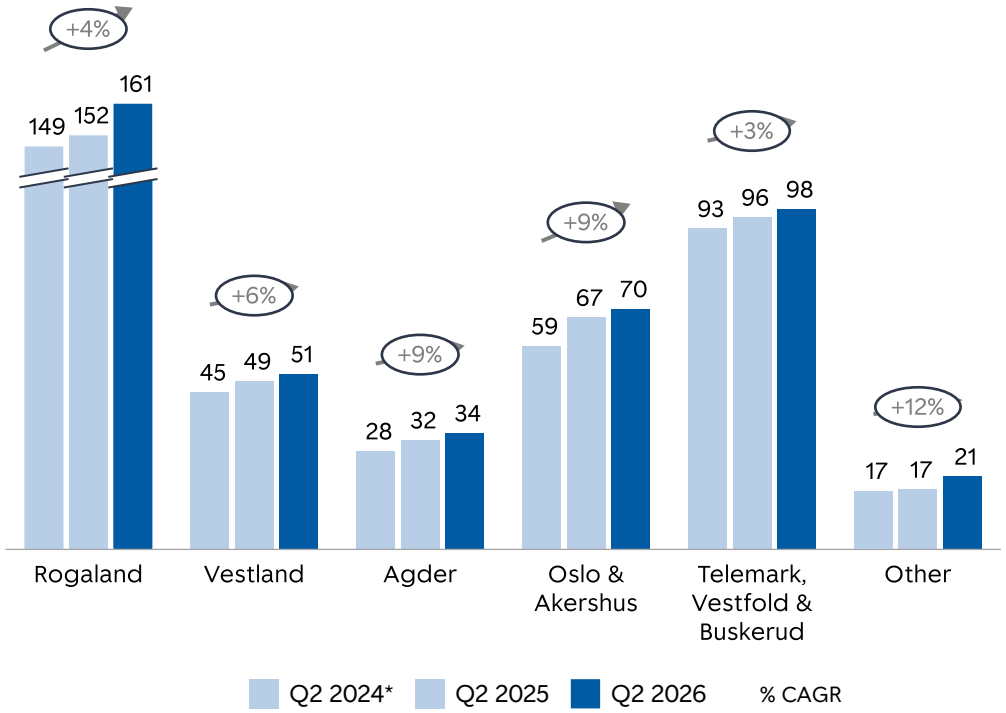
# > 14%

| Cost- and capital effective | Customer growth in South of Norway | Growth in other income | Joint effort in the SpareBank 1 alliance | Diversified portfolio |
|---|---|---|---|---|
| > 16.74% | < 35% | ~ 50% | > NOK 550 million | |
| CET 1 Capital ratio | Cost to income Long-term target | Dividend share | Operational synergies | |

SpareBank 1 SØR-NORGE

# SpareBank 1 Sør-Norge

## Lending volume in NOK billion



*Pro forma

# A quarter marked by strong lending growth and solid cost control

## Result 30 June 2026

**12.3 %**

**13.2% excl. goodwill from merger**
**Return on equity after tax**

**MNOK 4,087**

**Pre-tax profit**

## Result 2. quarter 2026

**12.7 %**

**13.6% excl. goodwill from merger**
**Return in equity after tax**

**2.6 %**

**Quarterly lending growth**

| | |
|---|---|
| Retail market | 2.5 % |
| Corporate market | 3.3 % |

**17.51 %**

**CET 1 capital ratio**

**37.8 %**

**Cost to income ratio**

**MNOK 54**

**Impairment losses**

0.05 % impairment ratio

**6.4 %**

**Quarterly deposit growth**

| | |
|---|---|
| Retail market | 5.5 % |
| Corporate market | 7.8 % |

**NOK 4.3**

**Earnings per share**

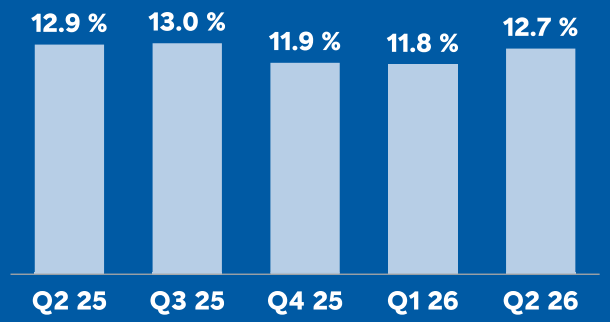


SpareBank 1 SØR-NORGE

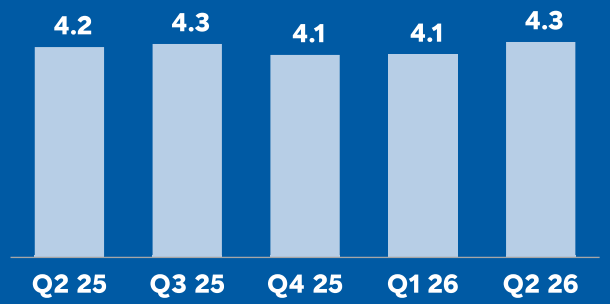
# Solid quarterly result

| (MNOK) | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|---|---|---|---|---|---|
| Net interest income | 2,146 | 2,180 | 2,323 | 2,328 | 2,310 |
| Net commission and other income | 888 | 799 | 818 | 778 | 858 |
| Income from ownership interests | 324 | 192 | 281 | 266 | 256 |
| Net income on financial investments | 76 | 175 | 37 | 177 | 117 |
| **Total income** | **3,433** | **3,346** | **3,459** | **3,549** | **3,540** |
| Total operating expenses | 1,298 | 1,282 | 1,330 | 1,314 | 1,414 |
| **Operating profit before impairments** | **2,135** | **2,064** | **2,130** | **2,235** | **2,126** |
| Impairments on loans and financial commitments | 54 | 59 | 137 | 115 | 76 |
| **Pre-tax profit** | **2,082** | **2,005** | **1,993** | **2,120** | **2,050** |
| Tax expense | 405 | 405 | 402 | 423 | 382 |
| **Profit after tax** | **1,677** | **1,600** | **1,591** | **1,697** | **1,668** |

## Return on equity



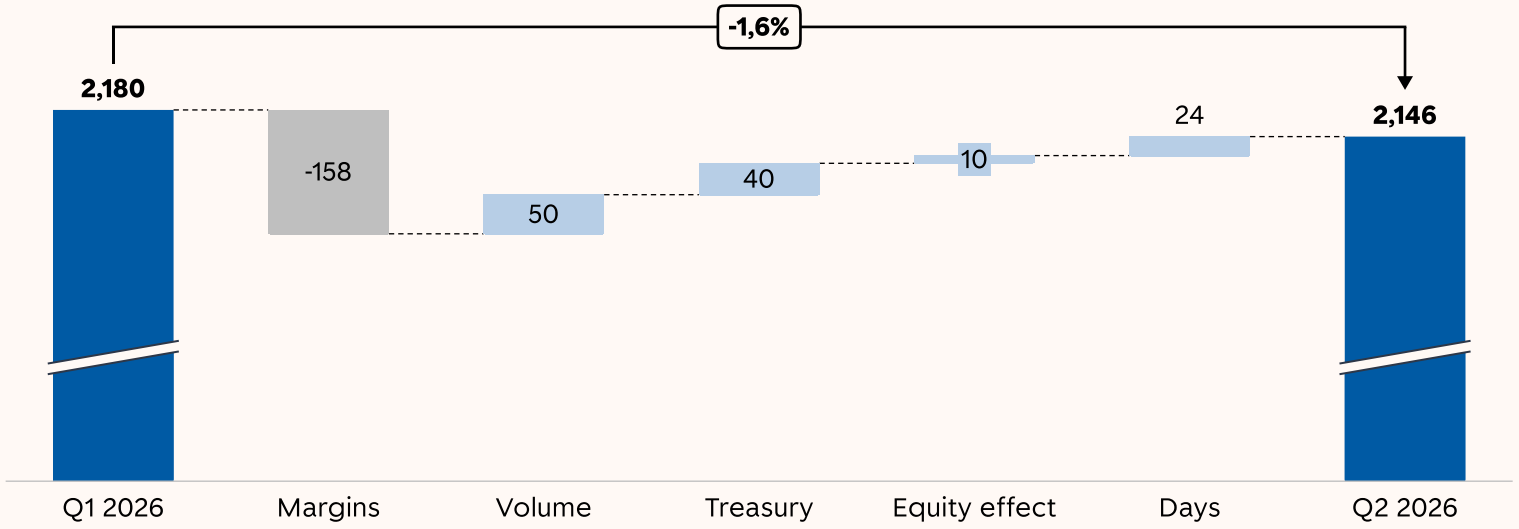

## Earnings per share



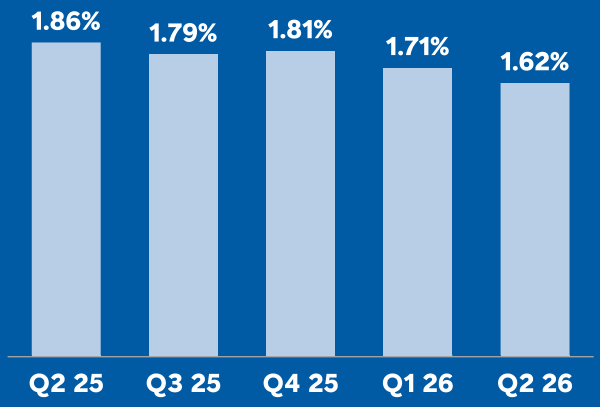
# Net interest income

## Change from previous quarter

(MNOK)

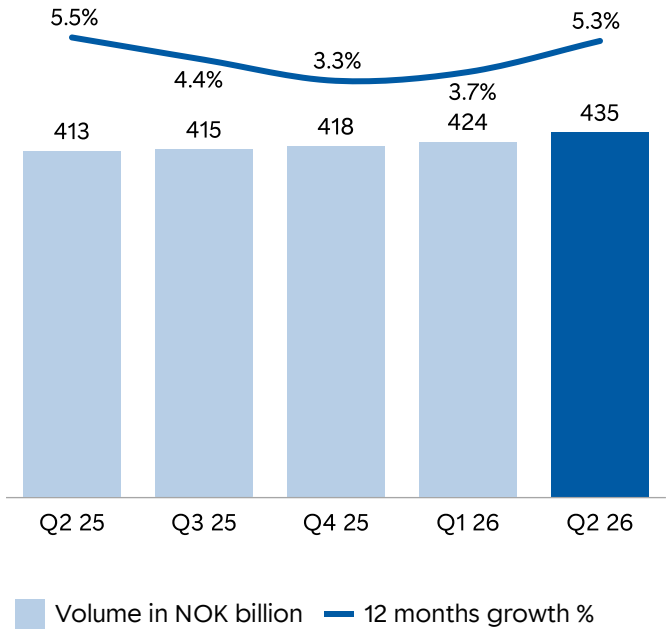



## Net interest margin

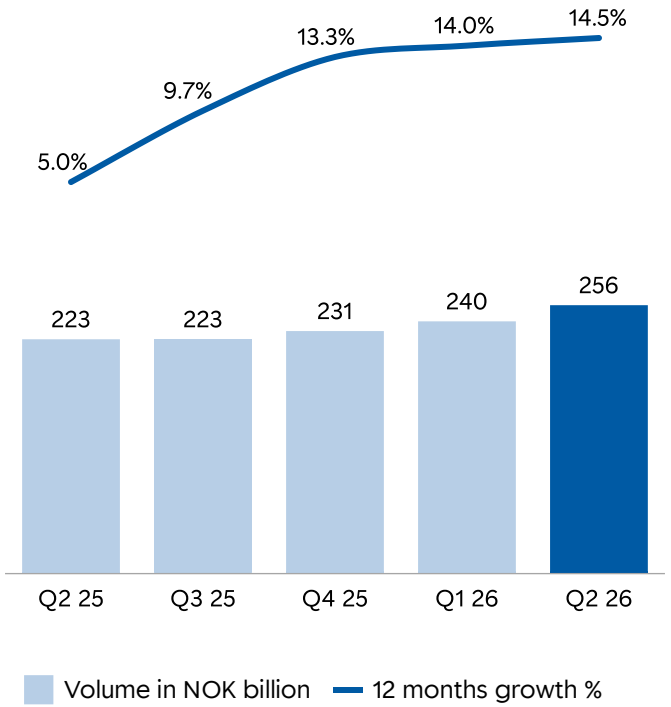


# Group

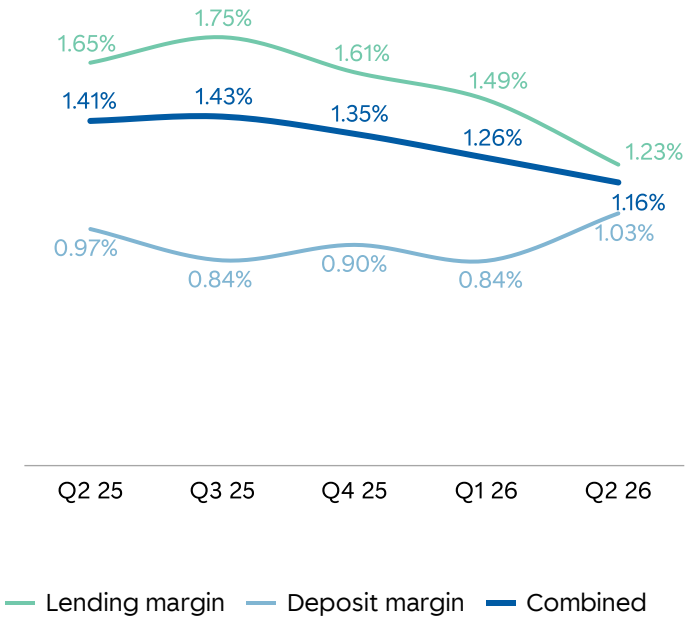
## Lending volume




## Deposit volume



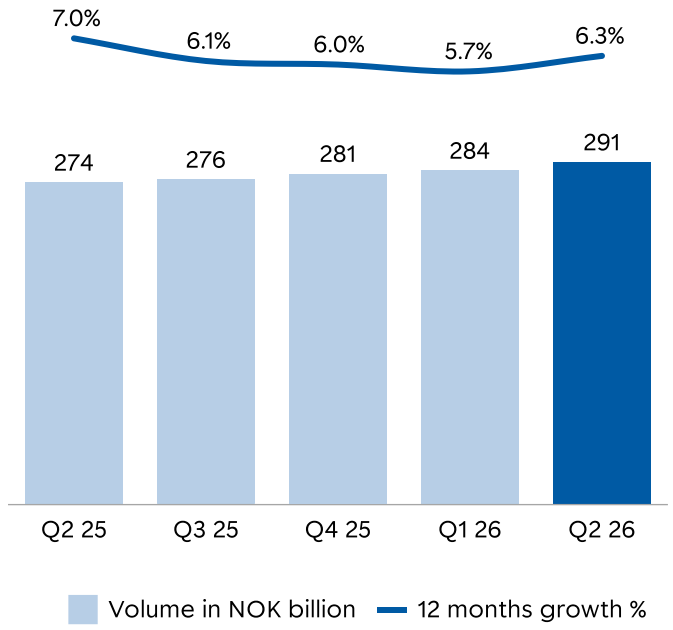

## Margins



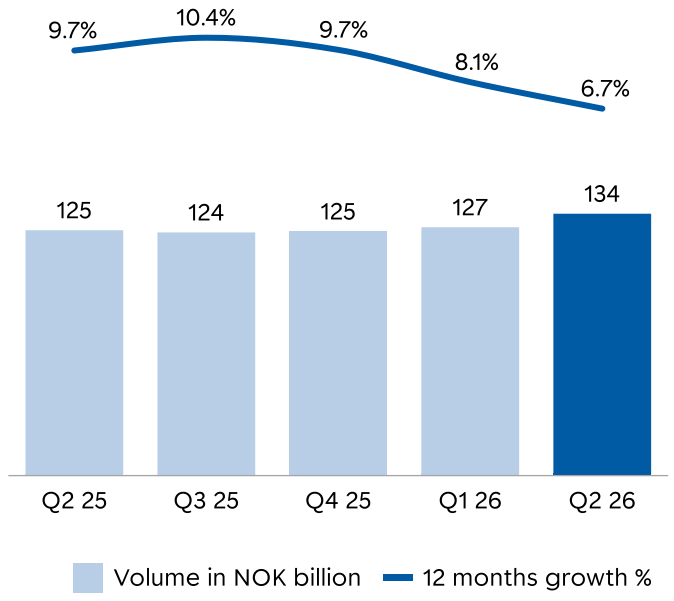

*Definition margins: Average customer rate including fees, compared with money market rates. Figures include transferred loans to credit institutions and commission received.*

# Retail market*

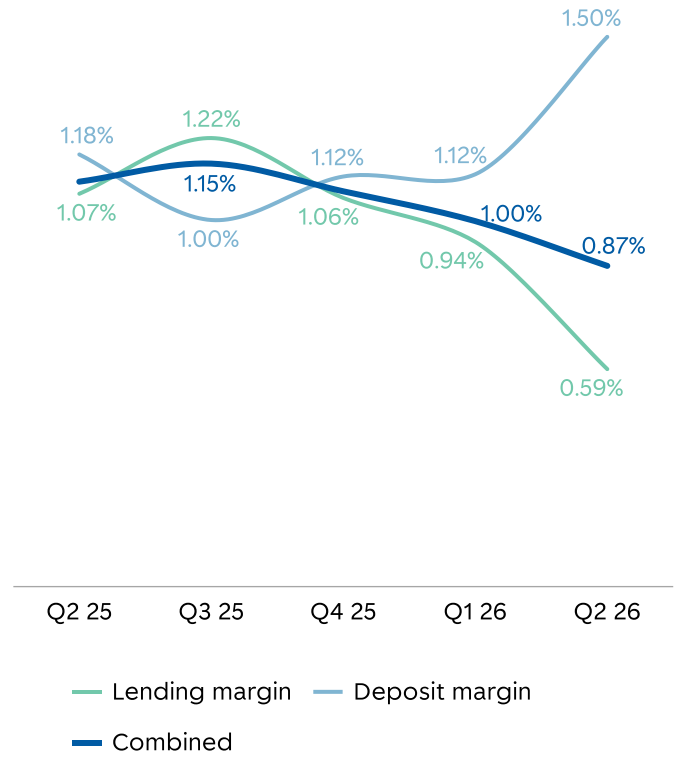
## Lending volume




## Deposit volume




## Margins




*Including loans and deposits to employees

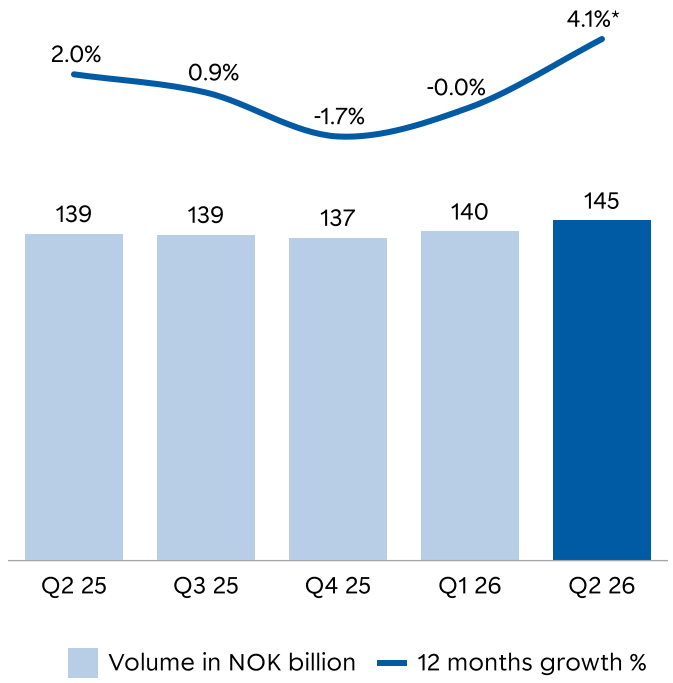
*Definition margins: Average customer rate including fees, compared with money market rates. Figures include transferred loans to credit institutions and commission received.*



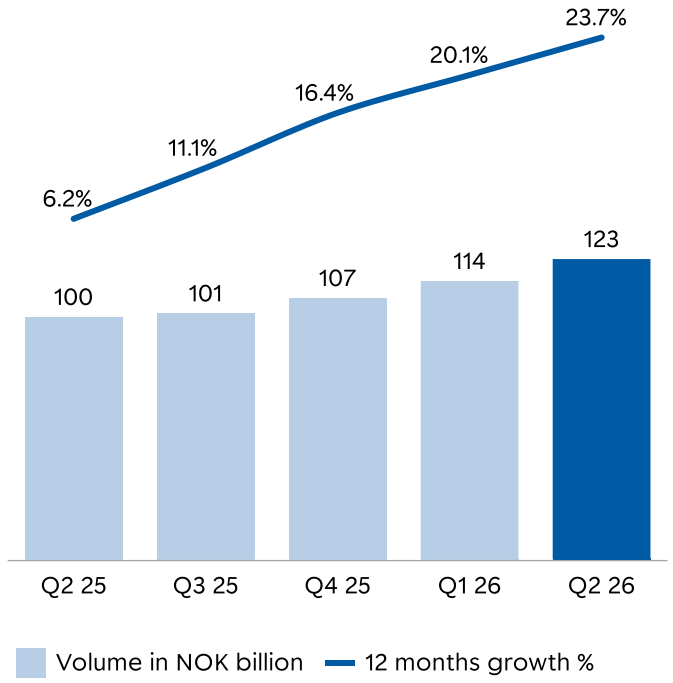
SpareBank 1 SØR-NORGE

# Corporate market

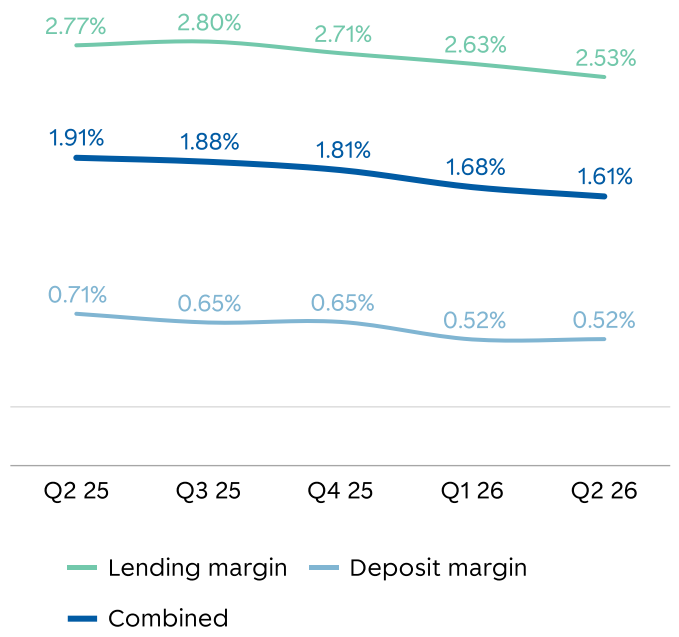
## Lending volume




## Deposit volume




## Margins




*12 months lending growth adjusted for currency effects 4.4 %.*

*Definition margins: Average customer rate including fees, compared with money market rates. Figures include transferred loans to credit institutions and commission received.*

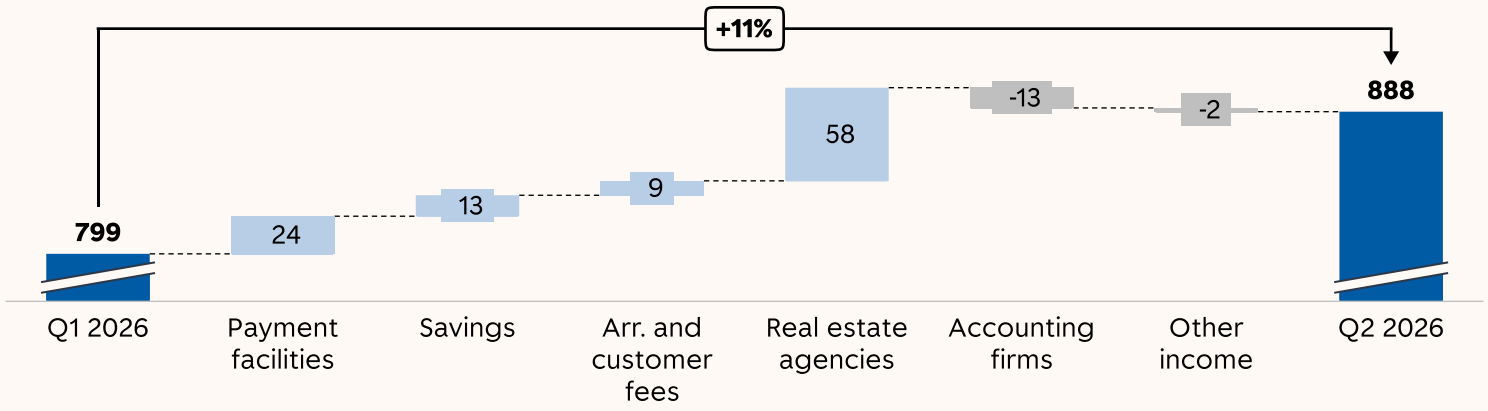


SpareBank 1 SØR-NORGE

# Net commission and other income

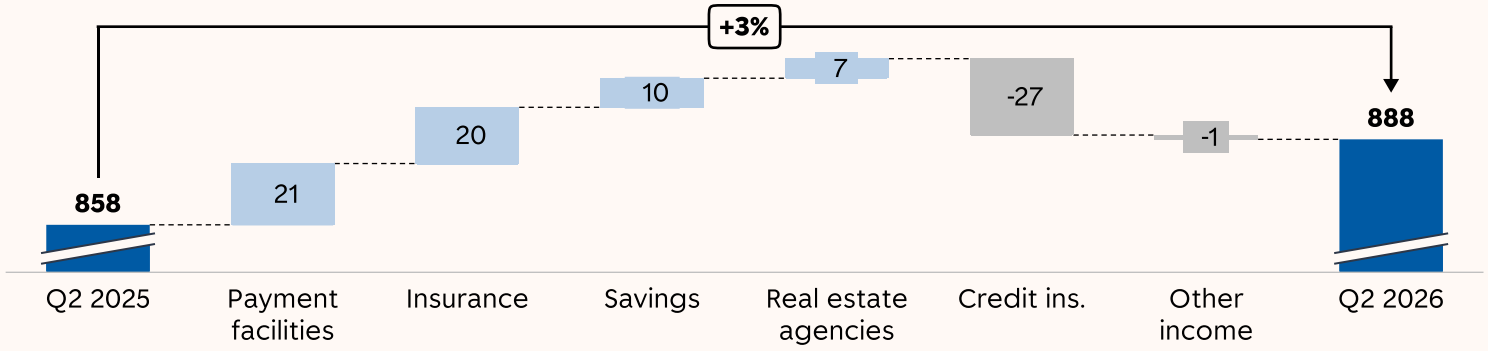
## Change from previous quarter

(MNOK)




## Change from Q2 2025

(MNOK)




Revenue growth driven by high activity

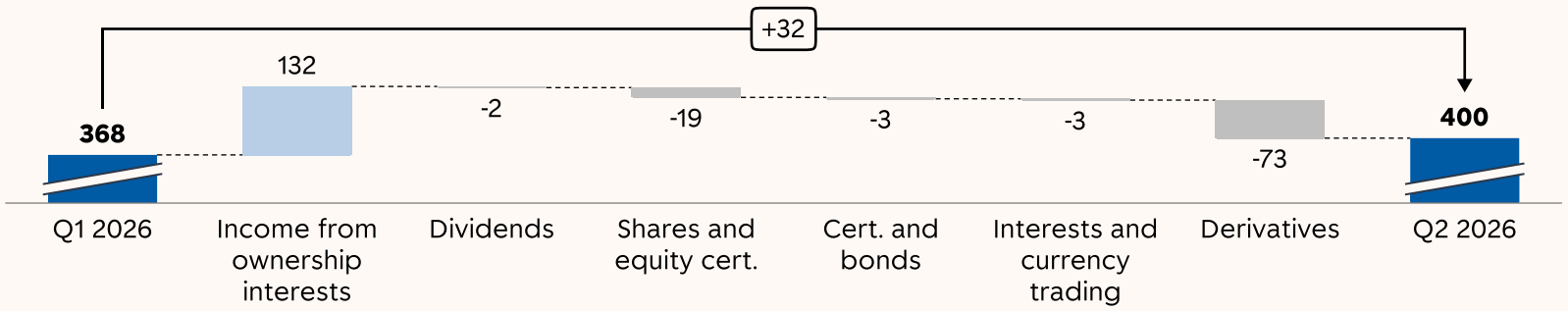
Strong performance in Eiendoms-Megler 1

- A clear ambition to become the market leader in Southern Norway

# Net income on financial investments

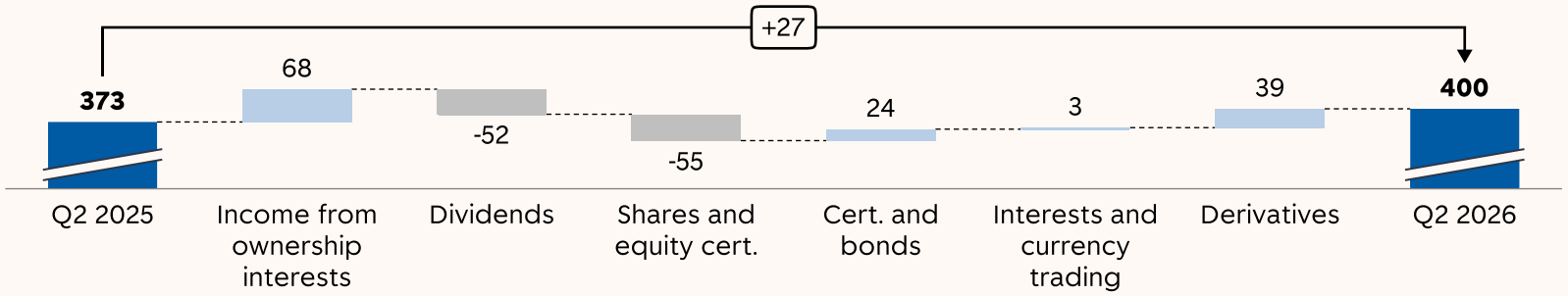
## Change from previous quarter

(MNOK)

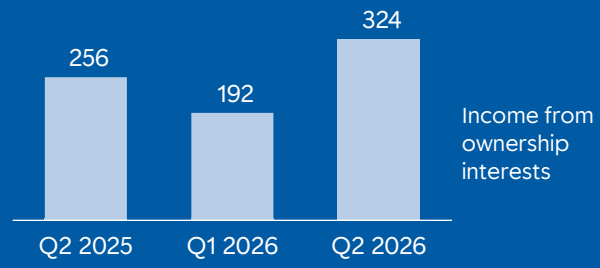



## Change from Q2 2025

(MNOK)




## Solid results from ownership interests



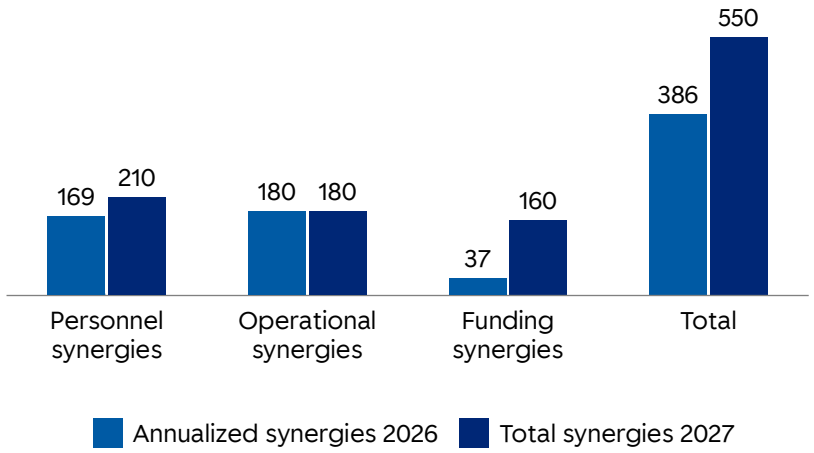

## Income from financial instruments

- Minor value change on derivatives during the quarter

# Significant synergies

The Group is on track in realisation of funding, operational and personnel synergies.

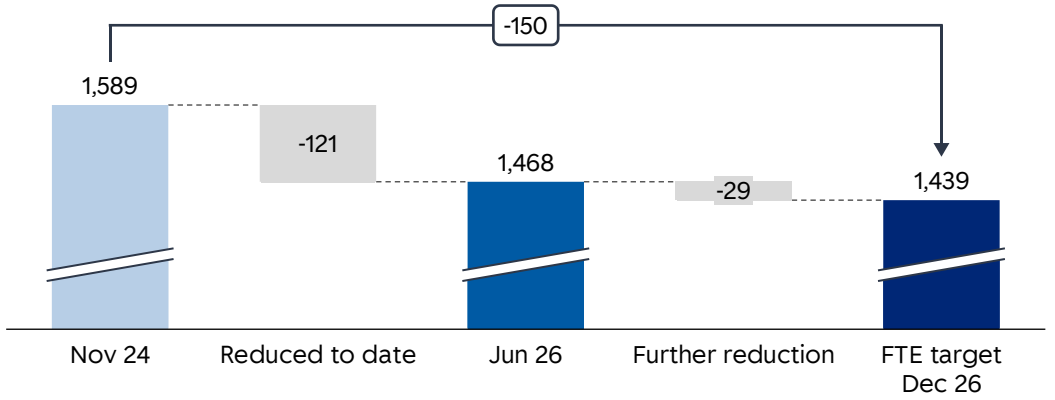
Total synergies are estimated at NOK 550 million annually by 2027.




## Personnel synergies

The Group is on track with the ongoing FTE reduction.

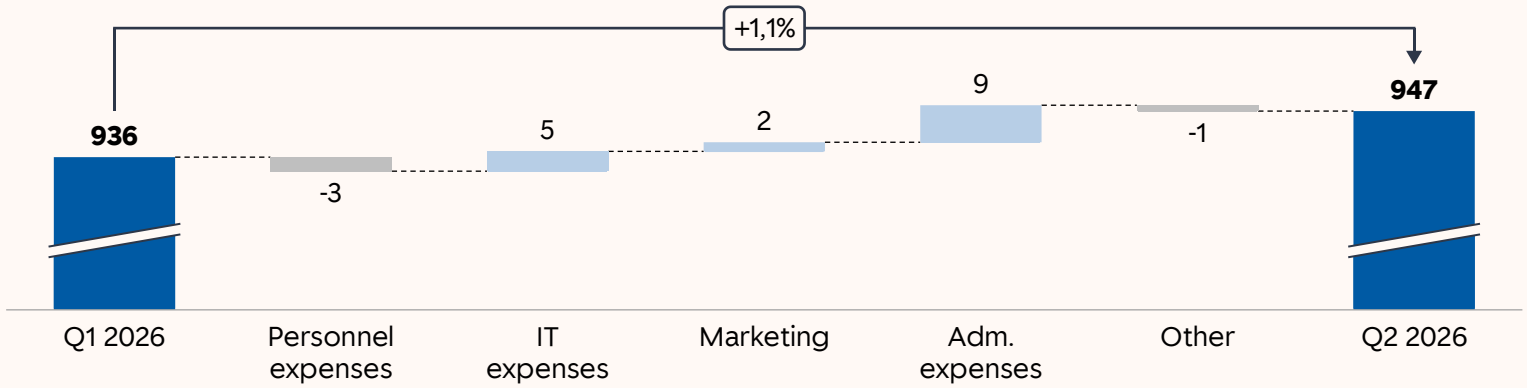
The total planned reduction amounts to 150 FTEs.



# Operating expenses

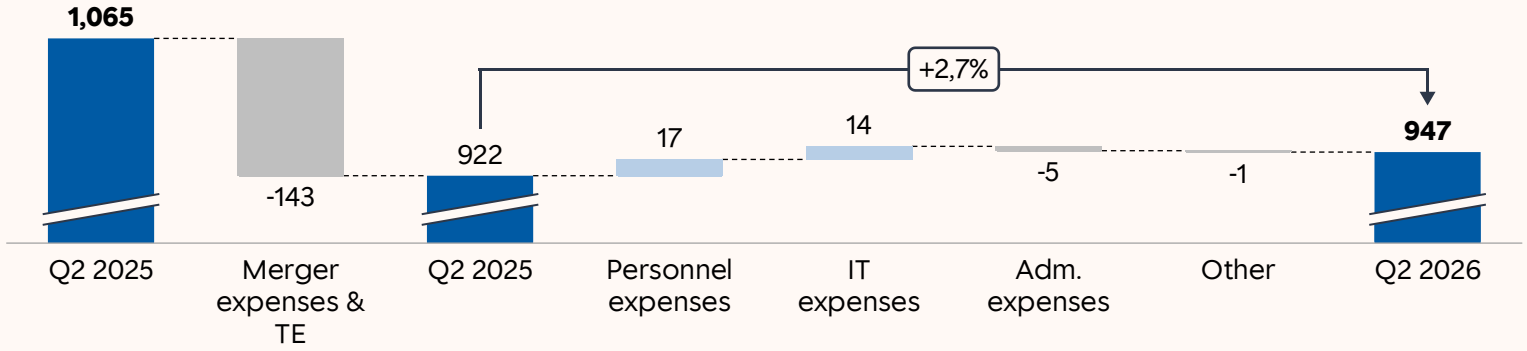
## Change from previous quarter (parent bank)

(MNOK)




## Change from Q2 2025 (parent bank)

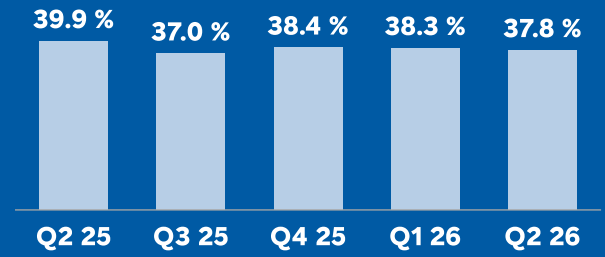
(MNOK)




Effective cost management

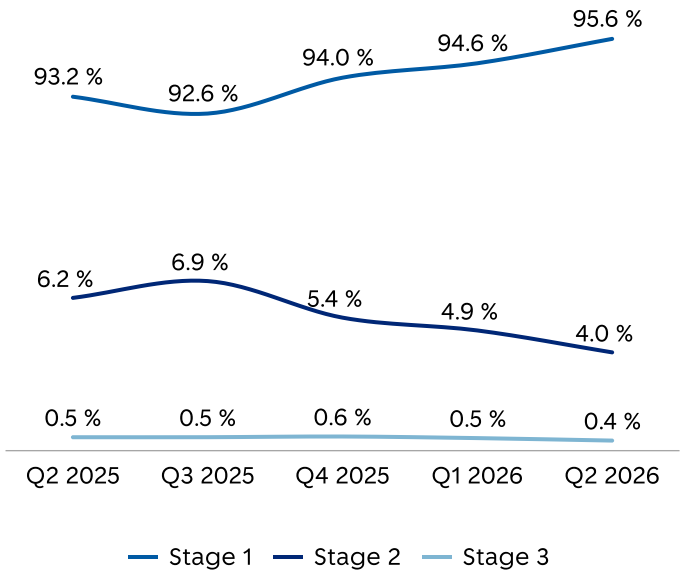
The Group is ahead of Plan with the FTE reduction

Cost to income ratio (Group)

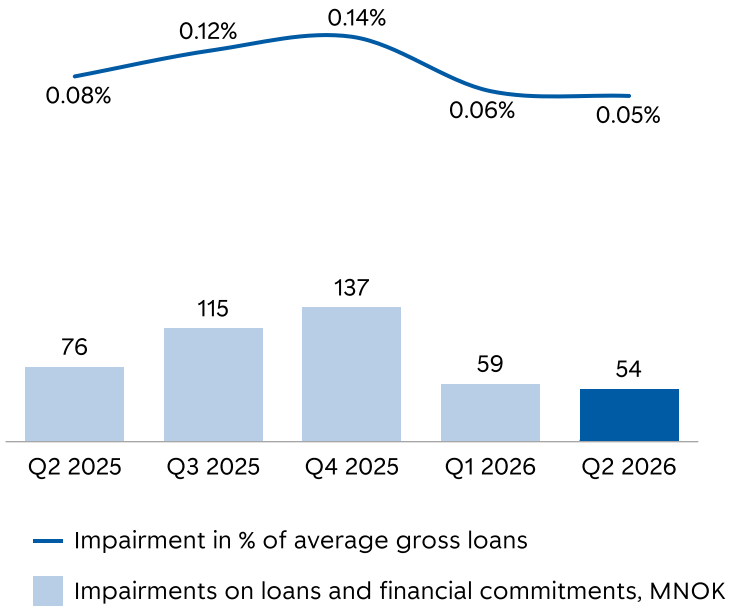


# Loans and financial commitments

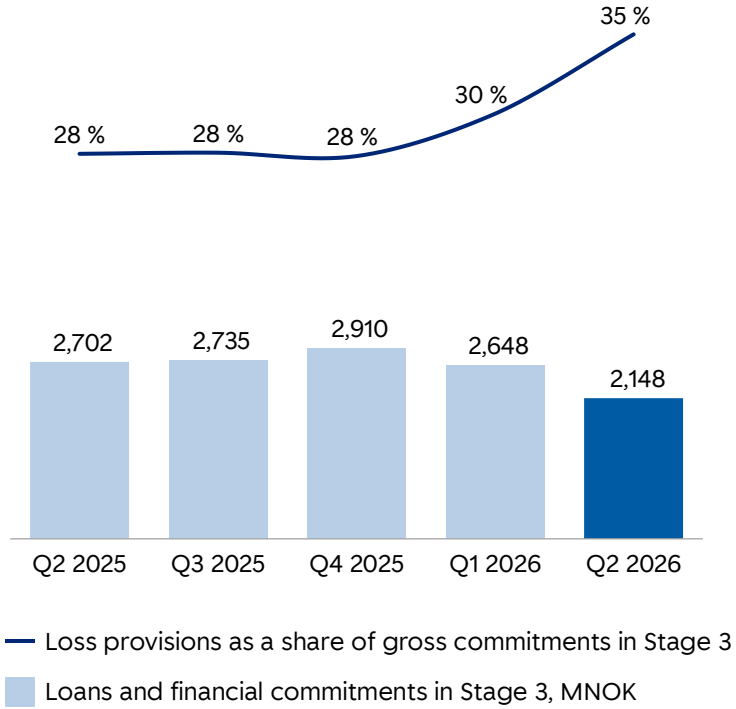
## Change in gross loans and financial commitments




## Impairments on loans and financial commitments




## Changes in gross loans and financial commitments defined as Stage 3

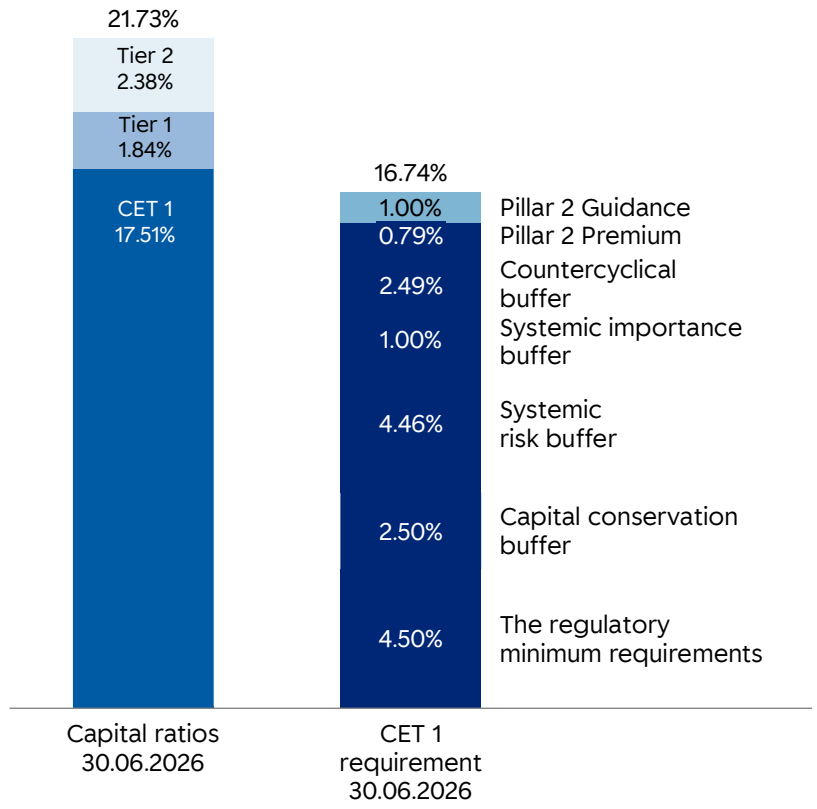


# Capital adequacy

## Solid capital ratio

- The CET 1 capital ratio is 17.51% as of 30 June 2026
- The minimum requirement for the CET 1 capital ratio is 16.74% as of 30 June 2026, including Pillar 2 guidance requirement of 1.00%
- The leverage ratio is 7.24% as of 30 June 2026, well above the minimum requirement at 3.0%
- In June, the Financial Supervisory Authority of Norway approved the inclusion of retained earnings in CET 1 capital, net of interest on AT1 instruments, an expected 50% cash dividend payout and the anticipated share buyback programme
- The Group's dividend policy is to distribute approximately 50% of net profit as cash dividends
- In August, SpareBank 1 Sør-Norge ASA launched a new share buyback programme of up to 1.0% of outstanding shares. The programme has received regulatory approval and is reflected in CET1 capital as of 30 June 2026
- SpareBank 1 Sør-Norge ASA is well positioned for profitable growth and strong capital distribution

## Capital ratios

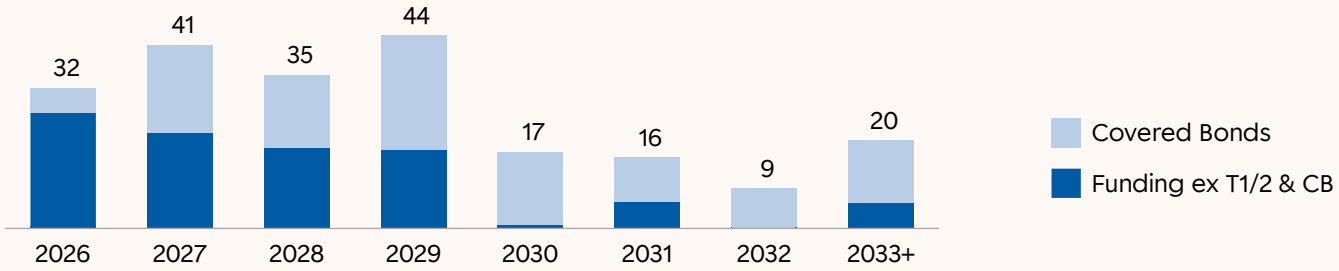


# Solid liquidity

| | |
|---|---|
| **SB1 Sør-Norge**<br>**Ticker: SRBANK**<br>Moodys: **Aa3 & P-1**<br>S&P: **A-1** | EMTN € 20 bn.<br>ECP € 5 bn.<br>Annual issuance ~ € 1,5 bn. |
| **SR-Boligkreditt**<br>**Ticker: SRBANK**<br>Moodys: **Aaa** | EMTN € 20 bn.<br>OMF (Covered Bonds)<br>Annual issuance ~ € 2,0 bn. |

## Annual funding maturity

- Average duration of funding is 2.8 years
- NOK 54 billion net refinancing need over the next 12 months




162%
**Liquidity coverage ratio**

128%
**Net stable funding ratio**

58.8%
**Deposit to loan ratio**

SpareBank 1 SØR-NORGE

# A **profitable** and **efficient** financial group

1. **Industry-leading** return on equity target of 14 %
2. **Cost-efficient operations**
3. **Disciplined** and **profitable** risk management
4. **Optimal** capital strategy
5. **Modern relationship banking**

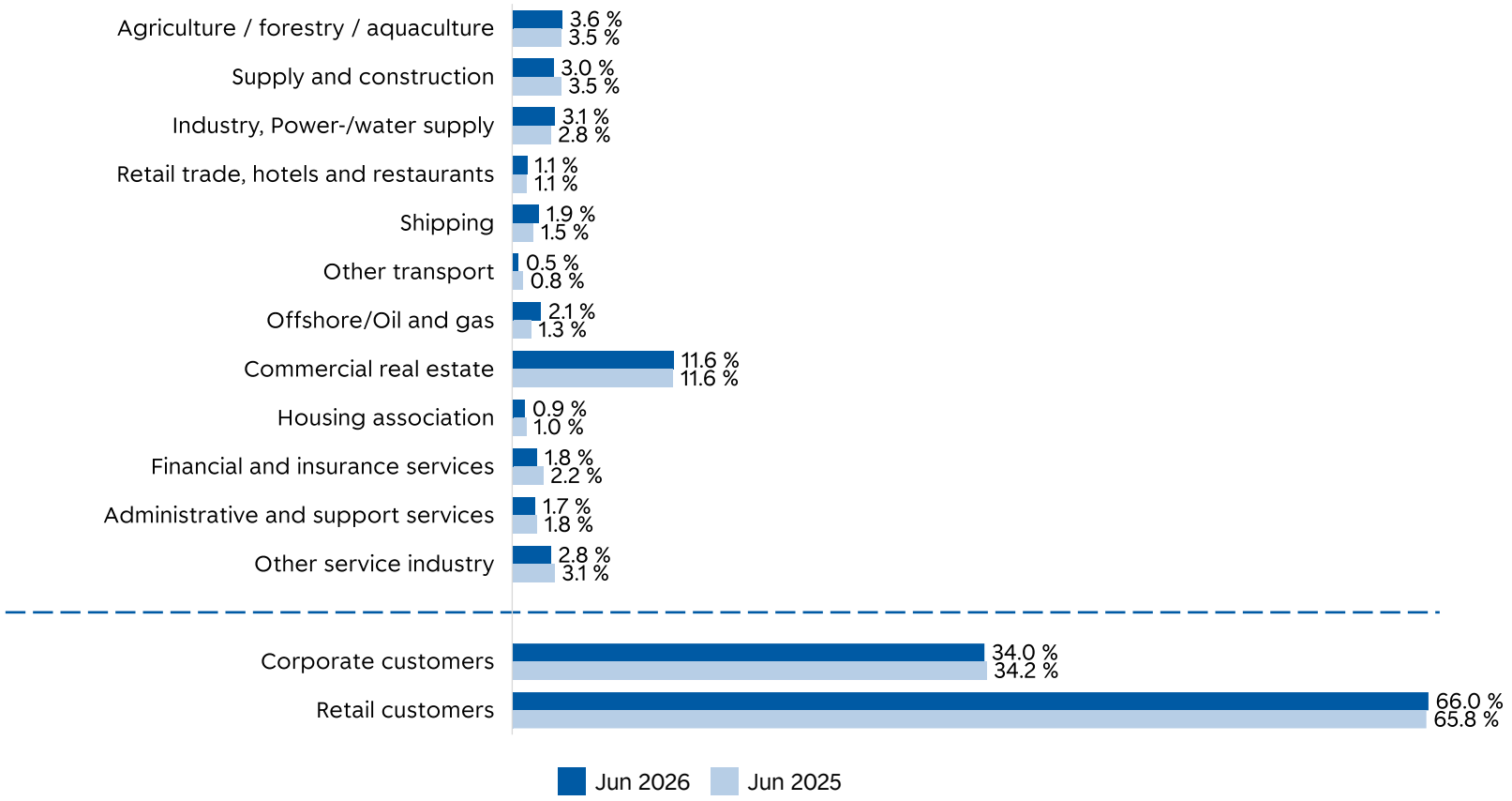
SpareBank 1 SØR-NORGE

# APPENDIX

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

# Well-diversified lending portfolio

- Gross loans increased to NOK 435 billion from NOK 413 billion year over year
- 12 months lending growth is 5.3%
- Low offshore, oil and gas exposure
- Commercial real estate – low concentration risk and good credit quality

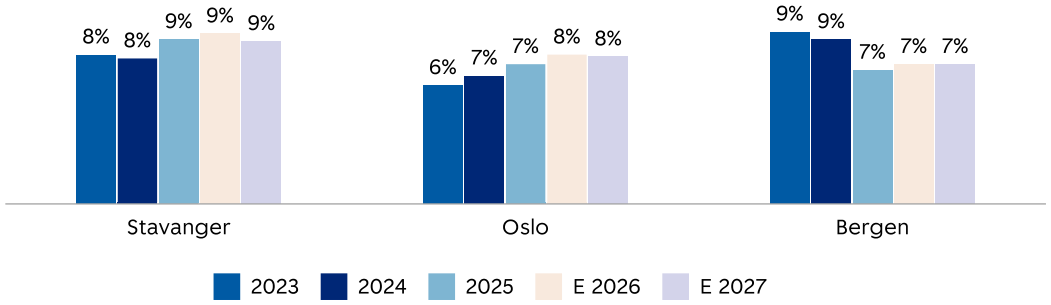



*Loans before impairments, nominal amounts.*

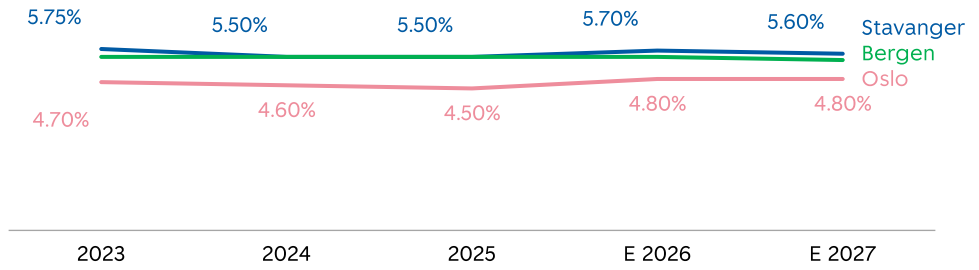
*Industry distribution based on standard division from Statistics Norway (SSB).*

# Market – Commercial real estate

## Office vacancy

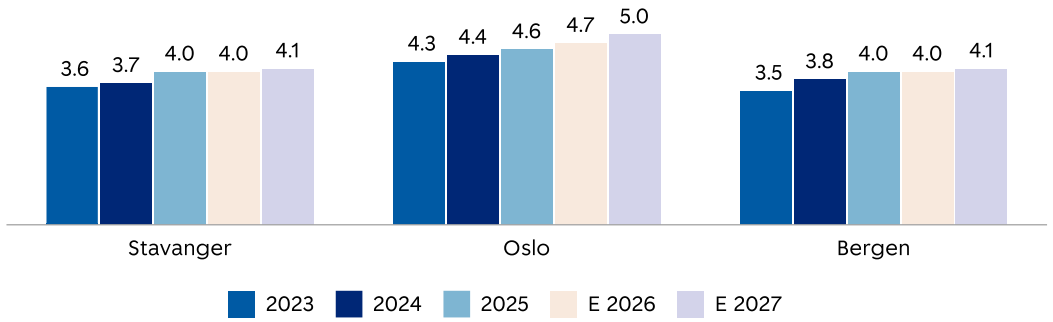



## Prime yield



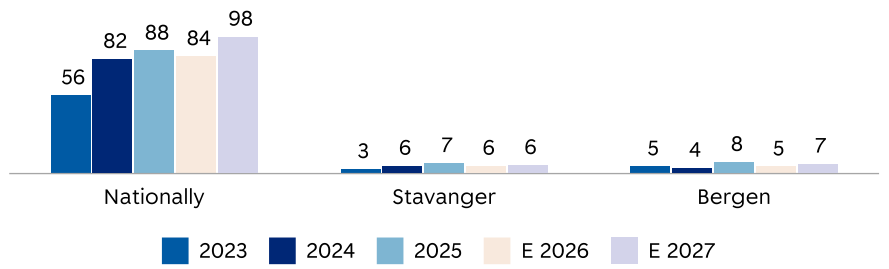

## Rental prices

(TNOK per sq.m)




## Transaction volume

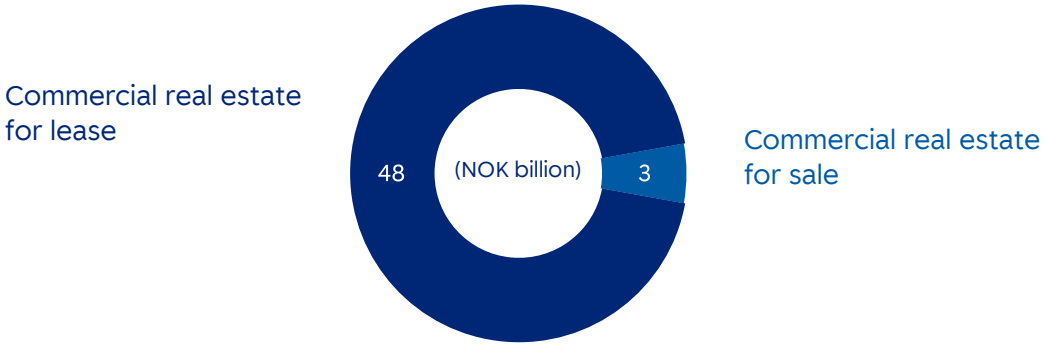
(NOK billion)




*Source: Entra, WPS, og EM1 Sør-Norge AS*

# Lending to commercial real estate

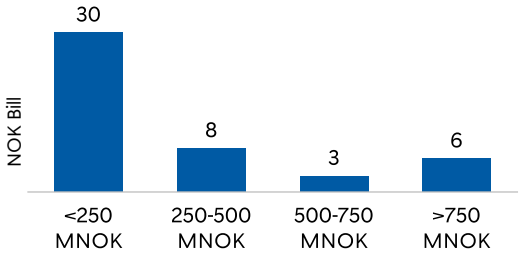
## Commercial real estate portfolio 11.6% of total lending volum



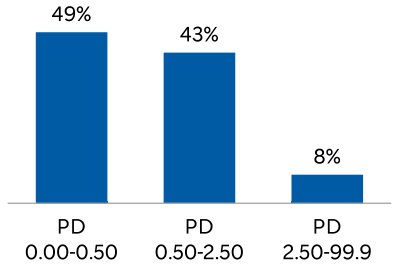

- Lending volume for commercial real estate for lease is NOK 48 billion, 11.0% of the bank's total lending volume
- The portfolio is characterized by lending to commercial properties for lease with long-term contracts and financially solid tenants.

## Commercial real estate for lease

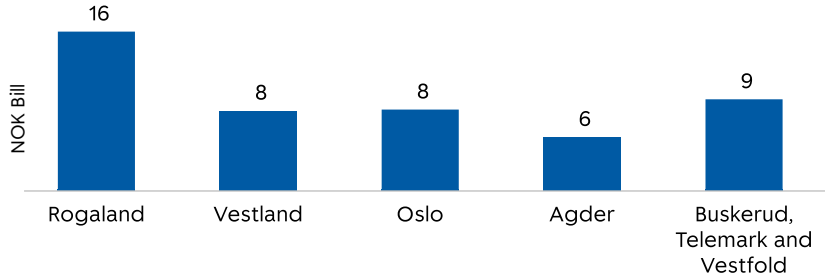
### Low concentration risk




### 92% of volume has a PD under 2.5%




### Well differentiated across regions



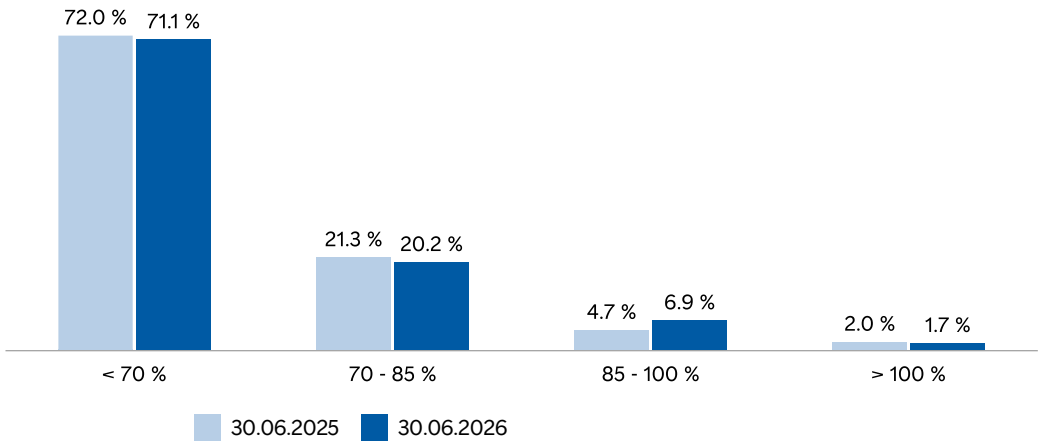
# APPENDIX

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

# Loan to value ratio and RWA on home mortgage loans

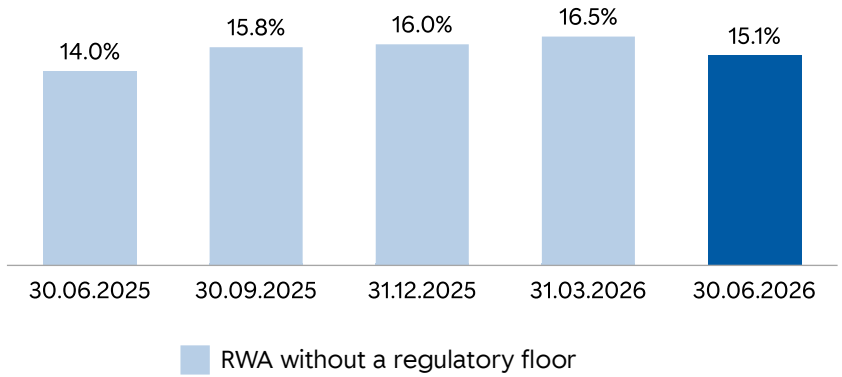
## Loan to value ratio on home mortgage loans

- The proforma figures for SpareBank 1 Sør-Norge show that 91.3% 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 25%.

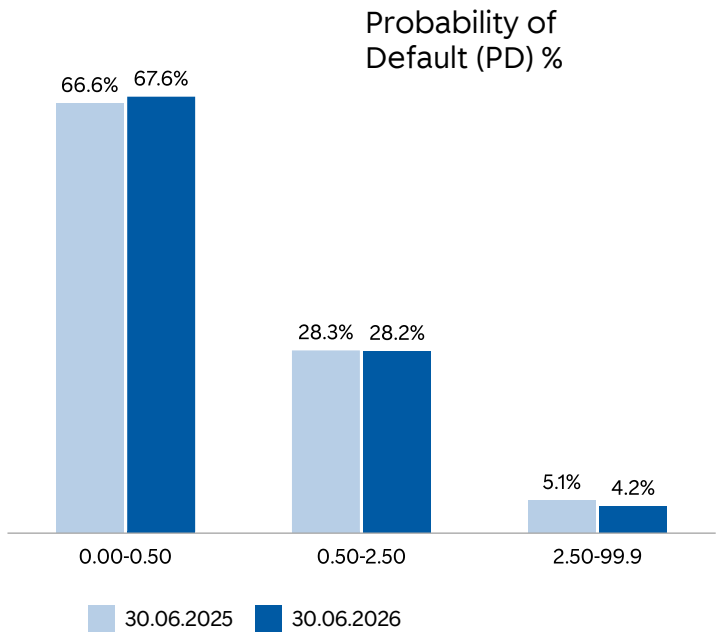



*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.*
*Home mortgages as defined in the Norwegian IRB framework; the value of the residential property must be at least 30% of a loan's security.*

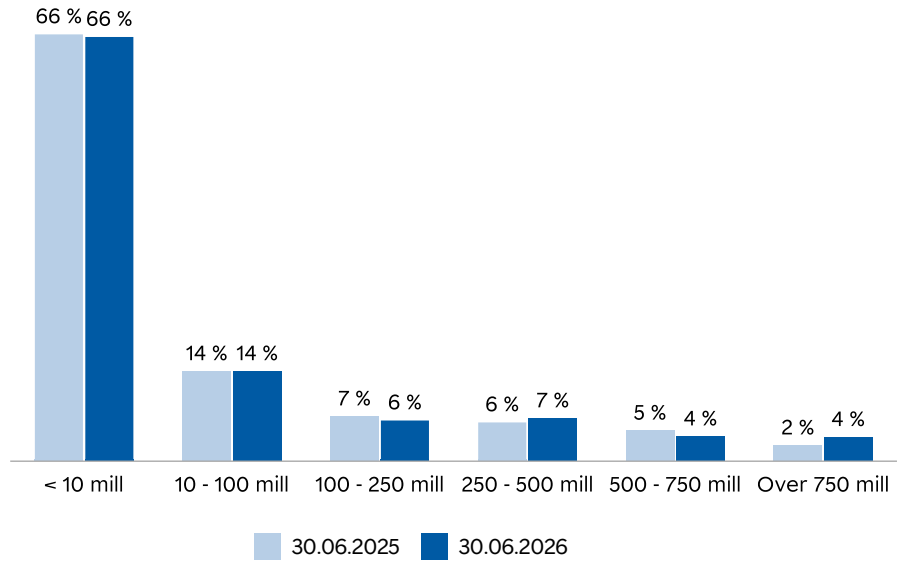
# Profile of the loan portfolio

- 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

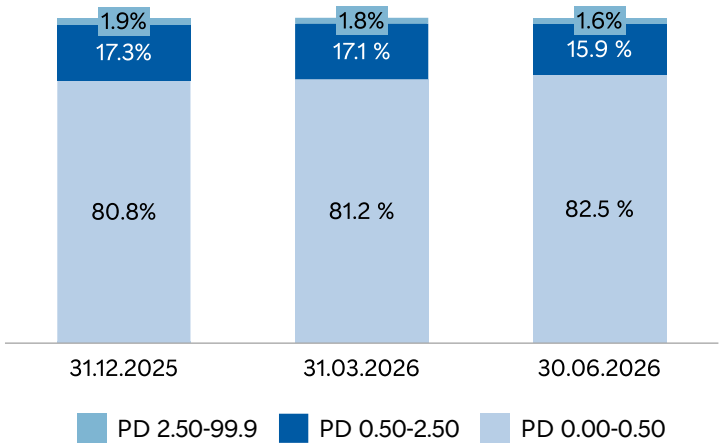



*Probability of default (PD) through a full cycle of loss.*

# Risk profile

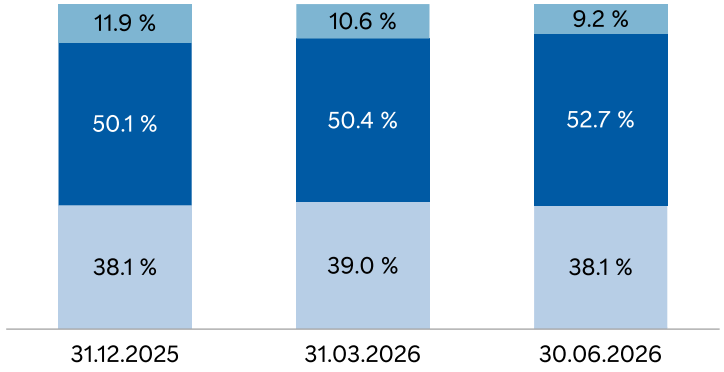
## - Portfolio distributed by risk class

### Retail market




- 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.

### Corporate market




- The quality of the corporate 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.

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

# Impairments on loans and financial commitments

## Impairments on loans and financial commitments in the income statement

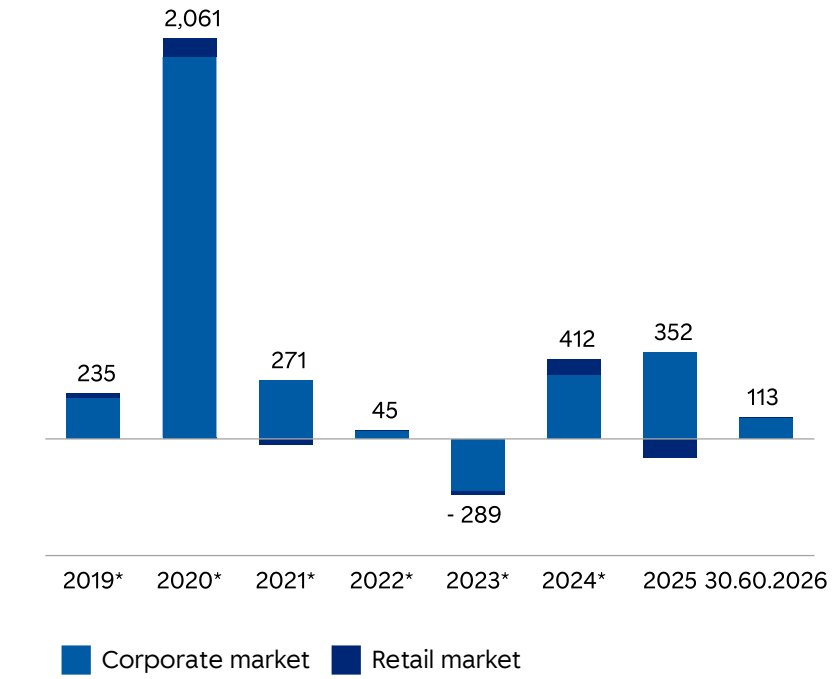
| (MNOK) | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|---|---|---|---|---|---|
| Retail market | - 0 | 8 | - 28 | 3 | - 8 |
| Corporate Market | 54 | 51 | 165 | 112 | 85 |
| **Total impairments** | **54** | **59** | **137** | **115** | **76** |

## Impairments on loans and financial commitments in the balance sheet

| (MNOK) | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|---|---|---|---|---|---|
| Retail market | 197 | 203 | 207 | 234 | 234 |
| Corporate Market | 1,340 | 1,388 | 1,448 | 1,428 | 1,405 |
| **Total impairments** | **1,538** | **1,591** | **1,654** | **1,662** | **1,639** |

## Impairments on loans and financial commitments in the income statement

(MNOK)




*Pro forma

# APPENDIX

1) Loan portfolio
2) Risk
3) **Other**



SpareBank 1 SØR-NORGE

# SpareBank 1 Sør-Norge ASA

## Fully owned companies

**EiendomsMegler 1 Sør-Norge**

*Real estate agency*

**SpareBank 1 Sør-Norge ForretningsPartner**

*Accounting and advisory*

**SR-Boligkreditt**

*Covered Bond Funding*

**FinStart Nordic**

*Investmentportfolio FinTec*

## Partly owned companies

**BN Bank** 42.5%

**SB1 Markets** 28.1%

**Kreditt-banken ASA** 22.6%

**SpareBank 1 Forvaltning** 42.6%

**SpareBank 1 Betaling*** 26.2%

**SpareBank 1 Gruppen** 19.5%

**Owns 25 % in Vipps AS*

# Balance sheet

| Balance sheet (MNOK) | 30.06.2026 | 30.06.2025 |
|---|---|---|
| Cash and balances with central banks | 2,578 | 819 |
| Balances with credit institutions | 21,756 | 26,363 |
| Loans to customers | 417,168 | 386,104 |
| Certificates and bonds | 77,809 | 73,891 |
| Financial derivatives | 6,319 | 5,638 |
| Shares, ownership stakes and other securities | 1,856 | 2,475 |
| Investment in associates | 7,970 | 8,157 |
| Other | 9,221 | 9,973 |
| **Total assets** | **544,677** | **513,420** |
| Balances with credit institutions | 5,445 | 4,589 |
| Deposits from customers | 255,770 | 223,293 |
| Listed debt securities | 186,753 | 192,777 |
| Financial derivatives | 7,075 | 6,805 |
| Other liabilities | 3,291 | 4,860 |
| Senior non-preferred bonds | 27,152 | 22,891 |
| Subordinated loan capital | 5,695 | 5,774 |
| **Total liabilities** | **491,181** | **460,989** |
| **Total equity** | **53,495** | **52,430** |
| **Total liabilities and equity** | **544,677** | **513,420** |

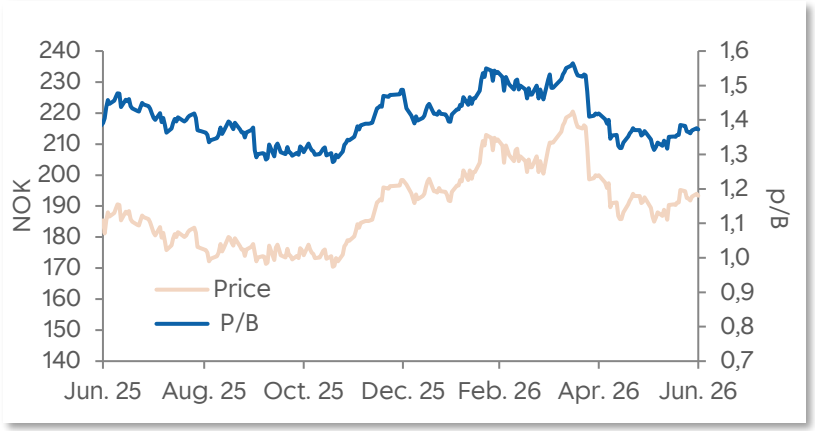


SpareBank 1 SØR-NORGE

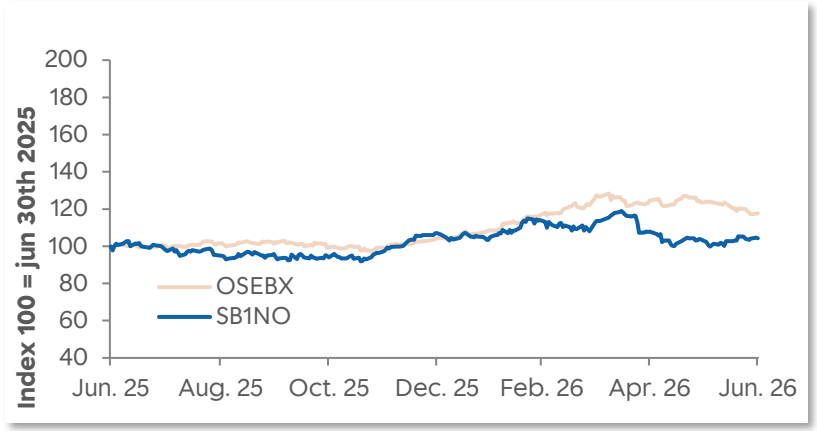
# SB1NO

- Total market value at 2. quarter 2026 is NOK 71,9 billion

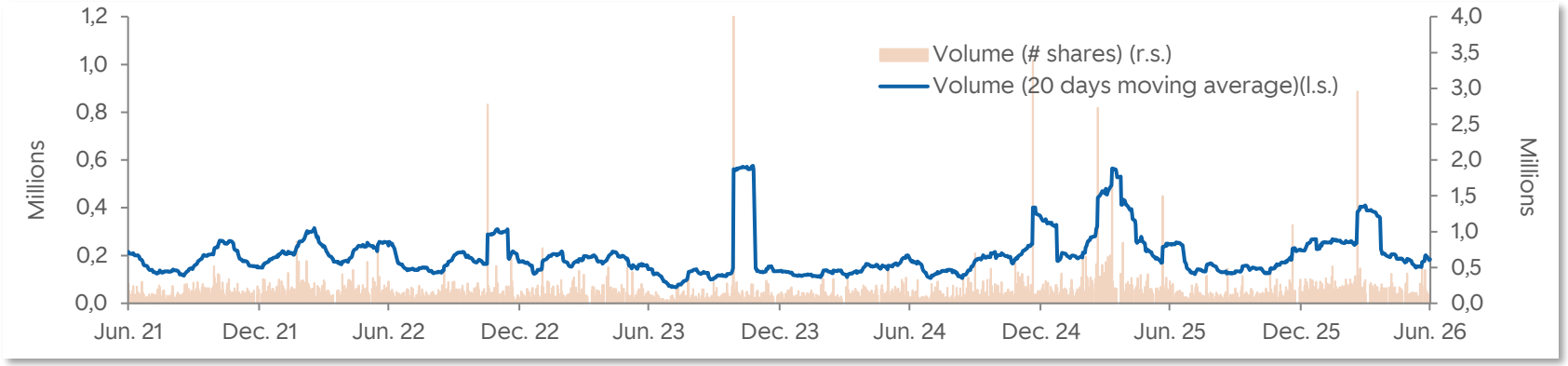
## Development in Price/Book




## Relative share price development




## Trading volume development



# SB1NO

- Number of shares issued 371.70 million
- Trading volume in Q2 2026: 3.1% (4.8%)

| SB1NO | 30.06.2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Share price | 193.40 | 198.40 | 146.60 | 128.90 | 120.70 |
| Stock value (MNOK) | 71,887 | 74,491 | 55,042 | 34,064 | 30,869 |
| Book value per share (incl. Dividends) (group) | 133.17 | 137.24 | 128.77 | 115.07 | 106.32 |
| Annualised earnings per share, NOK | 16.96 | 16.98 | 13.08 | 16.27 | 12.88 |
| Dividend per share | - | 12.00 | 8.50 | 7.50 | 7.00 |
| P/E | 11.40 | 11.68 | 11.21 | 7.92 | 9.37 |
| P/BV | 1.45 | 1.44 | 1.14 | 1.12 | 1.14 |

*Figures in parentheses as of 30 June 2025.*

# 20 largest shareholders as at 30 June 2026

- Ownership interests:
  - International: 17.7% (16.1%)
  - 10 largest: 55.1% (55.1%)
  - 20 largest: 63.7% (63.2%)
- Number of shareholders: 23.127 (24.023)
- Employees owning 1.6% (1.5%) as at 30 June 2026

| Investor | Number | Stake |
|---|---|---|
| Sparebankstiftelsen SR-Bank | 78,677 | 21.2% |
| SpareBank 1 Stiftelsen BV | 32,667 | 8.8% |
| Sparebankstiftelsen Telemark | 25,034 | 6.7% |
| Folketrygdfondet | 23,801 | 6.4% |
| Sparebankstiftelsen Modum | 15,624 | 4.2% |
| Swedbank AB | 7,507 | 2.0% |
| SpareBank 1-stiftinga Kvinnherad | 6,527 | 1.8% |
| Sparebankstiftelsen Nøtterøy-Tønsberg | 5,263 | 1.4% |
| Sparebankstiftelsen Nome | 4,949 | 1.3% |
| Citibank N.A. Irland | 4,691 | 1.3% |
| Skandinaviska Enskilda Banken AB | 4,308 | 1.2% |
| J.P.Morgan SE, Luxembourg | 4,238 | 1.1% |
| State Street Bank and Trust Co, U.S.A. | 3,104 | 0.8% |
| Pareto Aksje Norge Verdipapirfond | 3,034 | 0.8% |
| Verdipapirfondet KLP AksjeNorge | 2,992 | 0.8% |
| JPMorgan Chase Bank, N.A., London | 2,990 | 0.8% |
| State Street Bank and Trust Co, U.S.A. | 2,983 | 0.8% |
| Verdipapirfondet Alfred Berg Gambak | 2,983 | 0.8% |
| J.P.Morgan SE, Luxembourg | 2,805 | 0.8% |
| J.P.Morgan SE, Luxembourg | 2,669 | 0.7% |
| Top 5 | 175,802 | 47.3% |
| Top 10 | 204,738 | 55.1% |
| Top 20 | 236,844 | 63.7% |

*Figures in parentheses as of 30 June 2025.*

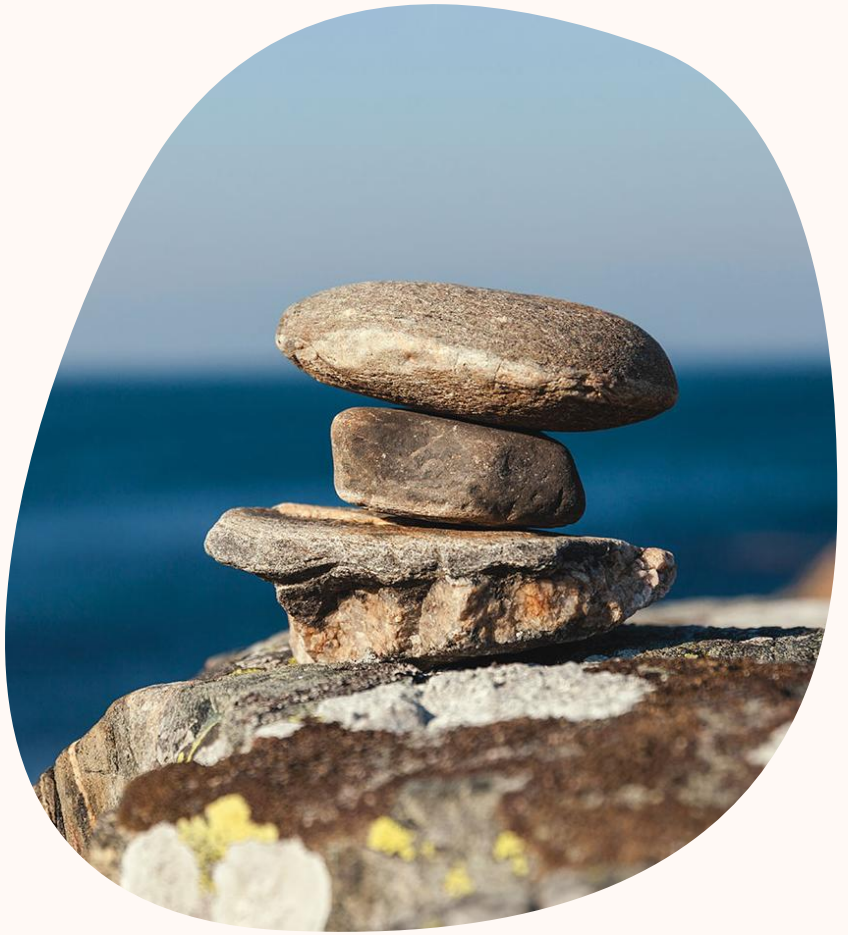
# Disclaimer

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.sb1sornorge.no

## Management

**Inge Reinertsen**
CEO

+47 909 95 033
inge.reinertsen@sb1sornorge.no

**Eirik Børve Monsen**
CFO

+47 916 39 831
eirik.monsen@sb1sornorge.no

## Investor Relations

**Morten Forgaard**
Investor Relations

+47 916 21 425
morten.forgaard@sb1sornorge.no

SpareBank 1 SØR-NORGE