

Quarterly presentation 2024

Q2



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 SR-Bank 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.

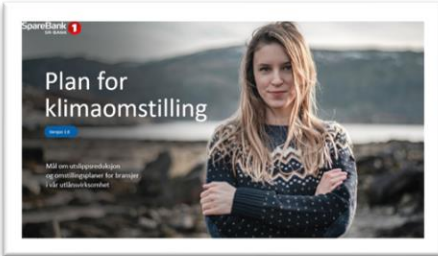
Important factors that may cause such a difference for SpareBank 1 SR-Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange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

This presentation does not imply that SpareBank 1 SR-Bank 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.



Strategic measures strengthened our position

Q1



We are sharpening our **climate targets** to reduce emissions from the group's portfolio.



The SpareBank 1 banks' national savings campaign contributes to **increased savings among customers**.

We hold our third Sustainability Festival to **enhance our employees' expertise** in the field.



Specialization, better resource allocation, and training advisors in best practices

Q2



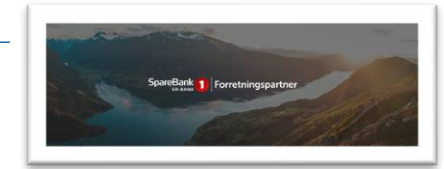
Merger between Fremtind and Eika

We are **strengthening our position** in Bergen and Oslo by acquiring Kaland & Partners Ullevaal Eiendomsmedling.



The transition to the BankID app **contributes to positive customer experiences** and the development of a common solution for the entire Norwegian banking sector.

Tveit Regnskap and **SpareBank 1 SR-Bank Forretningspartner** are merging.

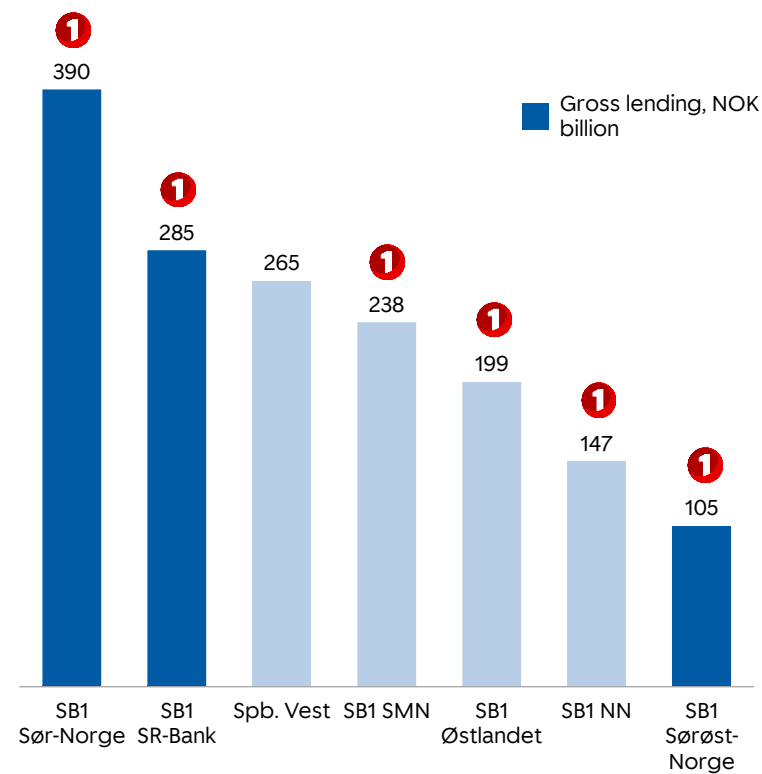


SpareBank 1 Sør-Norge

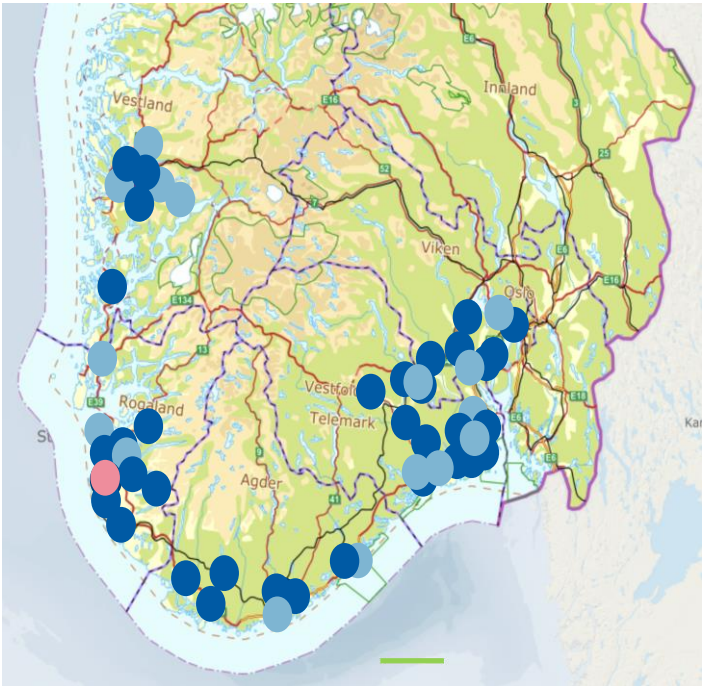
We solidify our position as Norway's **largest** savings bank and the second-largest Norwegian owned bank.

We become a **powerful** player with our headquarters located outside the capital.

Norway's largest savings bank



Covering the south of Norway



Source: Gross loans to customers, including credit institutions, as of 1Q24 from the company's quarterly reports

A strong challenger in the Norwegian banking market

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



**Planning the
integration**

March – October 2024



**Approval received from
The Norwegian
Competition Authority**

17 April 2024



**Approval received from
The Norwegian FSA and
Ministry of Finance**

June 2024



**Day 1 of the
merger**

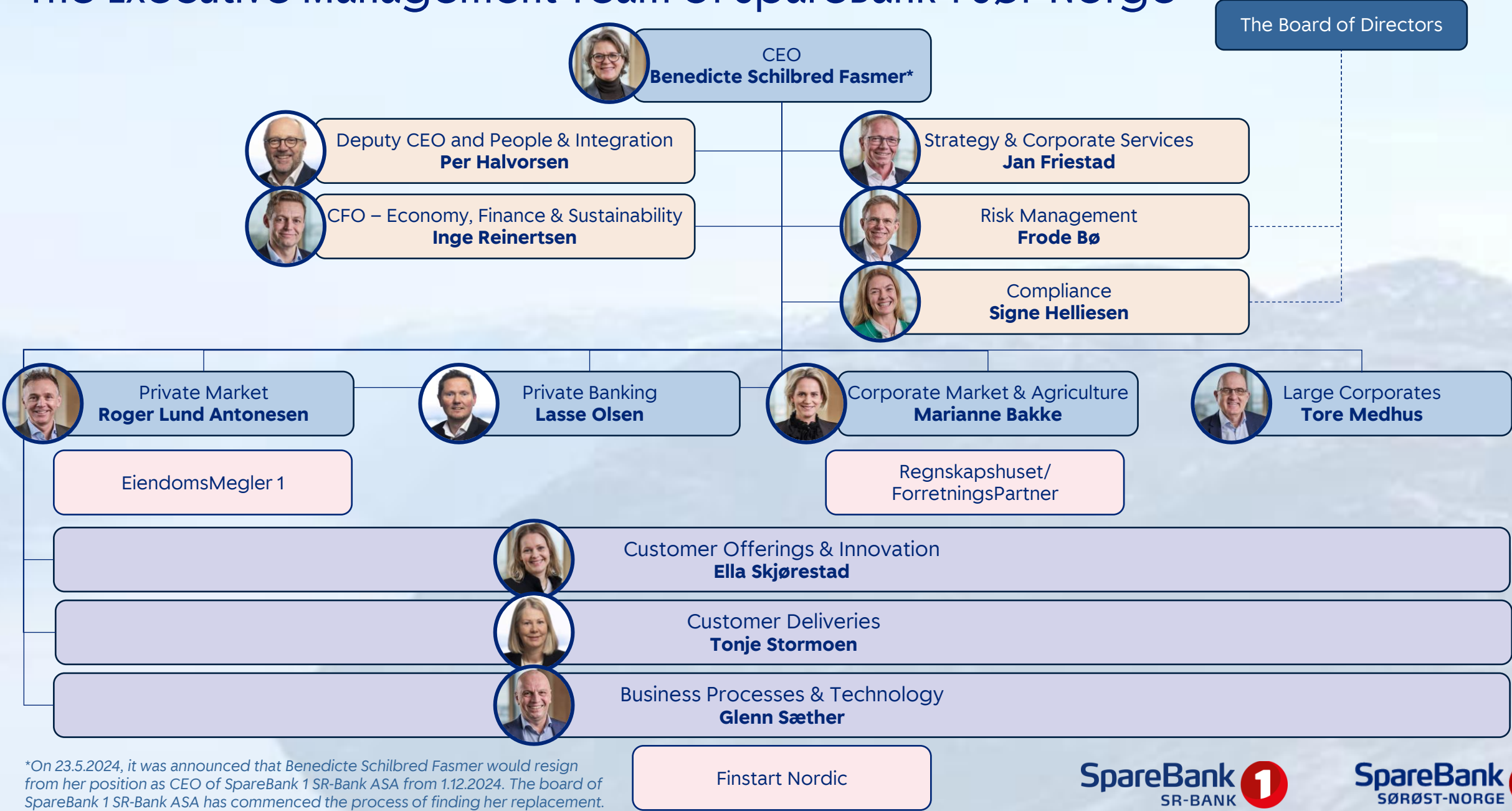
1 October 2024



Fully integrated

Medio 2025

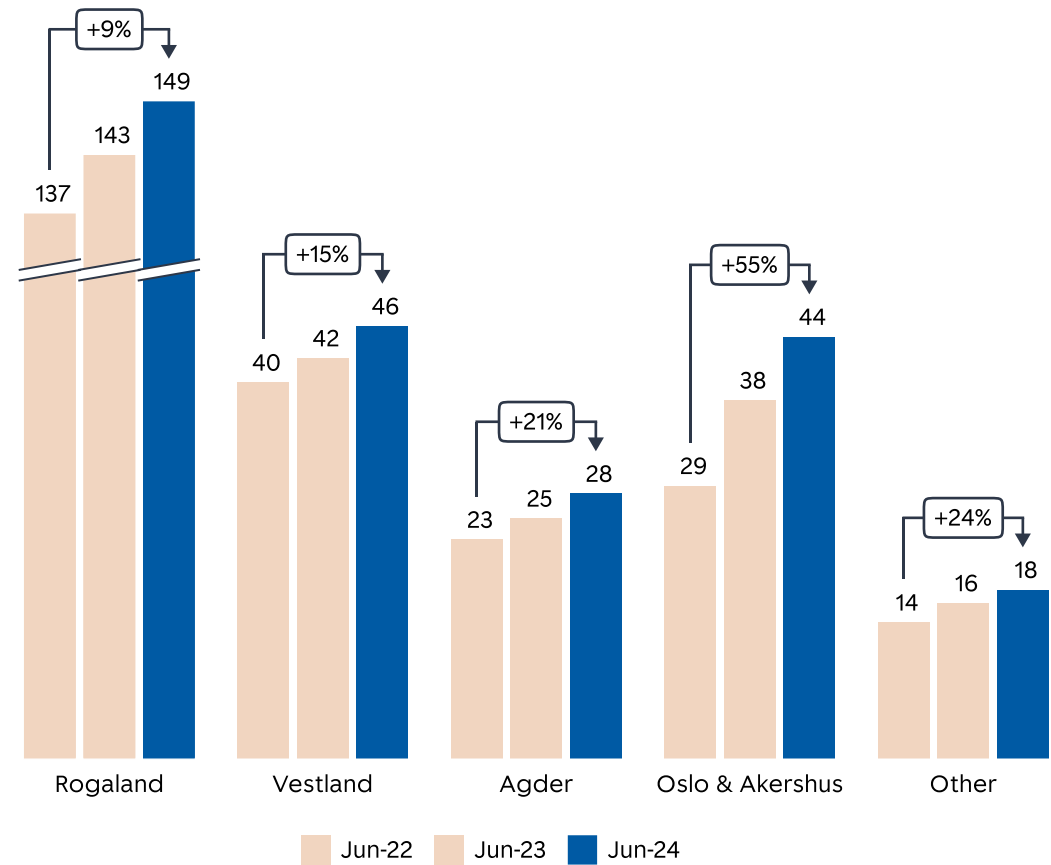
The Executive Management Team of SpareBank 1 Sør-Norge



**On 23.5.2024, it was announced that Benedicte Schilbred Fasmer would resign from her position as CEO of SpareBank 1 SR-Bank ASA from 1.12.2024. The board of SpareBank 1 SR-Bank ASA has commenced the process of finding her replacement.*

Finance group for South of Norway

Lending volume in NOK billion



Good underlying operations, increased income and high lending growth in Q2

ROE
14.6%

12 mth lending growth
7.5%

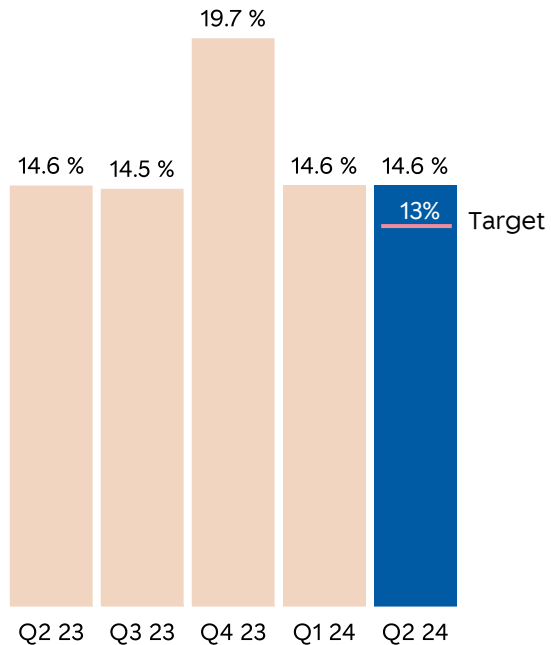
Cost to income ratio
34.9%

CET 1 capital ratio
17.7%

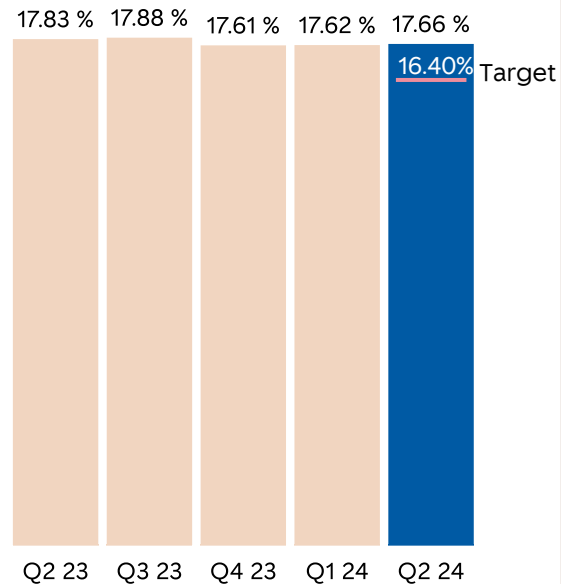
- **ROE** well above financial target of 13 %
- **Stable high net interest income** as a result of strong lending growth
- **Low losses** of 0,15 % of gross lending
- **High lending growth** despite moderate credit growth in Norwegian households and businesses. The bank's lending growth in the quarter was 2.3% and 2.6% for the retail market.
- **Cost to income ratio** well below target of 40%, despite high activity and strategic investments
- **Solid Capital ratio** CET 1 capital ratio above requirements as of 30 September including SIFI-buffer of 1,0 percentage-points.
- **Well-diversified portfolio** and positioned for further growth in Southern Norway

Key figures – quarterly development

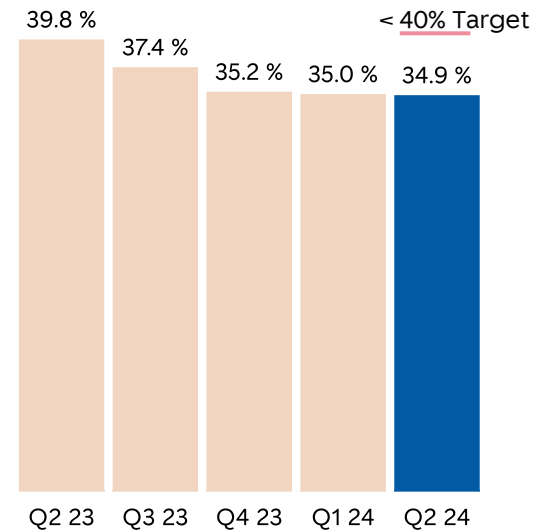
Return on equity



CET 1 capital ratio

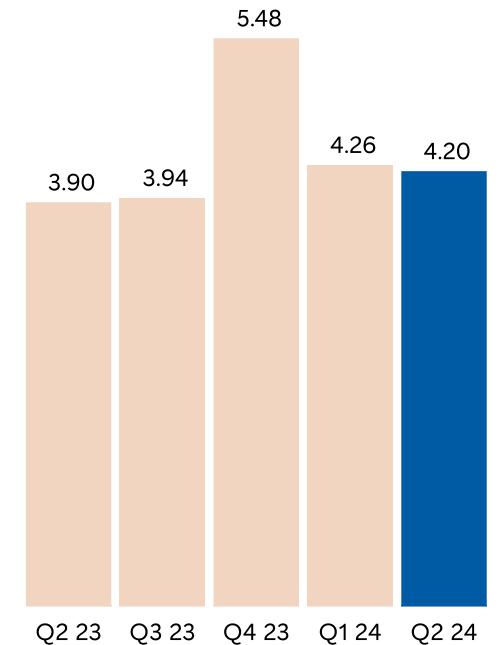


Cost to income ratio



Earnings per share (NOK)

Target: 50% dividend share



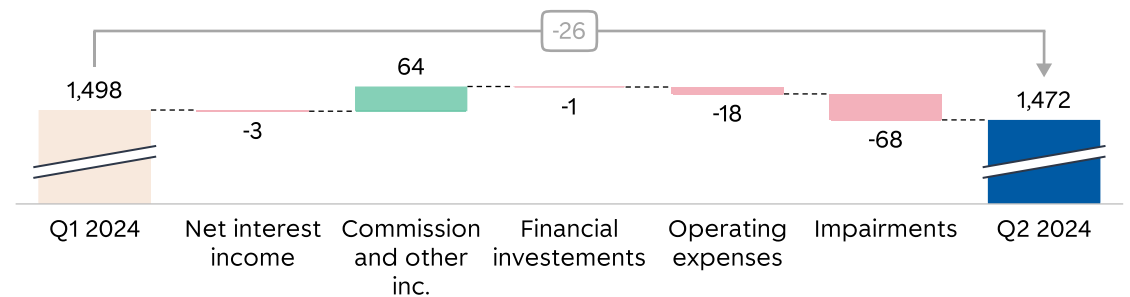
Good underlying operations, increased income and high lending growth

Group Income statement

(MNOK)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net interest income	1,726	1,729	1,715	1,596	1,424
Net commission and other income	544	480	465	496	522
Net income on financial investments	148	149	478	11	109
Total income	2,419	2,359	2,659	2,103	2,055
Total operating expenses	844	826	935	786	817
Operating profit before impairments	1,575	1,533	1,724	1,317	1,238
Impairments on loans and financial commitments	103	35	-91	-78	-98
Pre-tax profit	1,472	1,498	1,815	1,396	1,336
Tax expense	311	307	311	334	308
Profit after tax	1,162	1,191	1,503	1,062	1,028

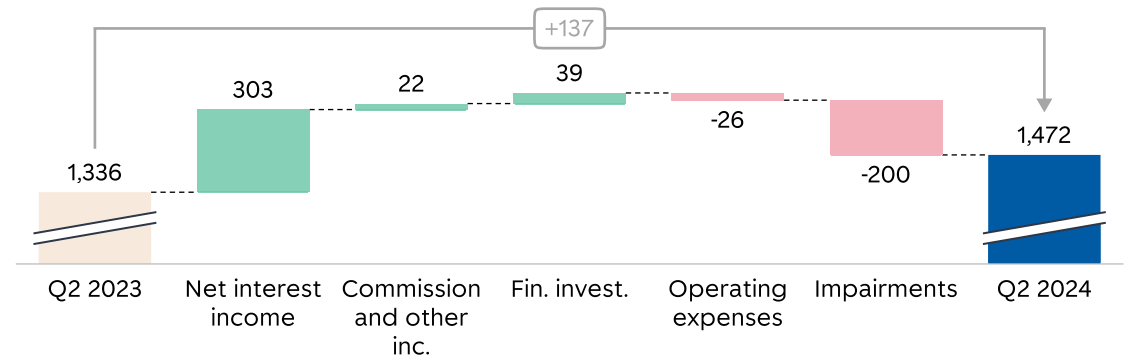
Change from last quarter

(MNOK)



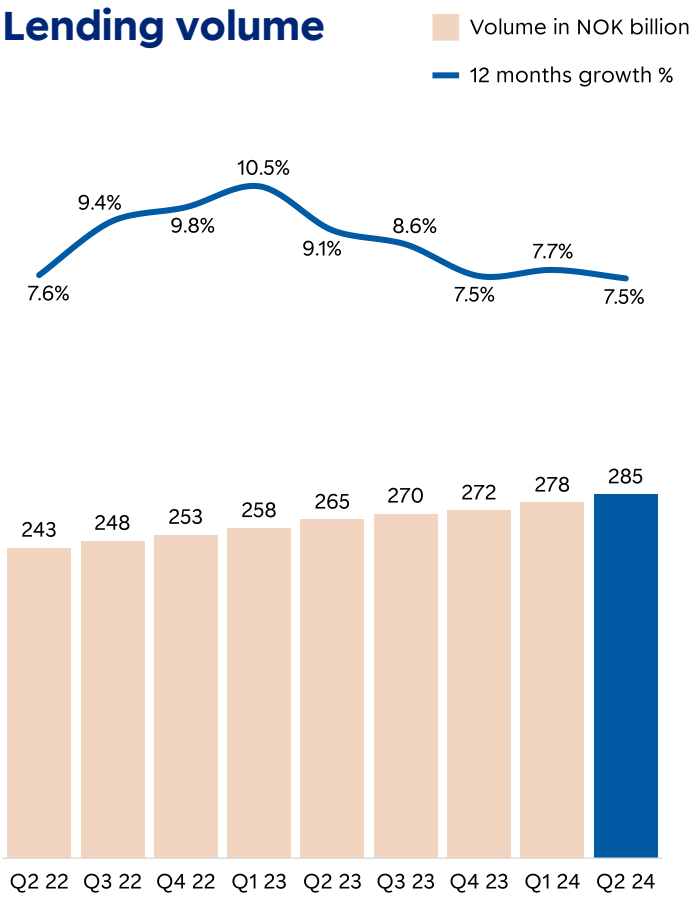
Change from Q2 2023

(MNOK)

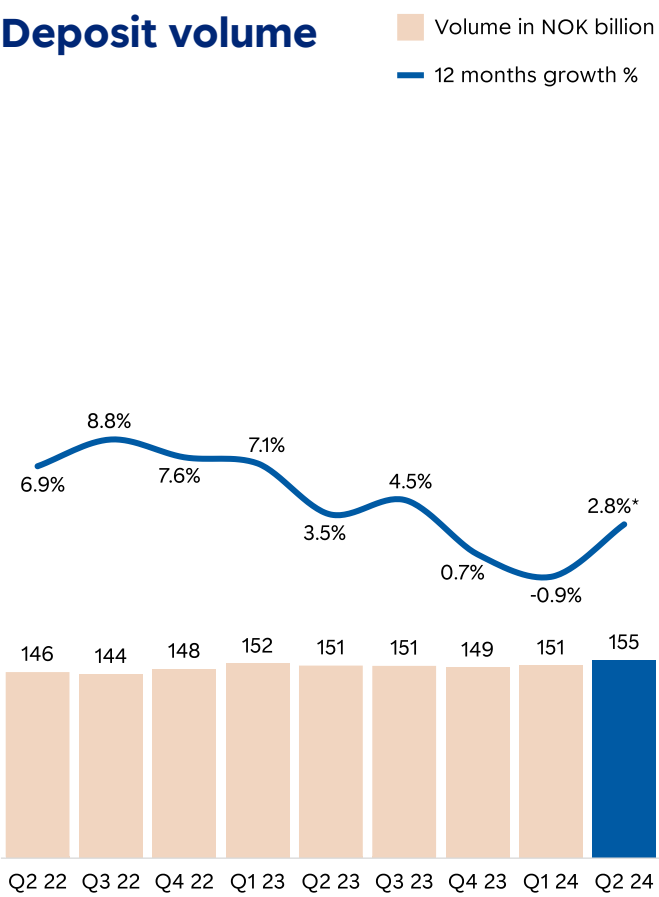


Group

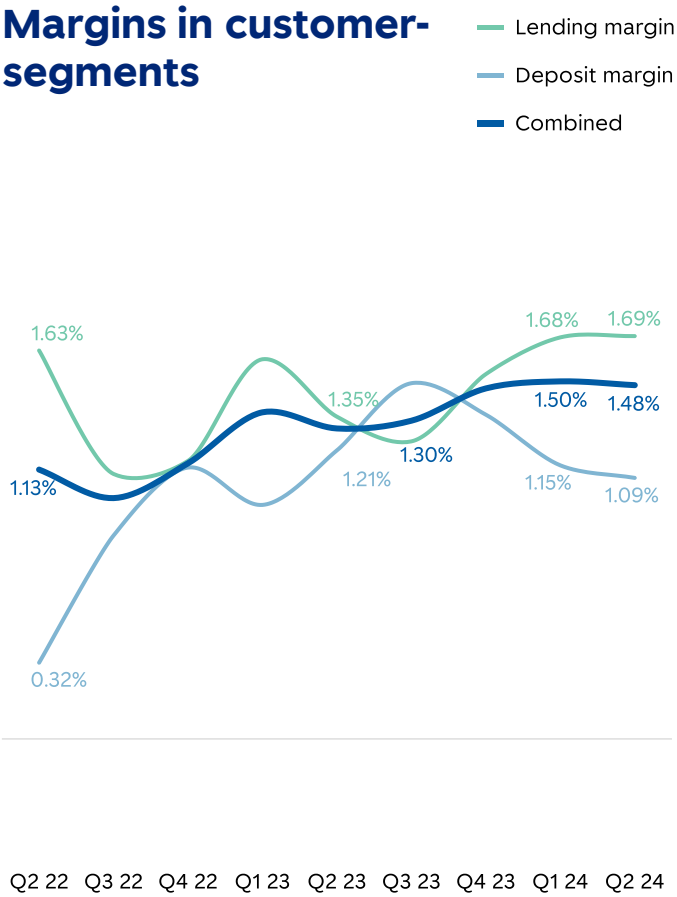
Lending volume



Deposit volume



Margins in customer-segments



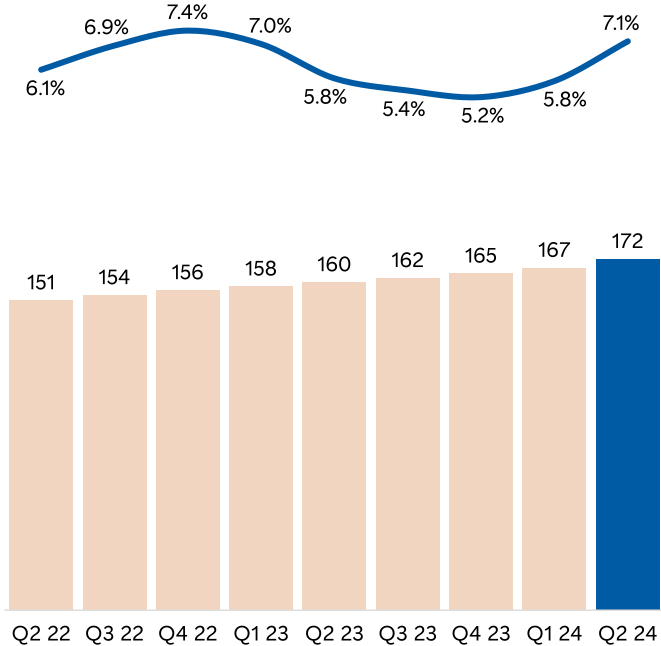
Definition margins: Average customer rate measured against money market rates.

*The 12 months deposit growth excluding deposits from customers in the public sector is 5.1%.

Retail market

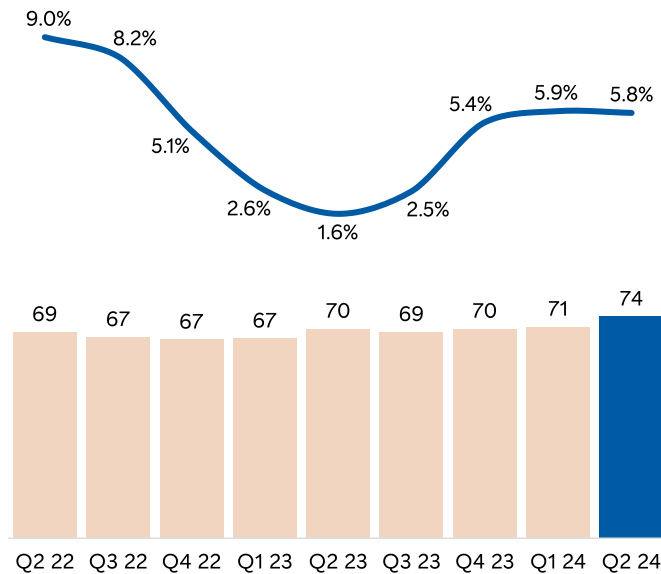
Lending volume*

Volume in NOK billion
12 months growth %



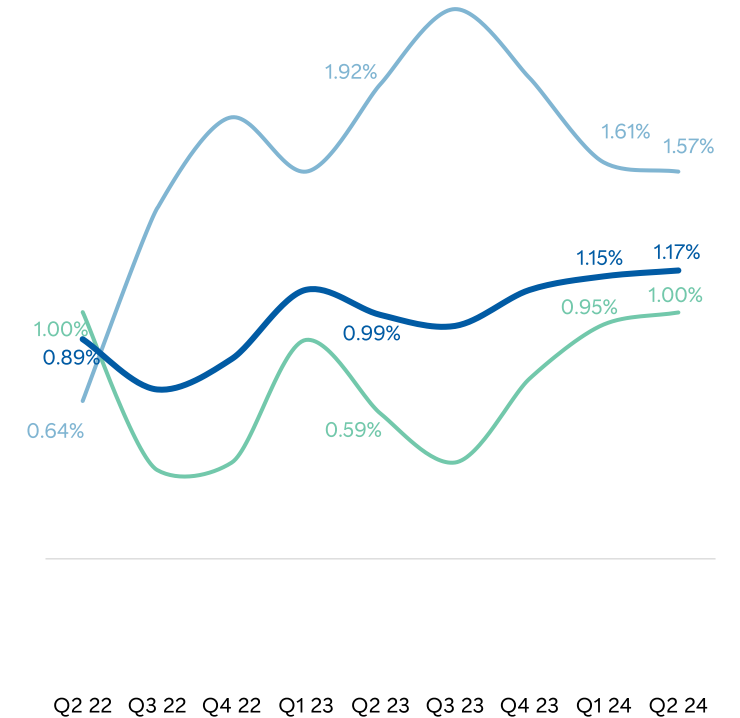
Deposit volume

Volume in NOK billion
12 months growth %



Margins

Lending margin
Deposit margin
Combined

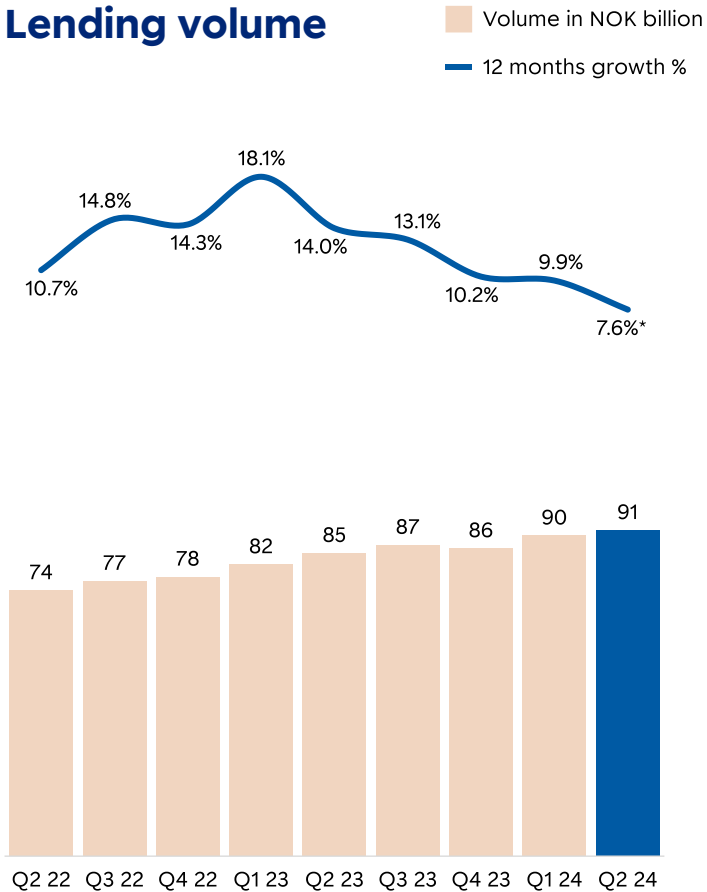


Definition margins: Average customer rate measured against money market rates.

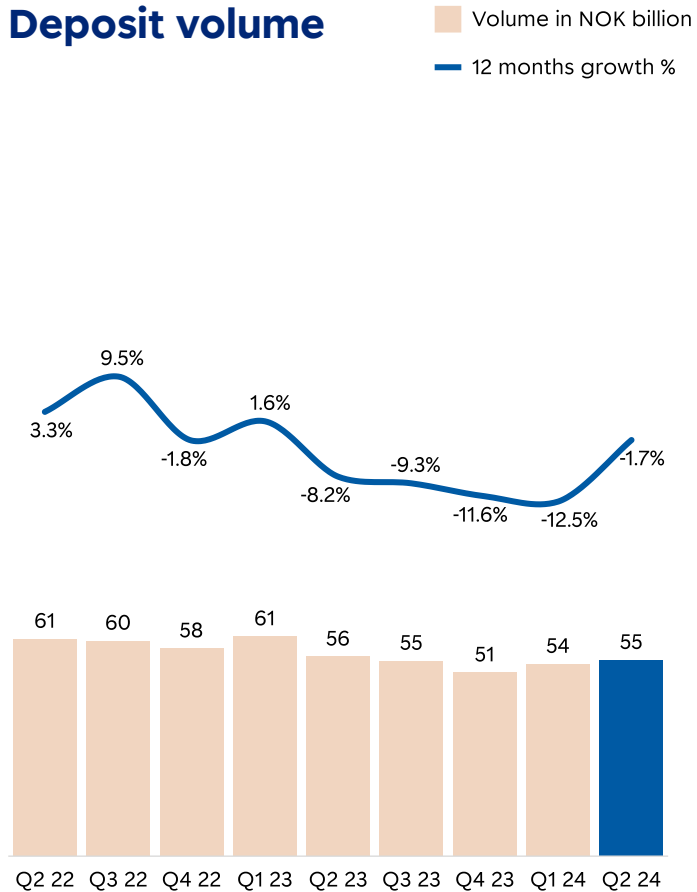
*Including loans to employees.

Corporate market

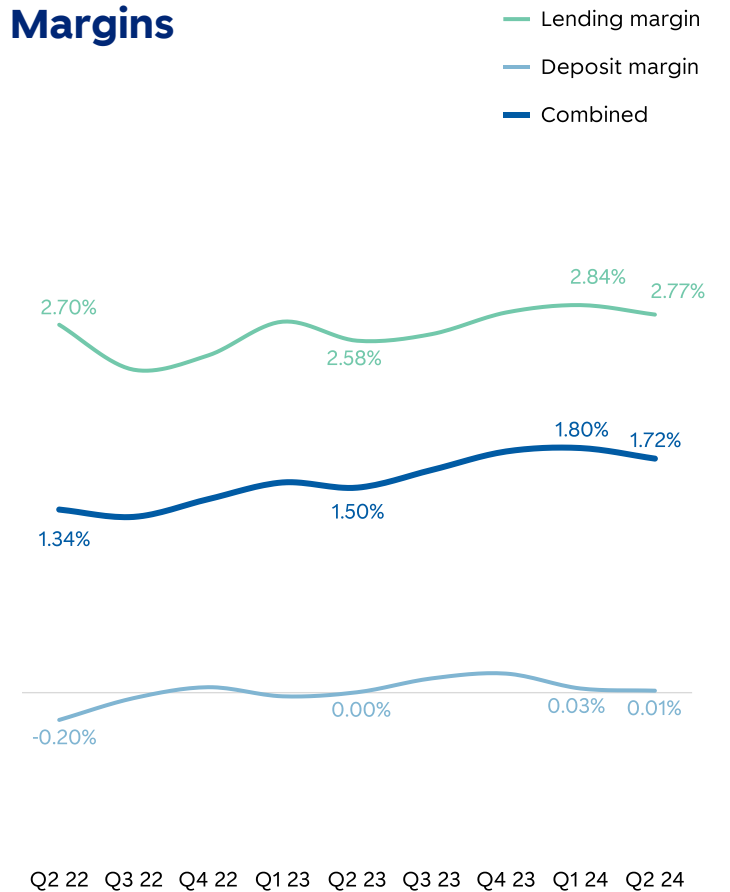
Lending volume



Deposit volume



Margins

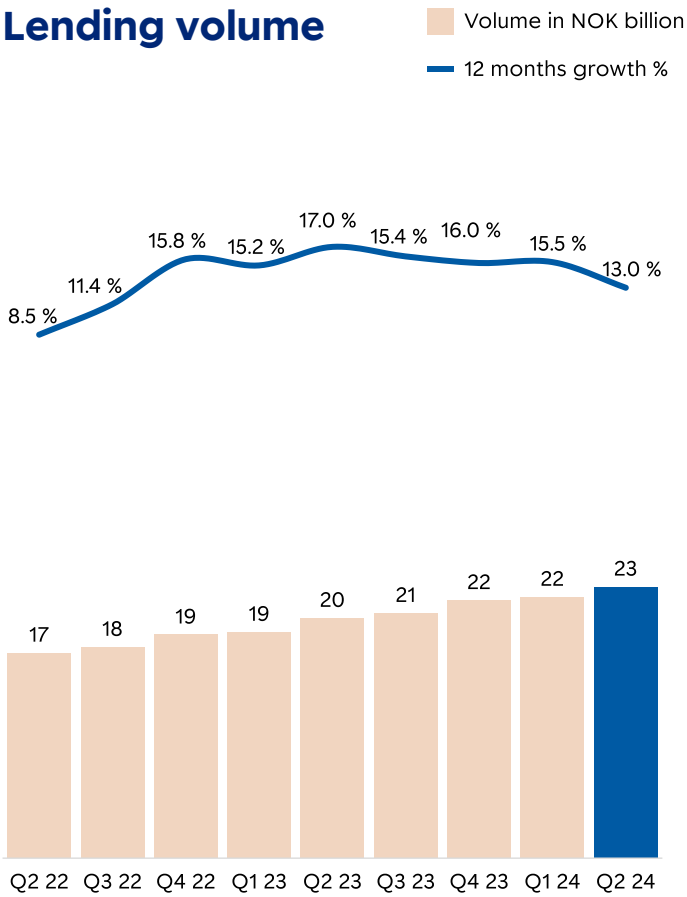


Definition margins: Average customer rate measured against money market rates.

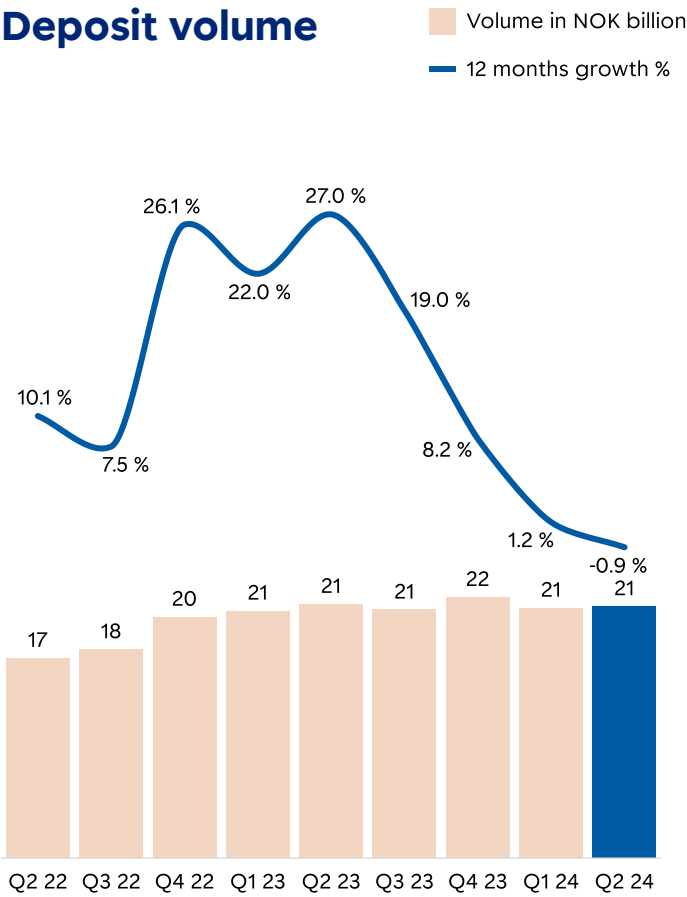
*12 months lending growth in Corporate market excluding currency effect is 7.7%.

SME and Agriculture

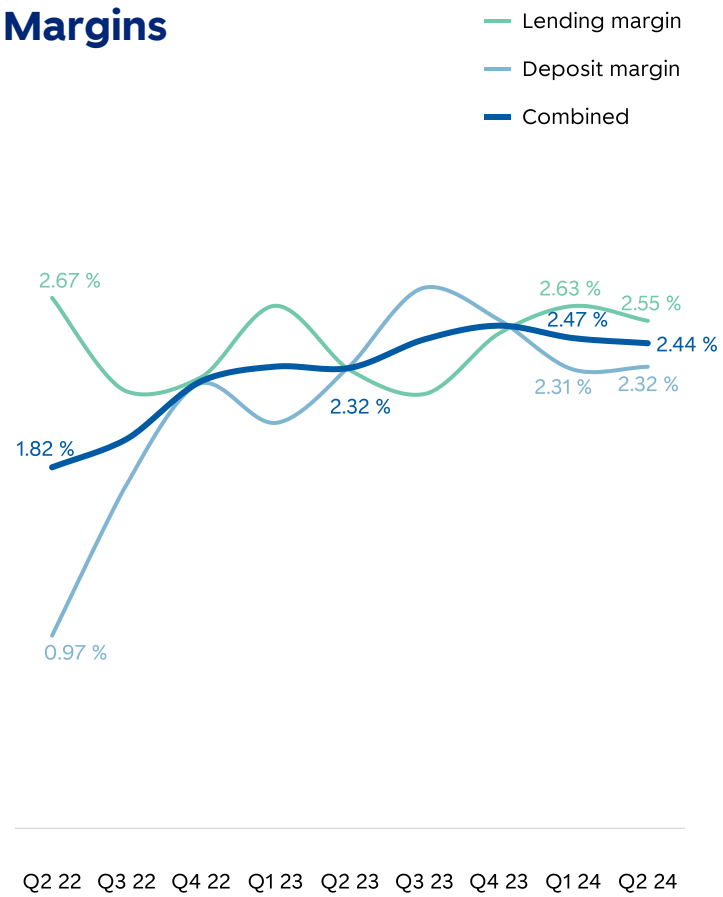
Lending volume



Deposit volume



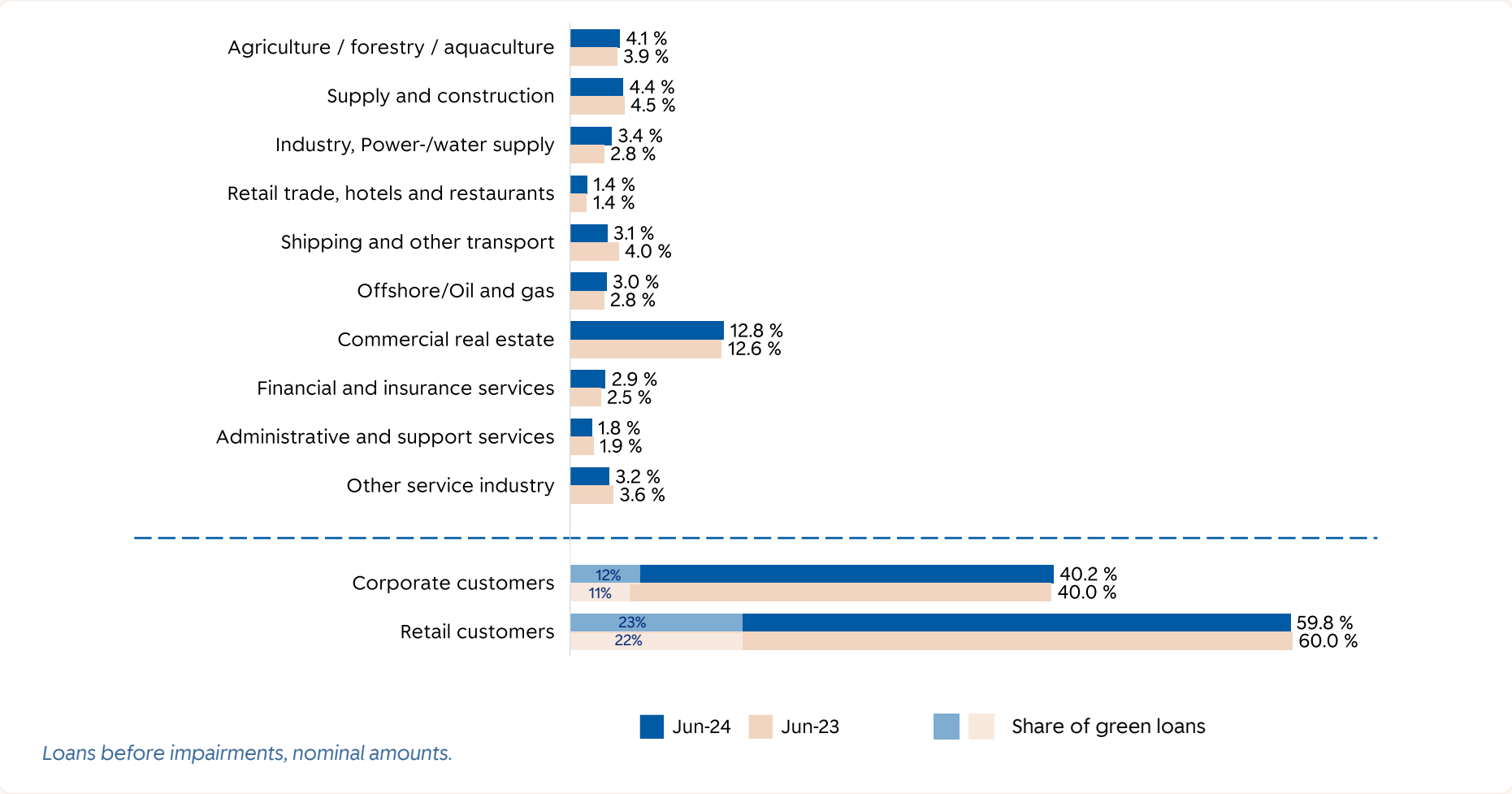
Margins



Definition margins: Average customer rate measured against money market rates.

Well-diversified lending portfolio

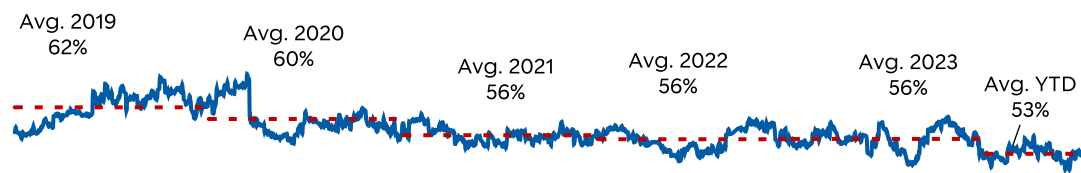
- Gross loans increased to NOK 285 billion from NOK 265 billion year over year
- Low offshore, oil and gas exposure
- Commercial real estate – low concentration risk and good credit quality



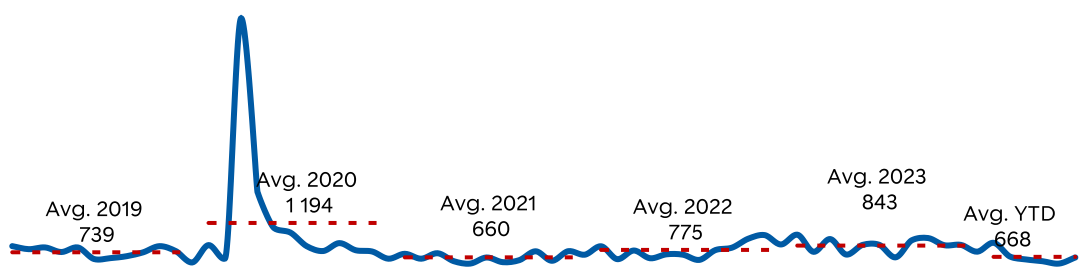
Industry distribution based on standard division from Statistics Norway (SSB).

Early warning indicators: Our customers are doing well

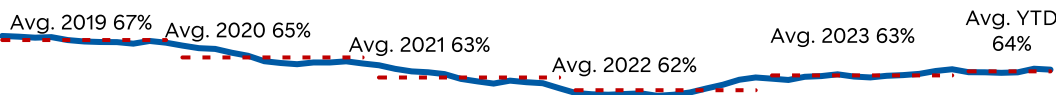
Corporate market - Drawn amount on credit facilities



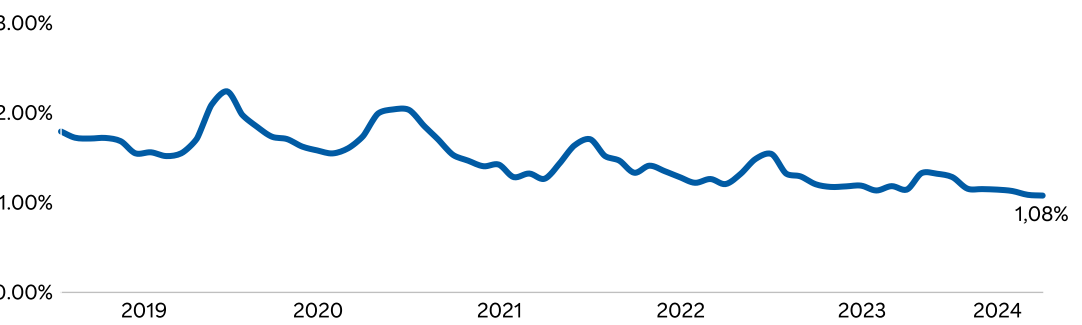
Retail market – Avg. number of applications for interest-only per month



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.

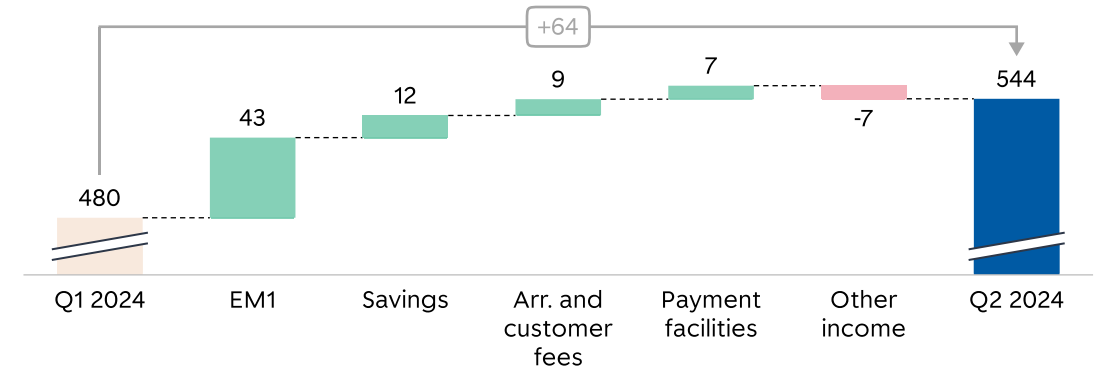
Net commission and other income

Net commission and other income

MNOK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Payment facilities	88	81	105	96	82
Savings/placements	47	35	36	35	49
Insurance products	65	64	61	66	64
Commission income EiendomsMegler 1	134	91	89	92	120
Guarantee commission	24	30	30	28	29
Arrangement- and customer fees	63	54	48	88	64
Commission income ForretningsPartner	116	114	102	82	108
Other	6	10	-5	8	7
Net commission and other income	544	480	465	496	522

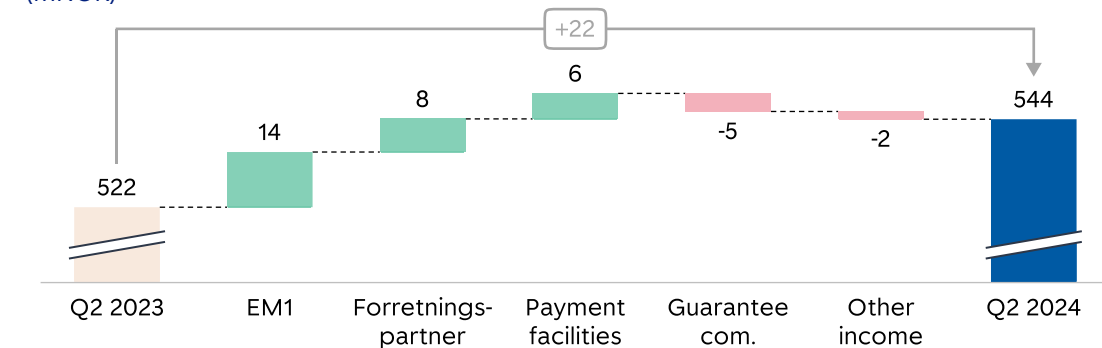
Change from previous quarter

(MNOK)



Change from Q1 2023

(MNOK)



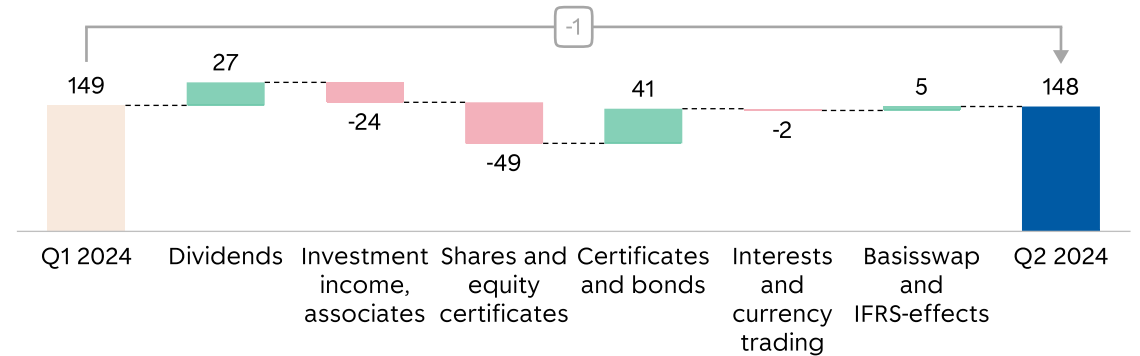
Net income on financial investments

Net income on financial investments

MNOK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Dividends	33	6	8	1	25
Investment income, associates	120	143	93	47	53
Net income on financial instruments	-4	1	377	-37	32
• Shares and equity certificates	-24	24	393	-49	-25
• Certificates and bonds	34	-7	-47	19	-20
• Interests and currency trading	32	34	71	54	54
• Basisswap and IFRS-effects	-46	-51	-40	-62	22
Net income on financial investments	148	149	478	11	109

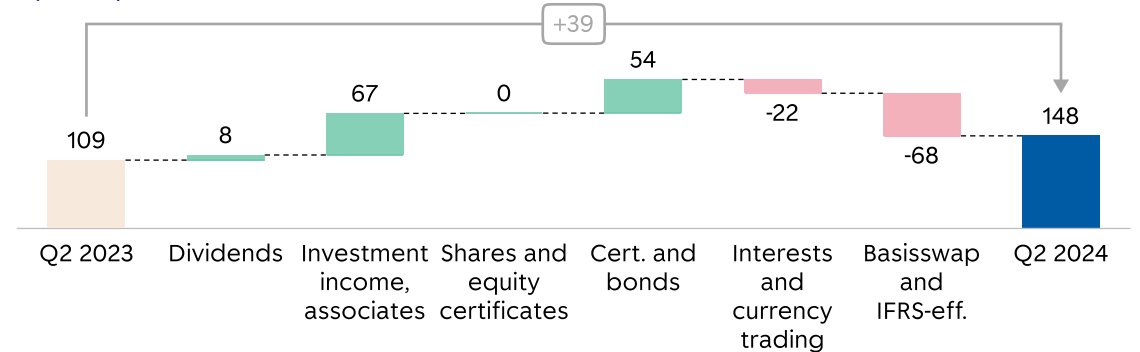
Change from previous quarter

(MNOK)



Change from previous quarter last year

(MNOK)



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

Ownership interests

Company (ownership share), MNOK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
SpareBank 1 Gruppen AS (19,5%)	1	40	-51	-13	-5
BN Bank AS (35 %)	73	84	73	64	58
SpareBank 1 Forvaltning AS (35,8%)	22	17	21	11	14
SpareBank 1 Markets AS (33,3%)	22	21	51		
SpareBank 1 Kreditt AS (16,8%)	1	-3	-3	-3	-1
SpareBank Betaling AS (19,1%)	-2	-10	-7	-9	-10
Others	0	-3	6	1	1
Total ownership interests	117	145	92	51	56
Finstart Nordic AS*	2	-2	1	-3	-3
Total ownership in the group	120	143	93	47	53

*Companies in which FinStart Nordic AS owns stakes of between 20-50% must, because of accounting rules, be measured as associated companies in the consolidated financial statements. The profit contribution here is included in the company's results on the previous page.

Ownership interests



Operating expenses

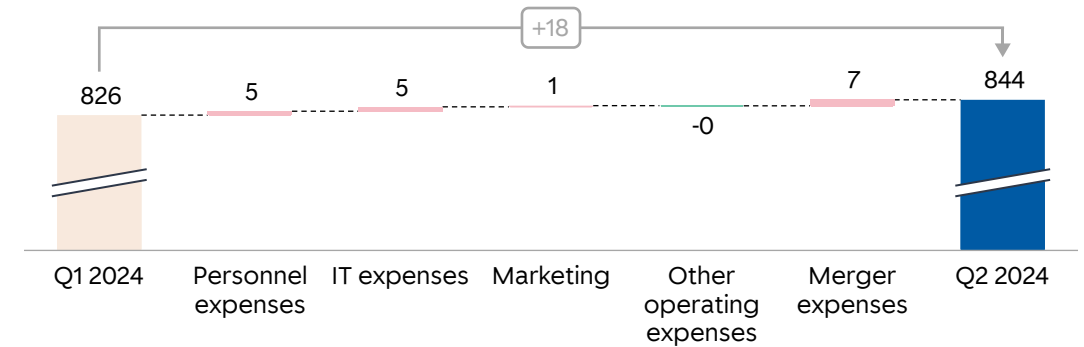
Operating expenses

- Cost increase driven by inflation, wage growth and higher activity as a result of growth strategy

MNOK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Total personnel expenses	513	508	570	513	488
IT expenses	122	117	123	111	114
Consulting	37	30	32	28	34
Marketing	24	22	24	21	23
Operating expenses from real estate	18	19	18	19	22
Administrative expenses	16	19	22	21	20
Travel and meeting	13	13	14	7	13
Other operating expenses	45	48	71	25	63
Merger expenses	13	6	19	0	0
Total operating expenses	289	275	322	231	289
Depreciation and impairments	42	43	43	41	41
Total operating expenses	844	826	935	786	817

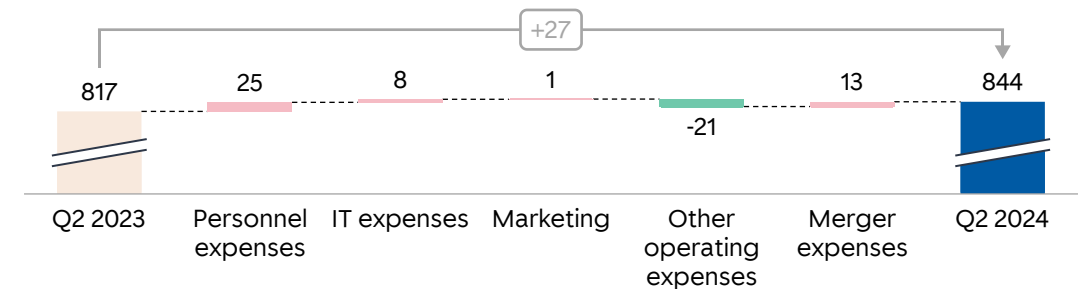
Change from previous quarter

(MNOK)



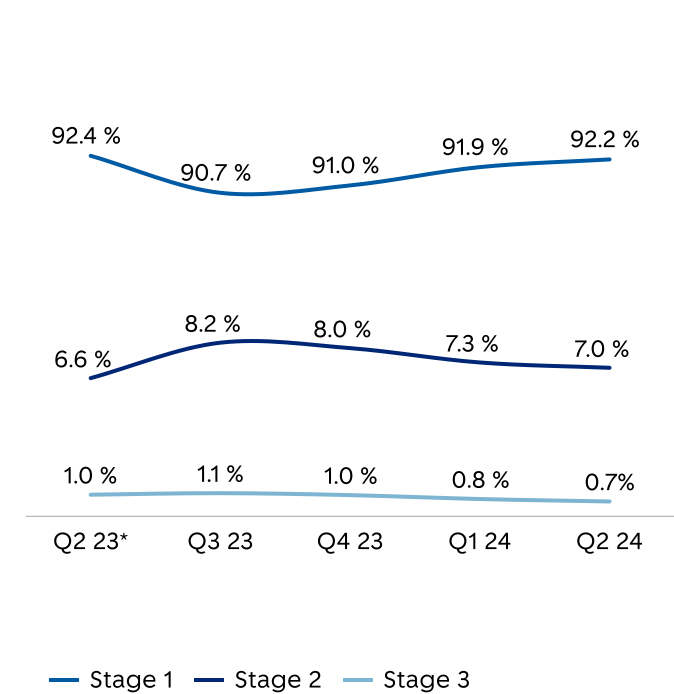
Change from previous quarter last year

(MNOK)

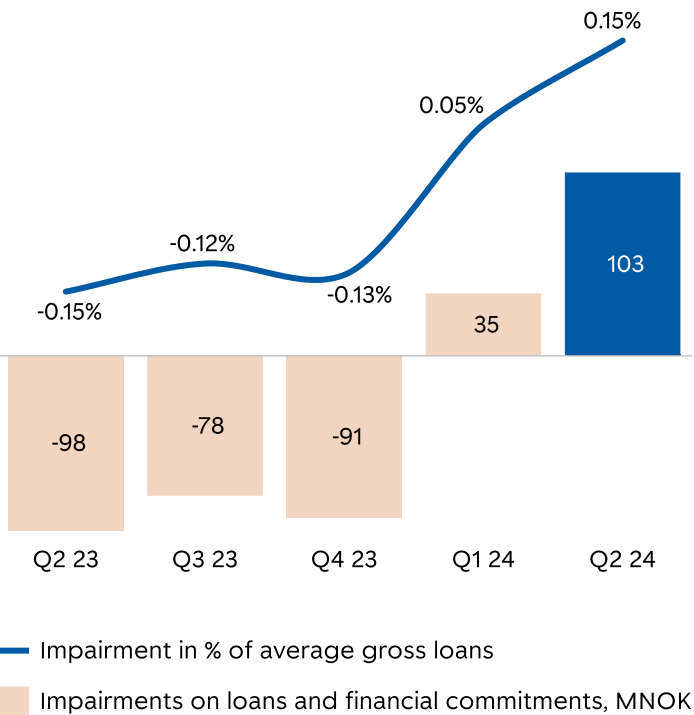


Loans and financial commitments

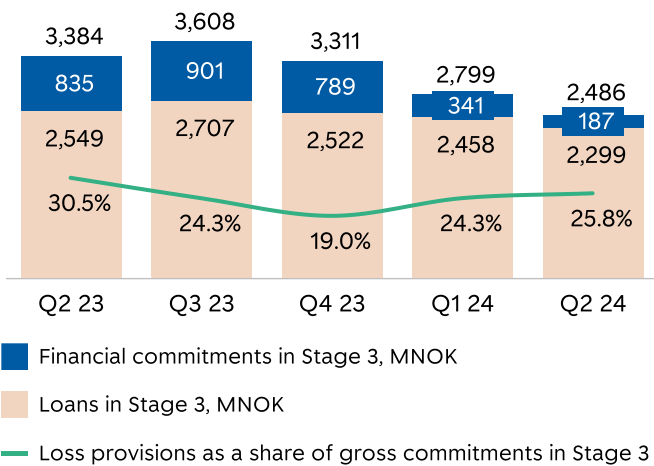
Change in gross loans and financial commitments



Impairments on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3



*An upgraded model for calculating the provisions for expected losses on engagements that are not individually impaired was implemented in Q2 2023.

Impairments on loans and financial commitments

Impairments on loans and financial commitments in the income statement (MNOK)

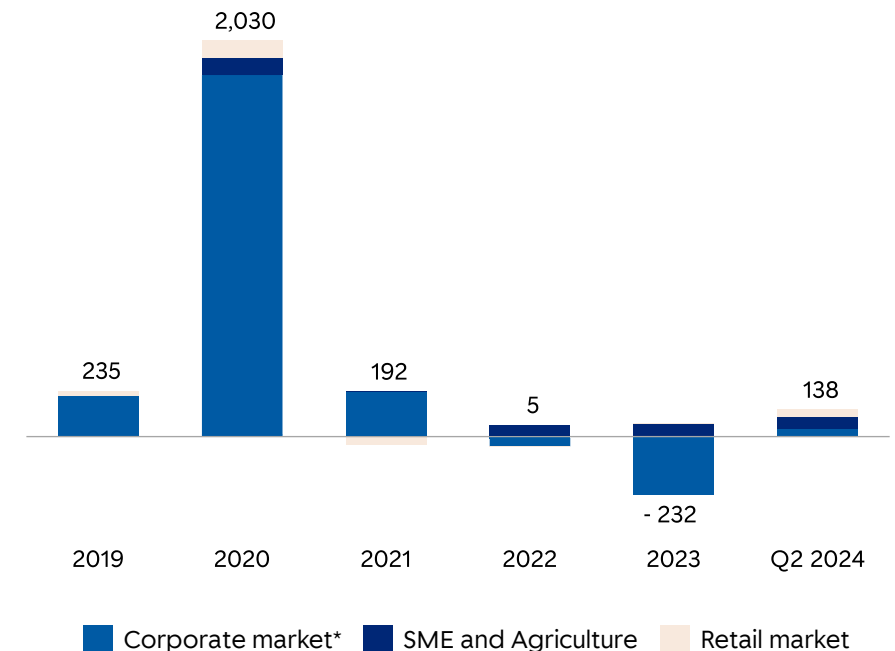
	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Corporate market	85	-43	-107	-121	-85
SME and Agriculture	-7	66	20	40	-15
Retail market	25	12	-3	3	2
Total impairments	103	35	-91	-78	-98

Impairments on loans and financial commitments in the balance sheet (MNOK)

	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Corporate market	863	883	967	1,147	1,277
SME and Agriculture	294	327	261	264	235
Retail market	177	155	145	152	152
Total impairments	1,335	1,364	1,373	1,563	1,664

*SME and Agriculture is included in the Corporate market division in 2019.

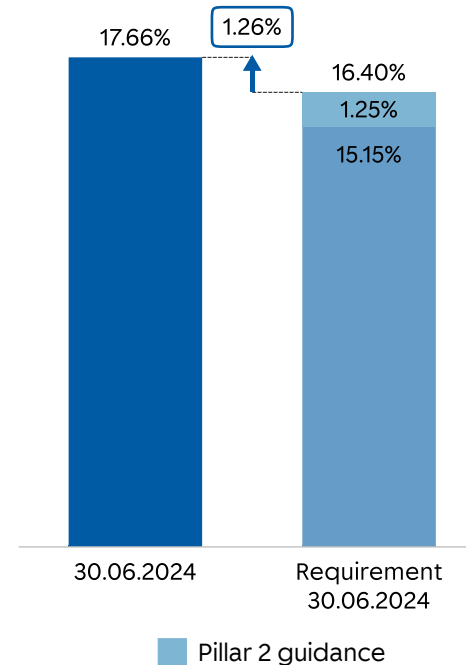
Impairments on loans and financial commitments in the income statement (MNOK)



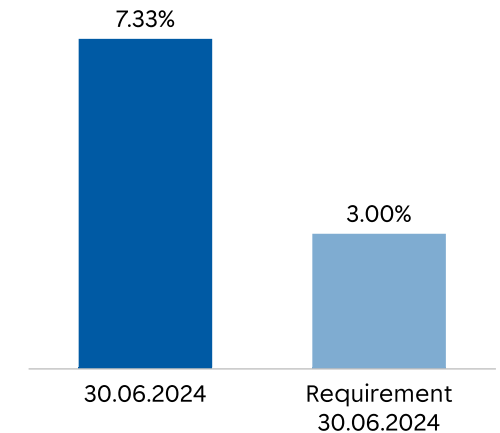
Solid capital ratio

- The minimum requirement for the CET 1 capital ratio is 16.40% including a temporary Pillar 2 requirement of 0.28% and a Pillar 2 guidance requirement of 1.25%
- The leverage ratio is 7.33% as at 30 June 2024, well above the minimum requirement at 3.0%
- The Ministry of Finance has decided that SpareBank 1 SR-Bank ASA should be considered a systemically important financial institution (SIFI). This will result in an increased CET 1 requirement of 1.0 % to 17.40 % with effect from 30 September 2024.
- In connection with the approval from the Norwegian FSA of the merger between SpareBank 1 SR-Bank ASA and SpareBank 1 Sørøst-Norge, the merged bank (SpareBank 1 Sør-Norge ASA) received an increased Pillar 2-requirement to 1.9 %. The CET 1 requirement will then increase to 17.57% in the fourth quarter.

CET 1 Capital ratio



Leverage ratio

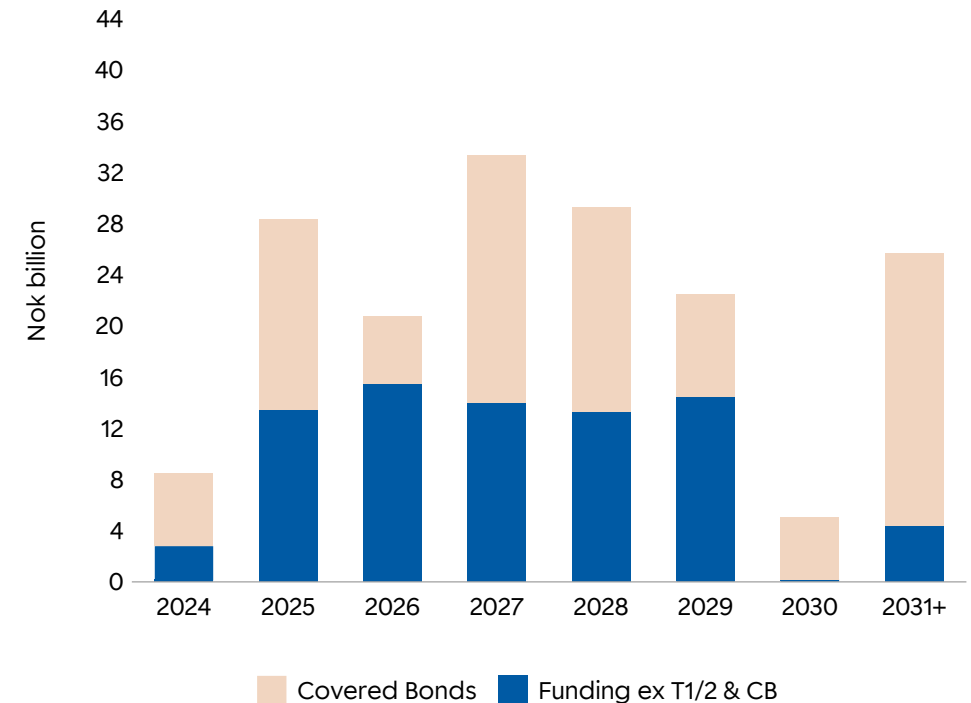


Funding

Strong liquidity

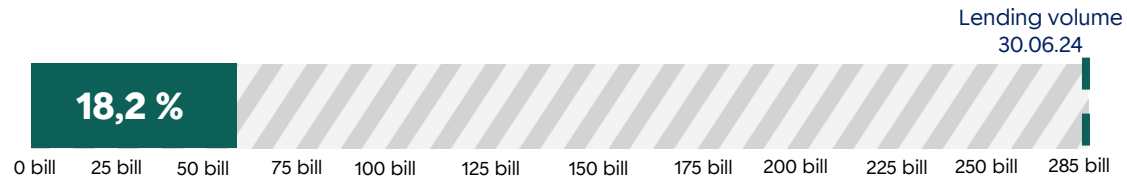
- LCR 204%
- NSFR 136%
- NOK 19.1 billion net refinancing need over the next 12 months
- Deposit to loan ratio 54.4%
- MREL-requirement 36.6%, MREL-subordination requirement 29.7%
 - As of 30 June 2024, SR-Bank has issued NOK 17.1 billion in senior non-preferred. The requirement is approx. NOK 10 billion.

Annual funding maturity



Lending volume and financing sustainable activities

Sustainable lending volume is 18.2% of total lending volume



Retail market

- Green residential buildings
- Green car loans

Corporate market

- Green commercial buildings
- Clean transportation
- Renewable energy
- Waste management
- Sustainability-linked lending

Target: Finance NOK 50 billion in sustainable activities by the end of 2030



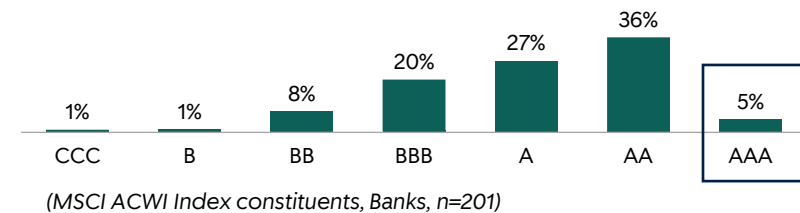
Sustainable activities

- Green residential mortgages (EPC A and B green products)
- Green car loans
- Green corporate lending
- Sustainability-linked lending

SpareBank 1 SR-Bank among top 5% with AAA rating



MSCI has upgraded SpareBank 1 SR-Bank's ESG rating from AA to AAA.



Sustainable lending and activities according to the internal sustainable product framework



KONJUNKTUR
BAROMETERET
2/2024

SpareBank **1**
SR-BANK

Approaching a soft landing
– but how soft?

Outlook

- Increasing optimism among businesses
- Expect subdued housing price growth in the autumn
- SR-Bank has strong growth and is increasing its markets share
- Integration of SpareBank 1 Sør-Norge is going as planned



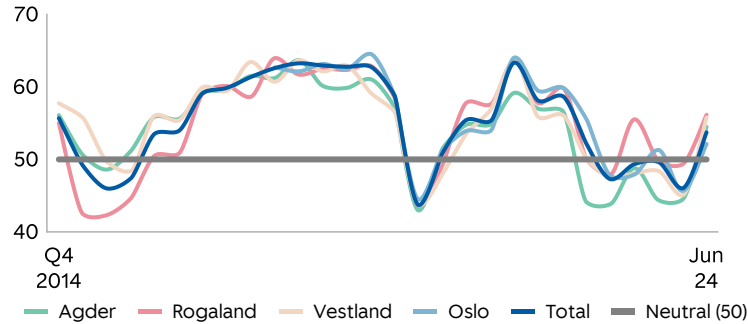
APPENDIX

- 1) **Macro**
- 2) Loan portfolio
- 3) Risk
- 4) SpareBank 1 SR-Bank

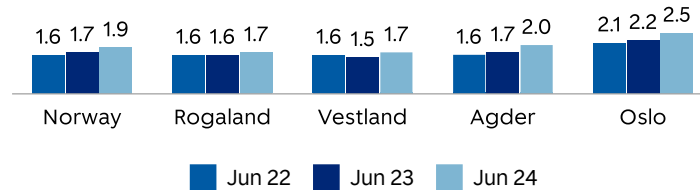
Macro in Southern Norway

SpareBank 1 SR-Bank's business survey

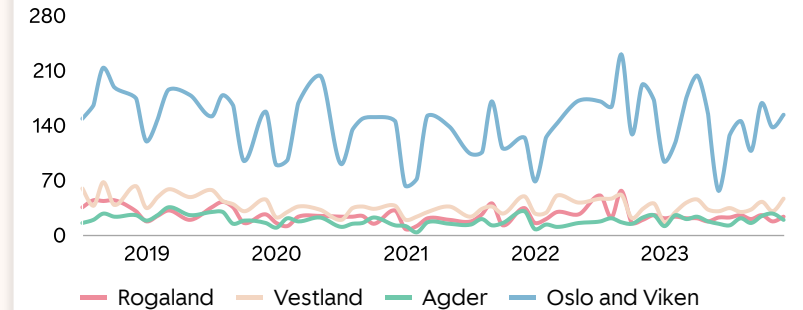
Main index of 54 per cent as of the 2 quarter of 2024



Unemployment rate

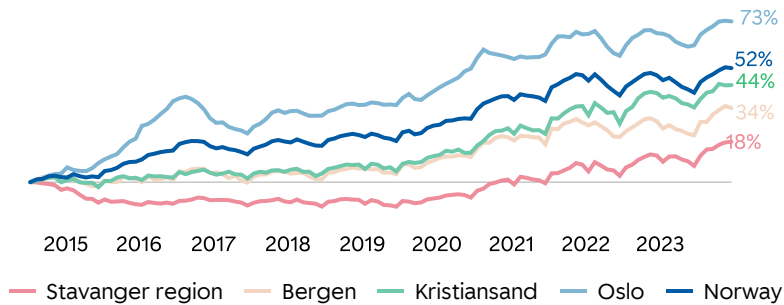


Number of bankruptcies

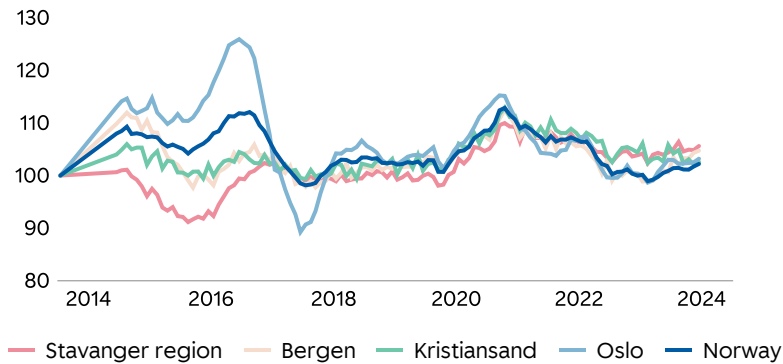


House price development

Norwegian house prices have increased by 2.2 % the last 12 months

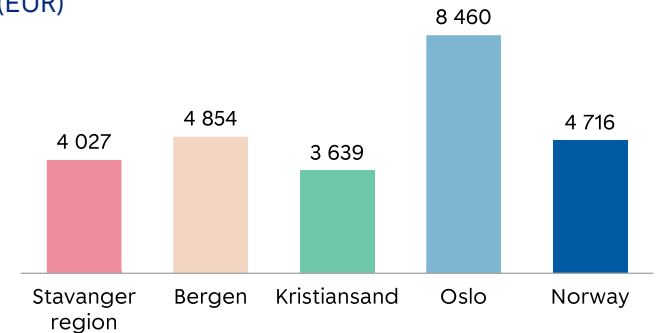


Index change 12 month (%)



Prices by city per square meter

(EUR)



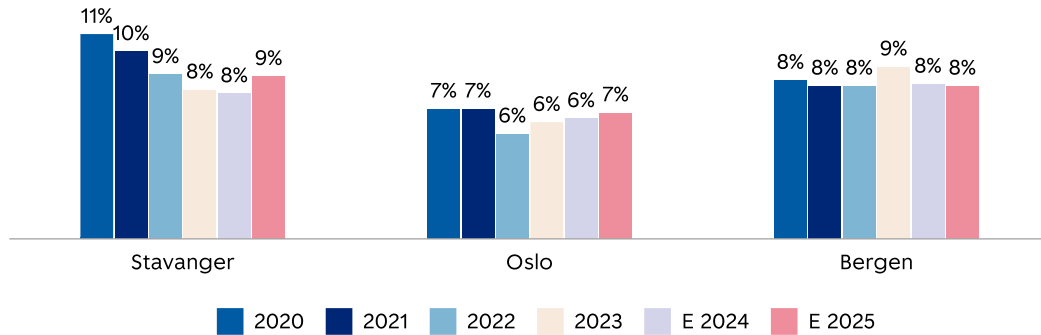
Sources: Eiendom Norge, Eiendomsverdi, NAV, Brønnøysundregisteret, SP1 SR-Bank Business survey.

APPENDIX

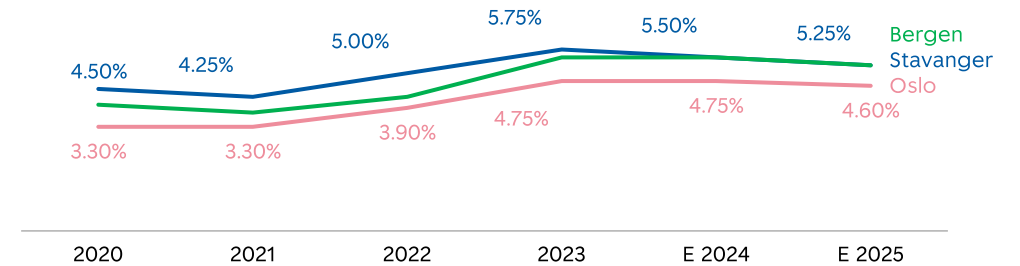
- 1) Macro
- 2) Loan portfolio**
- 3) Risk
- 4) SpareBank 1 SR-Bank

Market – Commercial real estate

Office vacancy

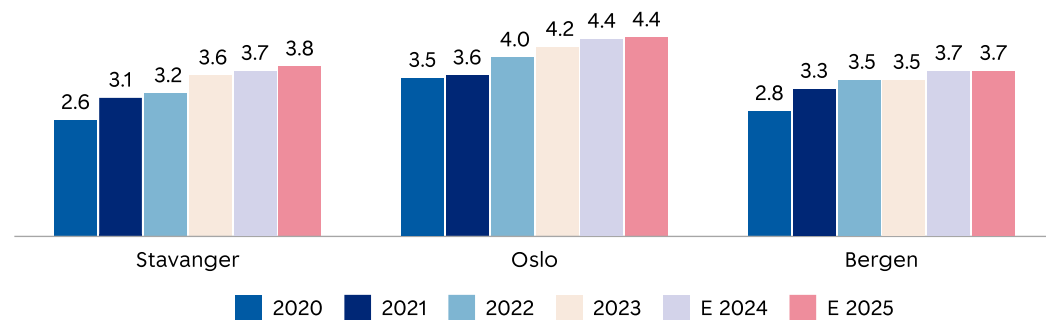


Prime yield



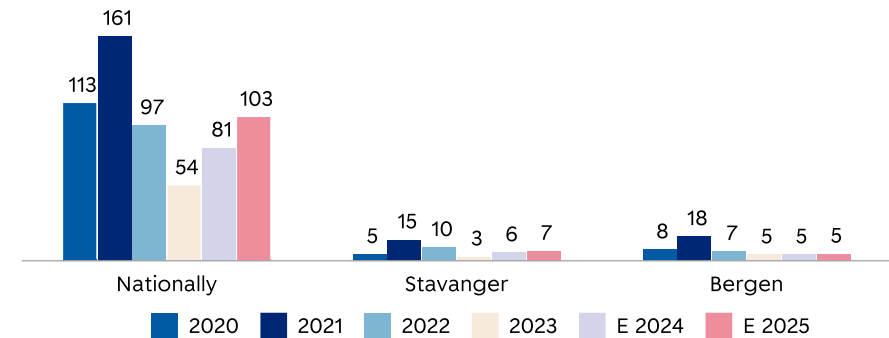
Rental prices

(TNOK per sq.m)



Transaction volume

(NOK billion)



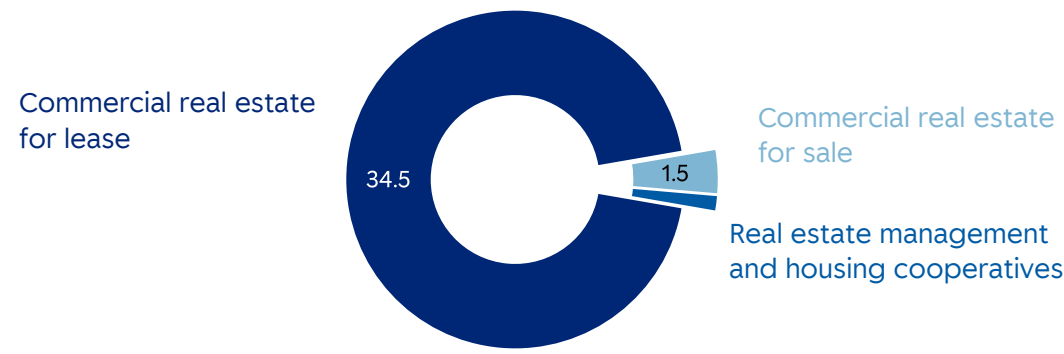
Source: Entra, WPS, og EM1 SR-Bank

Lending to commercial real estate

12.8% (NOK 36 billion) of total lending volum is related to commercial real estate

Commercial real estate portfolio

(NOK billion)

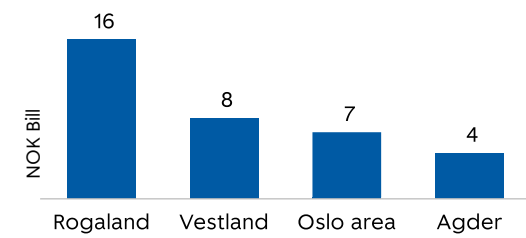


Lending volume for commercial real estate for lease is NOK 34.5 billion, 12.1% of the bank’s total lending volume

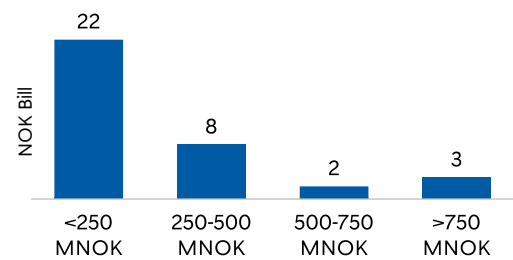
The portfolio is characterized by lending to commercial properties for lease with long-term contracts and financially solid tenants.

Commercial real estate for lease

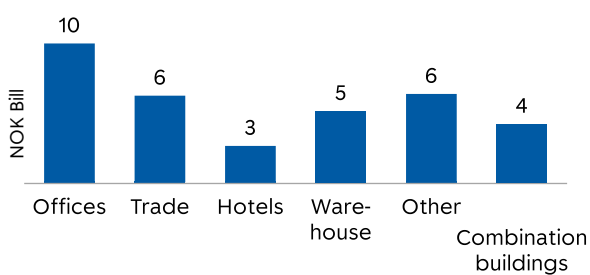
Well differentiated across regions



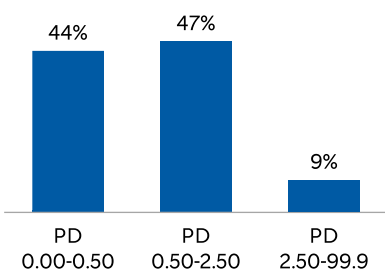
Low concentration risk



Differentiated segments



91% of volume has a PD under 2.5%



Lending to oil and offshore

3.0% (NOK 8.6 billion) of total lending volume is related to oil operations

Offshore

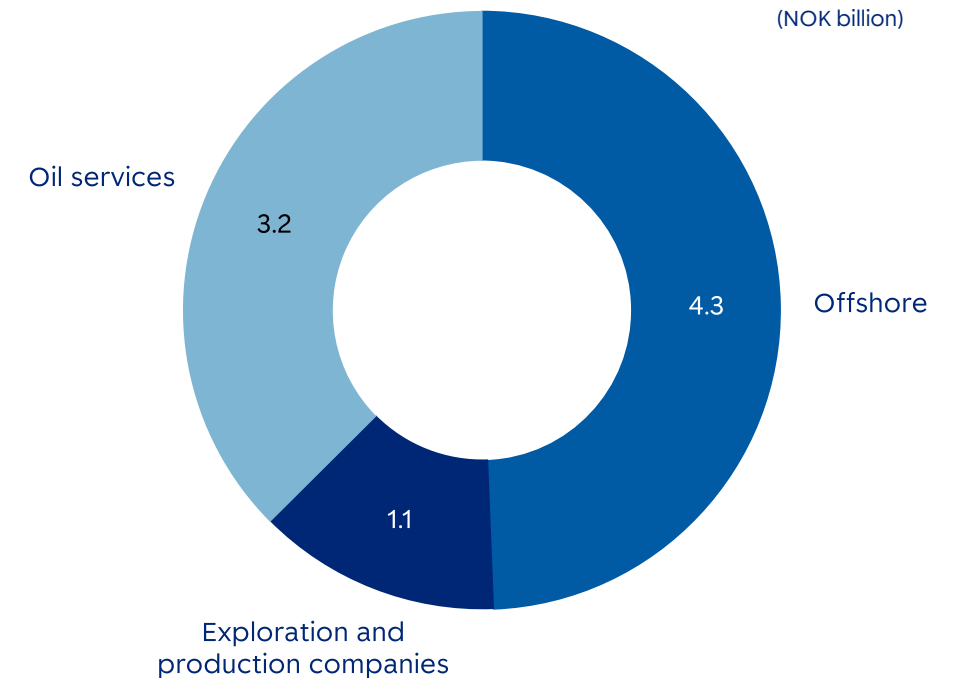
- Lending volume NOK 4.3 billion, 1.5% of the bank's total lending
- Exposure primarily to industrial-oriented shipping companies with integrated organization (Offshore service vessels, Rig and Seismic vessels)

Oil services

- Lending volume NOK 3.2 billion, 1.1% of the bank's total lending
- Funding of operating capital through current and fixed assets, as well as guarantees

Exploration and production companies

- Lending volume NOK 1.1 billion, 0.4% of the bank's total lending
- Exposure primarily to companies with activities on the Norwegian continental shelf



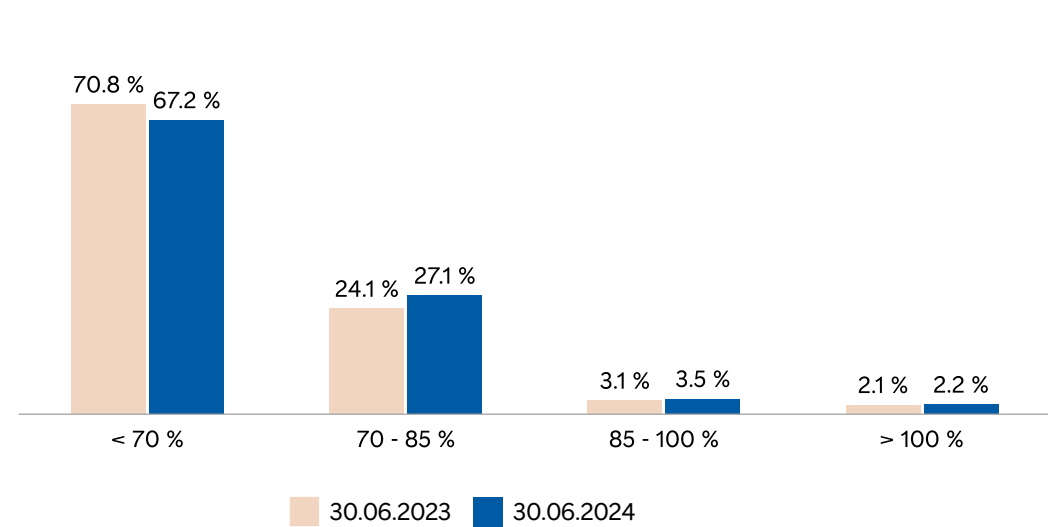
APPENDIX

- 1) Macro
- 2) Loan portfolio
- 3) Risk**
- 4) SpareBank 1 SR-Bank

Loan to value ratio and RWA on home mortgage loans

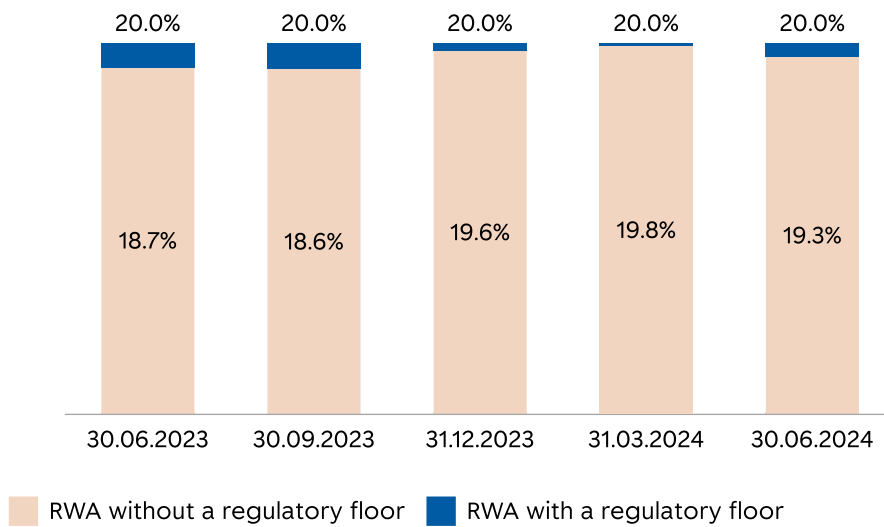
Loan to value ratio on home mortgage loans

- 94.3% 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 20%.

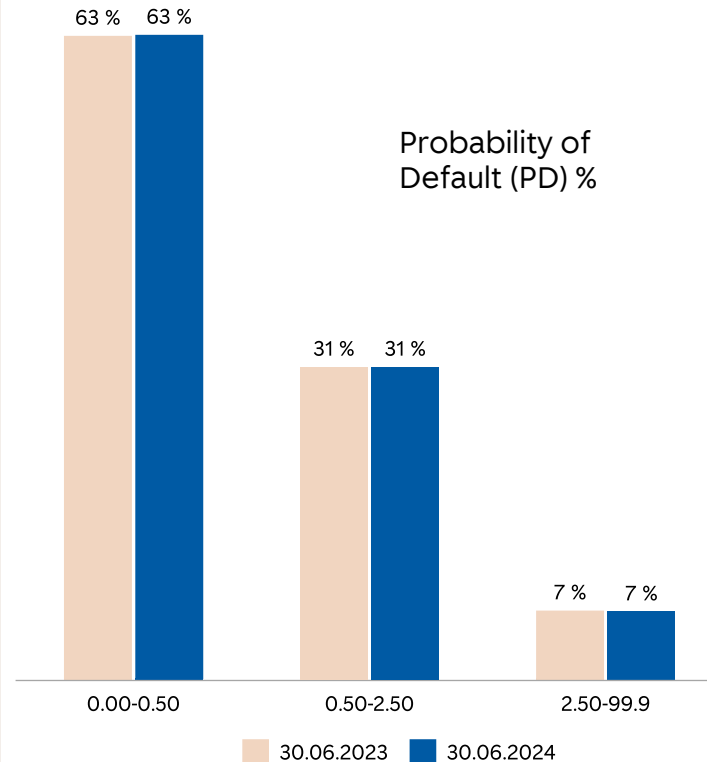


*In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
Home mortgages as defined in the Norwegian IRB framework; the value of the residential property must be at least 30% of a loan's security.*

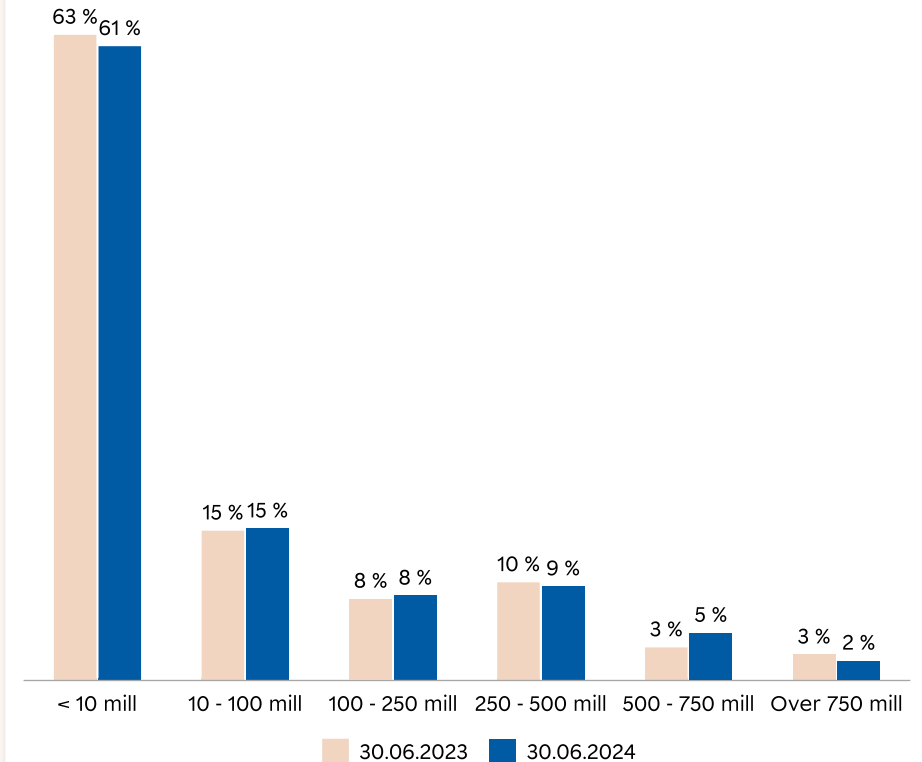
Risk Profile - loan portfolio

- SpareBank 1 SR-Bank 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

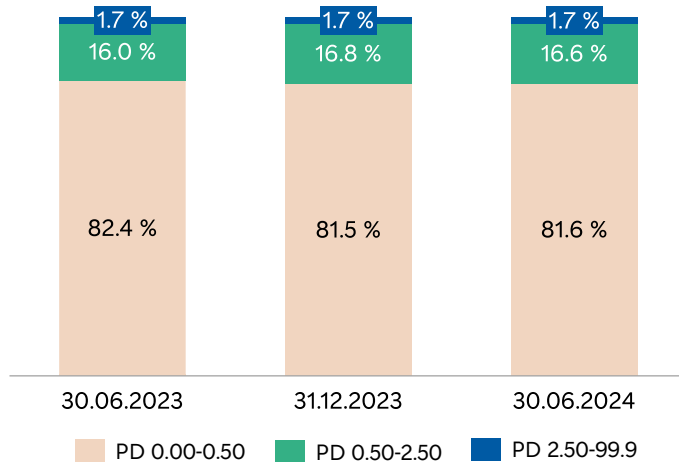


Probability of default (PD) through a full cycle of loss.

Risk Profile - loan portfolio

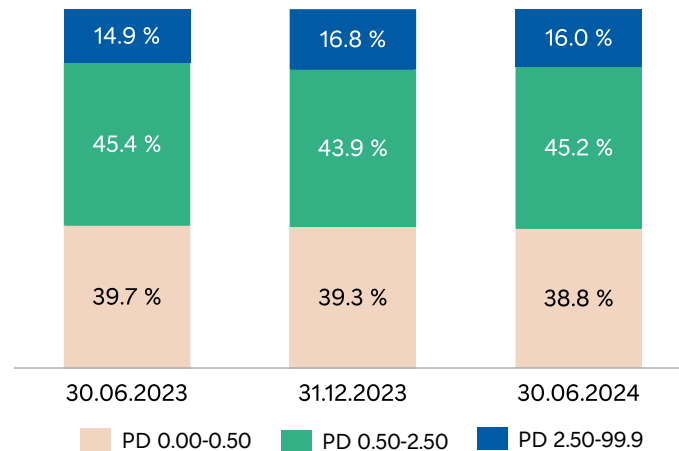
- Portfolio distributed by risk class

Retail



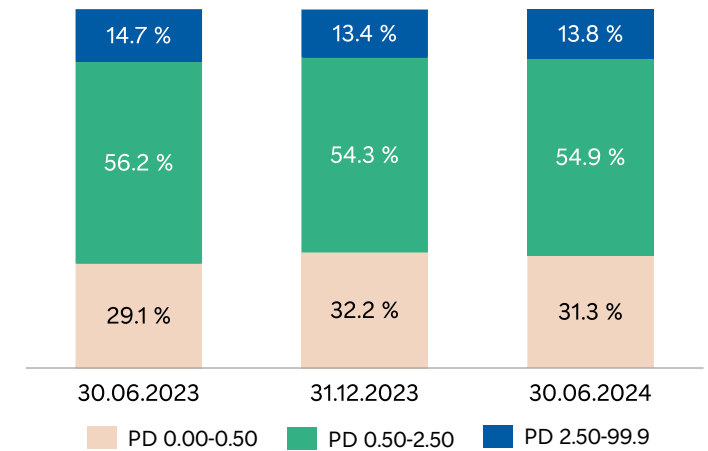
- The quality of the retail market portfolio is considered to be very good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall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

SME & Agriculture



- The quality of the SME and Agriculture market portfolio is considered to be good.

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.

APPENDIX

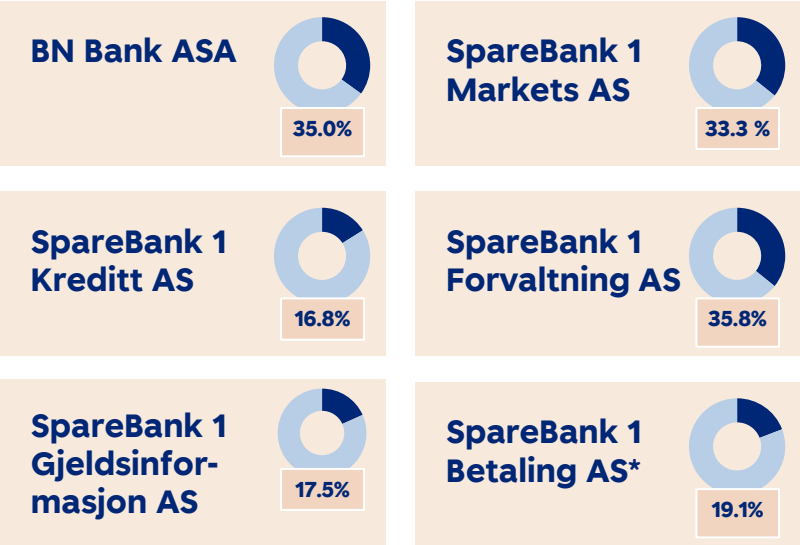
- 1) Macro
- 2) Loan portfolio
- 3) Risk
- 4) **SpareBank 1 SR-Bank**

SpareBank 1 Alliance



Products, commissions, dividends  Sales, loan portfolios, capital

Companies where SR-Bank has direct ownership



*Owns 23.9% in Vipps AS.

SpareBank 1 Gruppen AS



Owners of the alliance

- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



Key figures

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Return on equity after tax (%)	14.6	14.6	19.7	14.5	14.6
Average net interest margin (%)	1.82	1.88	1.87	1.74	1.56
Impairments on loans in % of gross loans	0.15	0.05	-0.13	-0.12	-0.15
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments	0.70	0.82	1.01	1.10	1.02
Cost to income ratio	34.9	35	35.2	37.4	39.8
Annual growth in loans to customers gross incl. covered bond company (%)	7.5	7.7	7.5	8.6	9.1
Annual growth in deposit from customers (%)	2.8	-0.9	0.7	4.5	3.5
Total assets (BNOK)	382.7	377.0	362.2	362.8	361.8
Loans to customers, gross (BNOK)	284.6	278.2	272.0	269.6	264.9
Risk weighted assets (BNOK)	153.2	151.4	146.4	138.3	137.2
Liquidity Coverage Ratio (LCR) (%)	204	216	207	191	215
Earnings per share (NOK)	4.20	4.26	5.48	3.94	3.90
Book value per share (NOK)	115.81	119.30	115.07	109.57	105.73

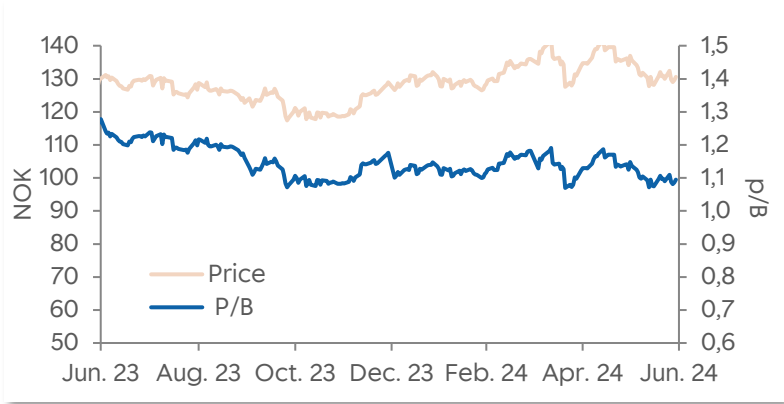
Balance sheet

Balance sheet (MNOK)	30.06.2024	30.06.2023
Cash and balances with central banks	101	93
Balances with credit institutions	10,783	8,871
Loans to customers	283,403	263,357
Certificates and bonds	60,991	59,957
Financial derivatives	15,049	19,846
Shares, ownership stakes and other securities	699	790
Investment in associates	6,210	4,989
Other	5,508	3,861
Total assets	382,744	361,765
Balances with credit institutions	775	662
Deposits from customers	154,975	150,758
Listed debt securities	156,187	147,335
Financial derivatives	12,569	17,547
Other liabilities	2,746	2,117
Senior non-preferred bonds	17,143	10,747
Subordinated loan capital	4,225	2,857
Total liabilities	348,620	332,025
Total equity	34,124	29,740
Total liabilities and equity	382,744	361,765

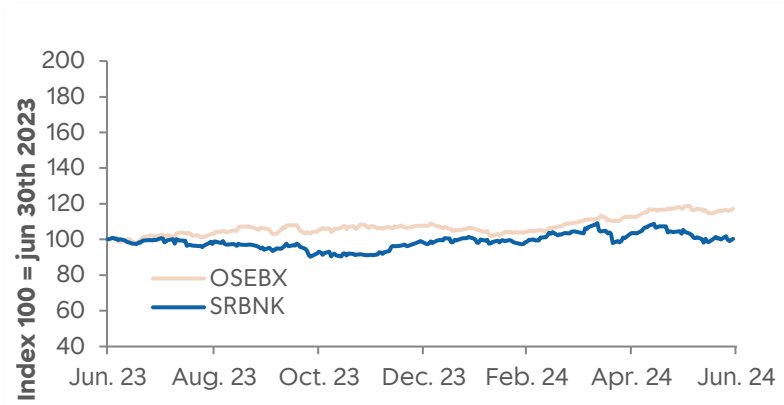
SRBNK share

- International ownership is 20.7% per 2. quarter 2024
- Total market value at 2. quarter 2024 is NOK 34.5 billion

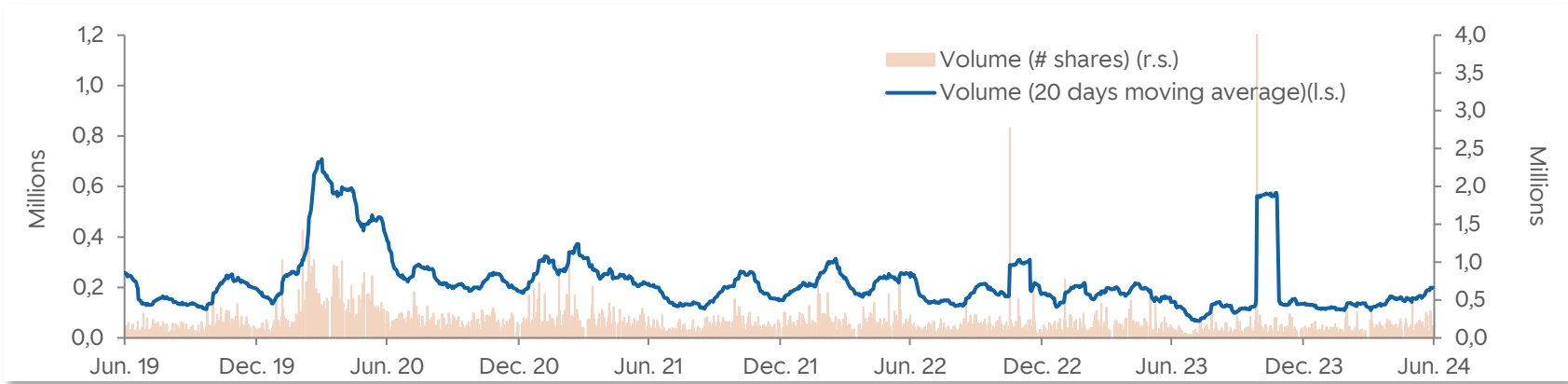
Development in Price/Book



Relative share price development



Trading volume development



SR-Bank as at 30 June 2024

- Number of shares issued 264.27 million
- Trading volume in Q2 2024: 4.0% (4.0%)

SpareBank 1 SR-Bank share	30.06.2024	2023	2022	2021	2020
Share price	130.60	128.90	120.70	133.20	91.00
Stock value (MNOK)	34,514	34,064	30,869	34,066	23,273
Book value per share (incl. Dividends) (group)	115.81	115.07	106.32	99.05	95.97
Earnings per share	8.45	16.27	12.88	12.08	5.87
Dividend per share	-	7.50	7.00	6.00	3.10
P/E	7.68	7.92	9.37	11.03	15.50
P/BV	1.13	1.12	1.14	1.34	0.95

Figures in parentheses as at 30 June 2023.

20 largest shareholders as at 30 June 2024

- Ownership interests:
 - From Rogaland, Agder, Vestland, Oslo and Akershus: 63.3% (65.0%)
 - International: 20.7% (21.2%)
 - 10 largest: 50.2% (49.2%)
 - 20 largest: 58.4% (57.5%)
- Number of shareholders: 18.943 (18.526)
- Employees owning 1.8% (1.8%) as at 30 June 2024

Investor	Shares (1000)	Stake
Sparebankstiftelsen SR-Bank	78,677	29.8%
Folketrygdfondet	19,570	7.4%
SpareBank 1-stiftinga Kvinnherad	6,527	2.5%
State Street Bank and Trust Co, U.S.A.	5,359	2.0%
Pareto Aksje Norge	4,236	1.6%
JPMorgan Chase Bank NA, U.S.A.	3,994	1.5%
Brown Brothers Harriman & Co, U.S.A.	3,858	1.5%
Odin Norge	3,736	1.4%
Swedbank AB	3,401	1.3%
Verdipapirfondet Alfred Berg Gambak	3,302	1.2%
J.P.Morgan SE, Luxembourg	2,983	1.1%
Danske Invest Norske Instit. II	2,566	1.0%
Pareto Invest Norge AS	2,502	0.9%
State Street Bank and Trust Co, U.S.A.	2,272	0.9%
AS Clipper	2,234	0.8%
KLP AksjeNorge Indeks	2,065	0.8%
Westco AS	1,957	0.7%
Vpf Nordea Norge Verdi	1,893	0.7%
Verdipapirfondet Alfred Berg Norge	1,654	0.6%
J.P.Morgan SE, Luxembourg	1,603	0.6%
Top 5	114,368	43.3%
Top 10	132,659	50.2%
Top 20	154,388	58.4%

Figures in parentheses as at 30 June 2023.

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