



*sparebanken
sogn og fjordane*



Investor presentation

Q4 2022

Headlines Q4 2022

(Figures in brackets are for the same period last year)



Good growth in loans : 6.7 % over the past year



Increase in net interest income: NOK 332 mill. (NOK 250 mill.)



Results from financial instruments: NOK 1 mill (NOK 63 mill.)



Loan losses: NOK 30 mill. (NOK 1 mill)



Solid liquidity and solidity:

- **LCR 165 % (140 %)**
- **Core Tier 1 Capital adequacy ratio: 14.4 % (16.6 %)**



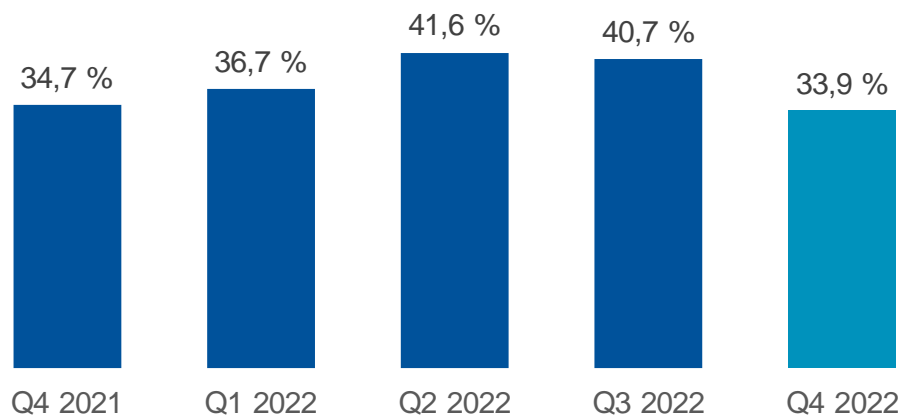
Profit per equity certificate (consolidated): kr 7.57 (kr 8.78)



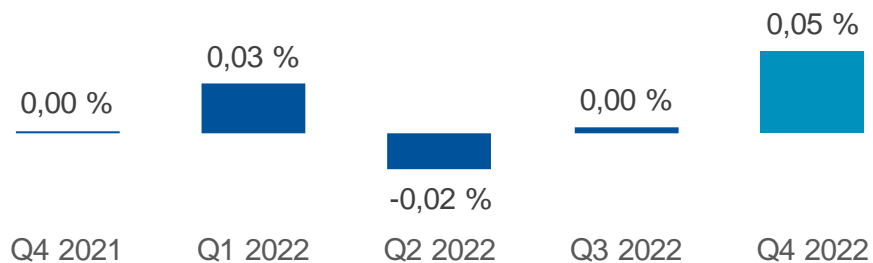
Return on equity: 11.0 % p.a. (13.7 % p.a.)

Development important key figures

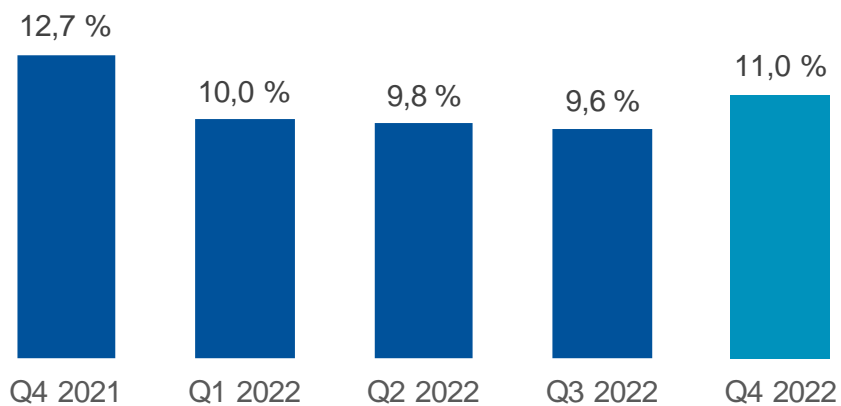
Cost/income ratio



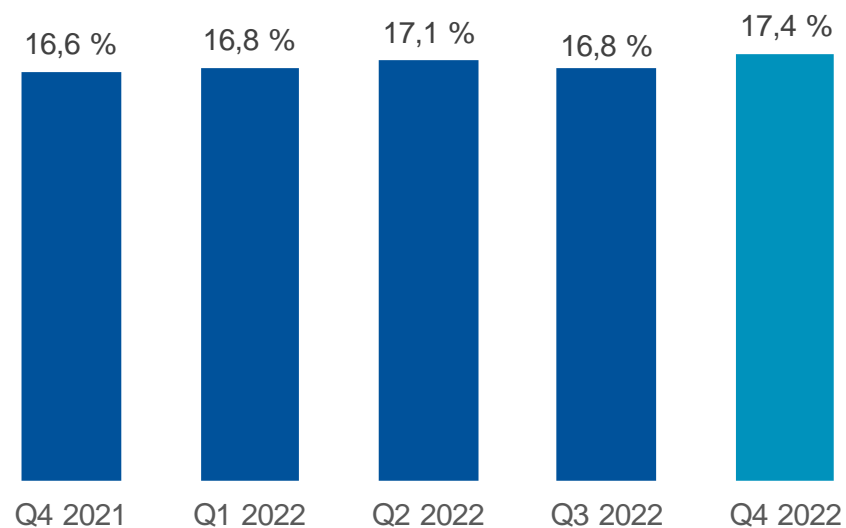
Impairment loss



Return on equity



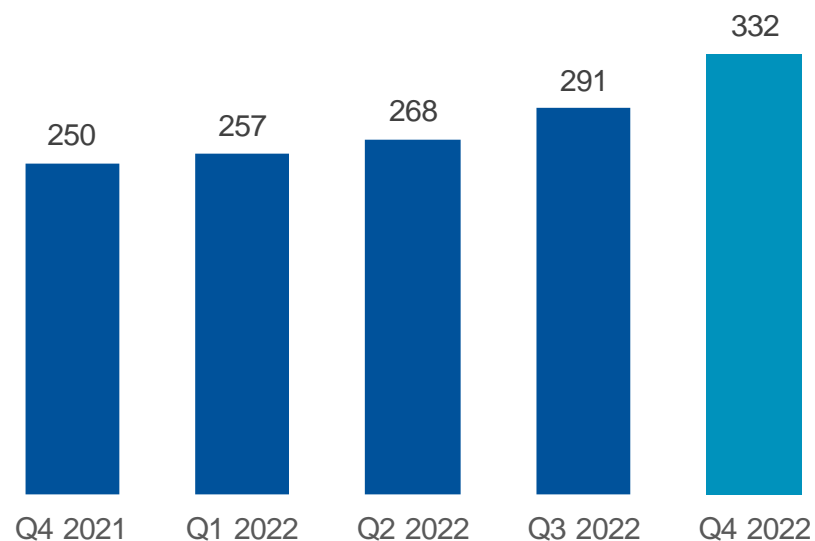
Core Tier 1 capital adequacy ratio



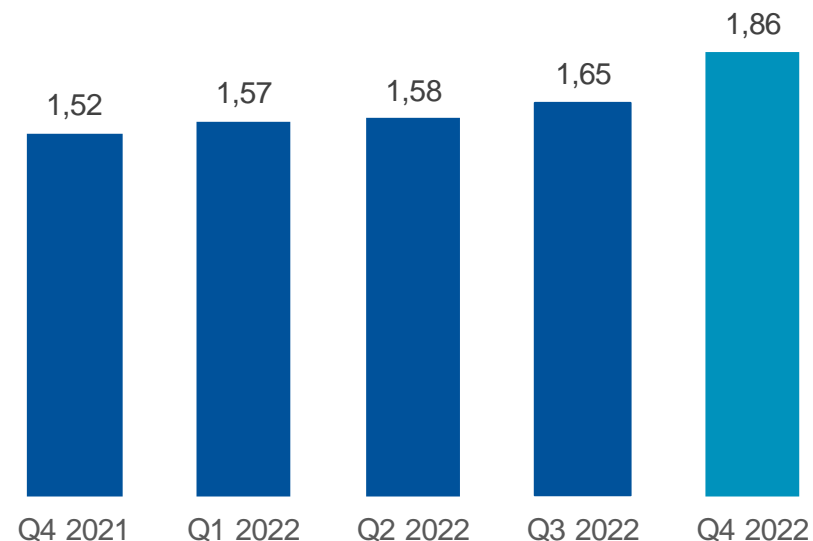
Strong growth in net interest income

Increase in customer margins and good volume growth result in a strong net interest income.

Net interest income



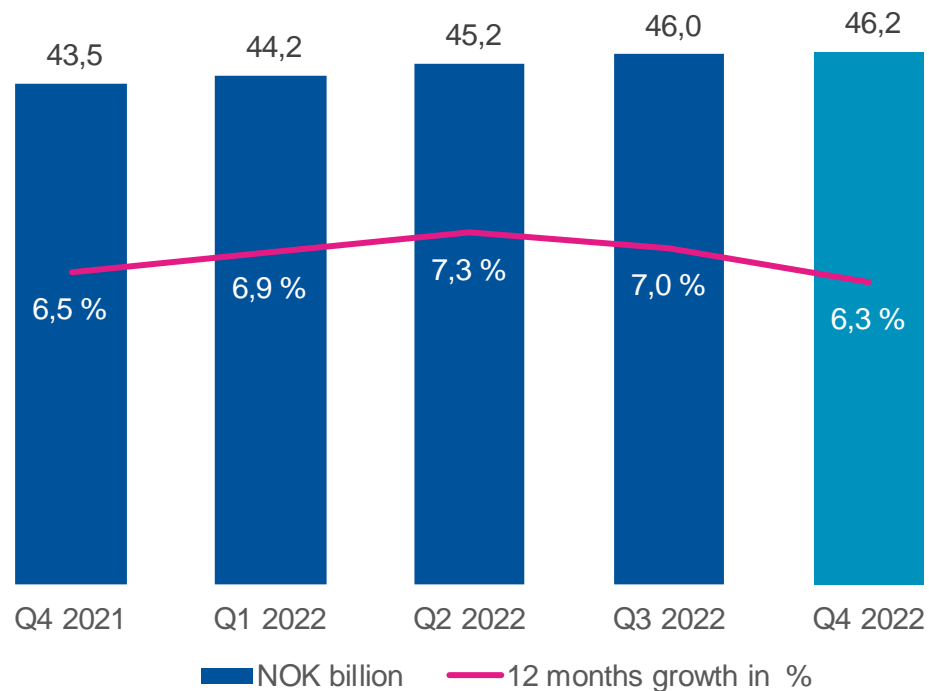
Net interest income as a percentage of average assets



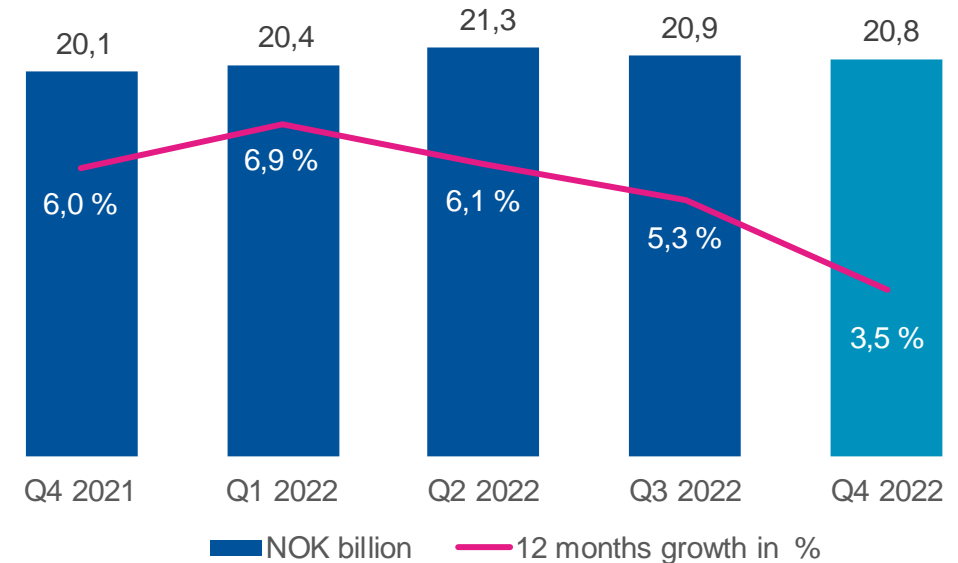
Net interest income in NOK million and as a percentage of average total assets

Good growth from the retail market for the year, but lower growth last quarter

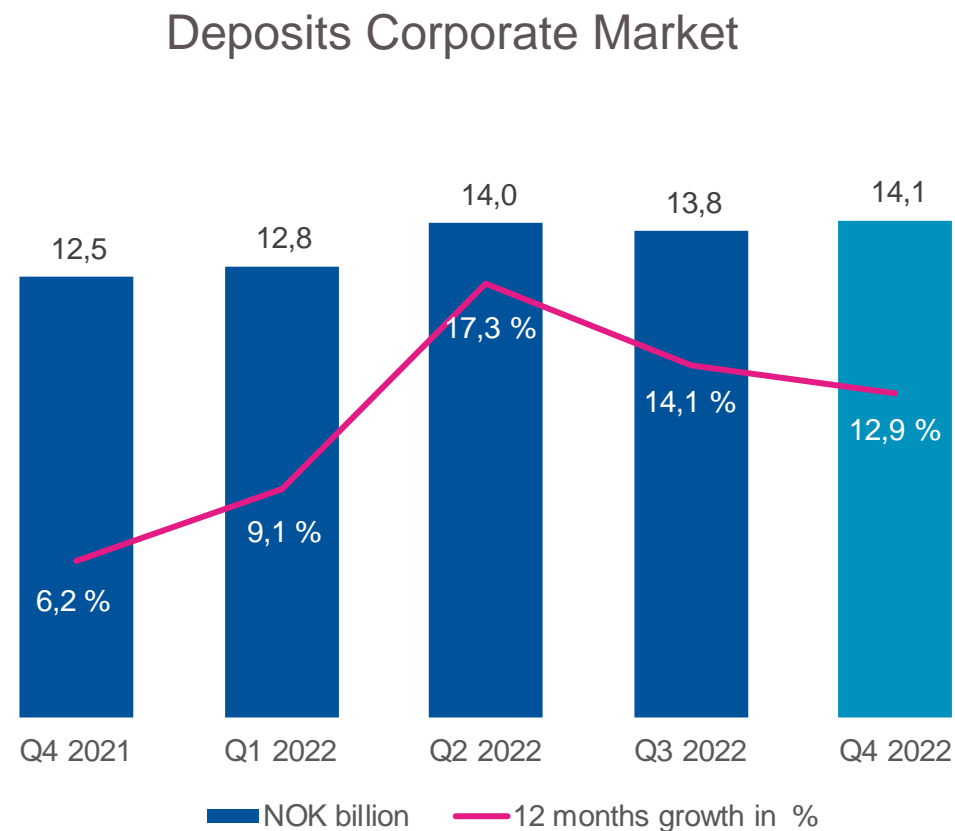
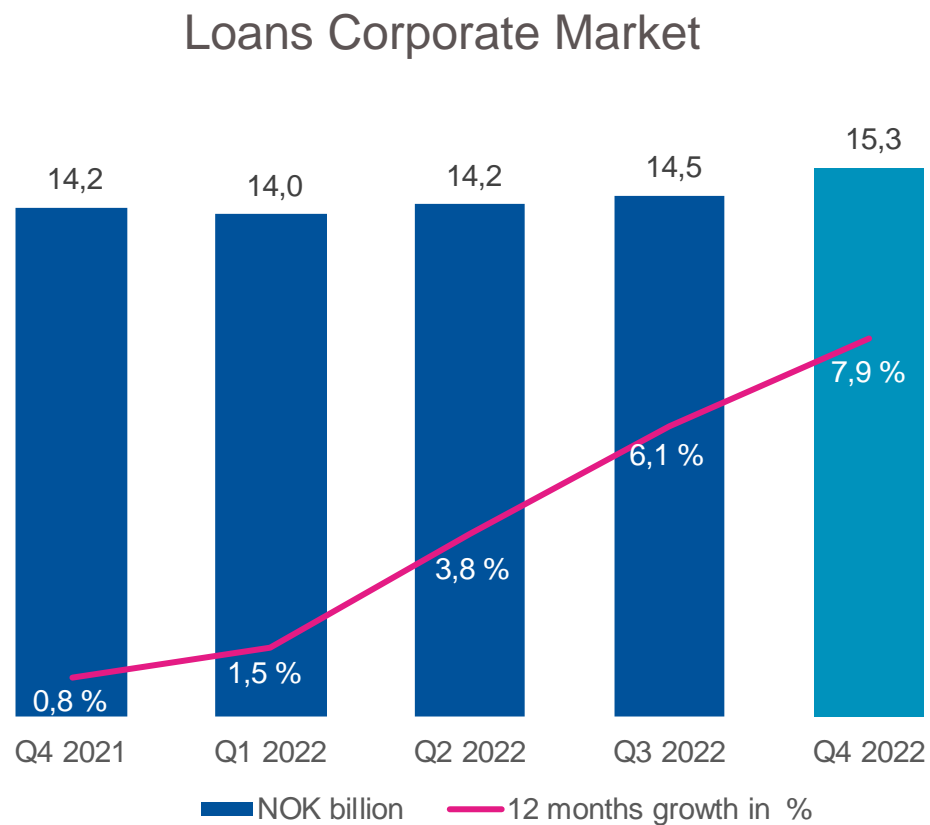
Loans retail market



Deposits retail market

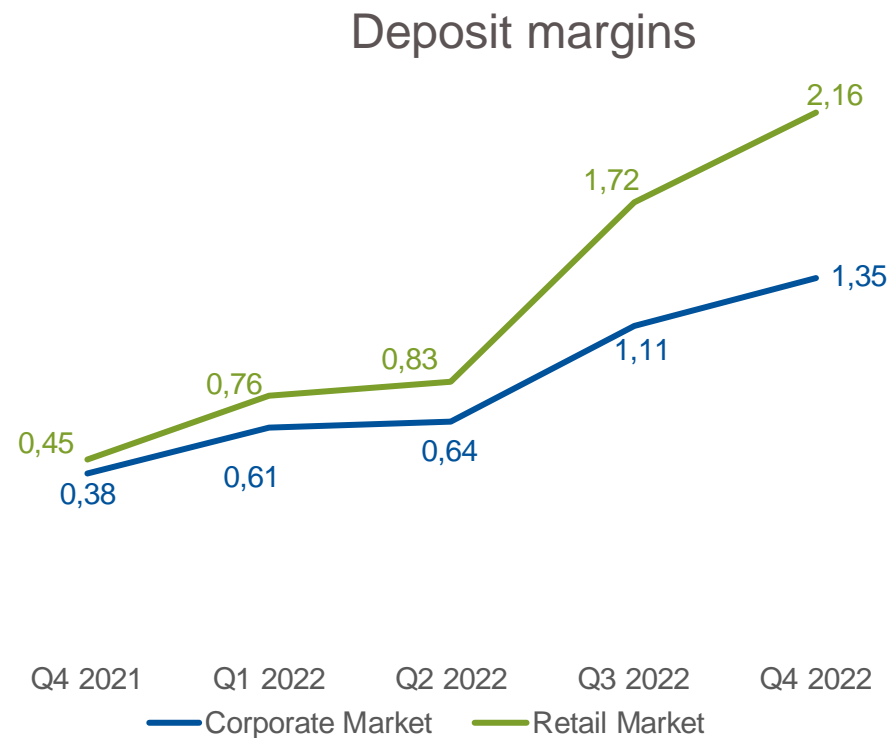
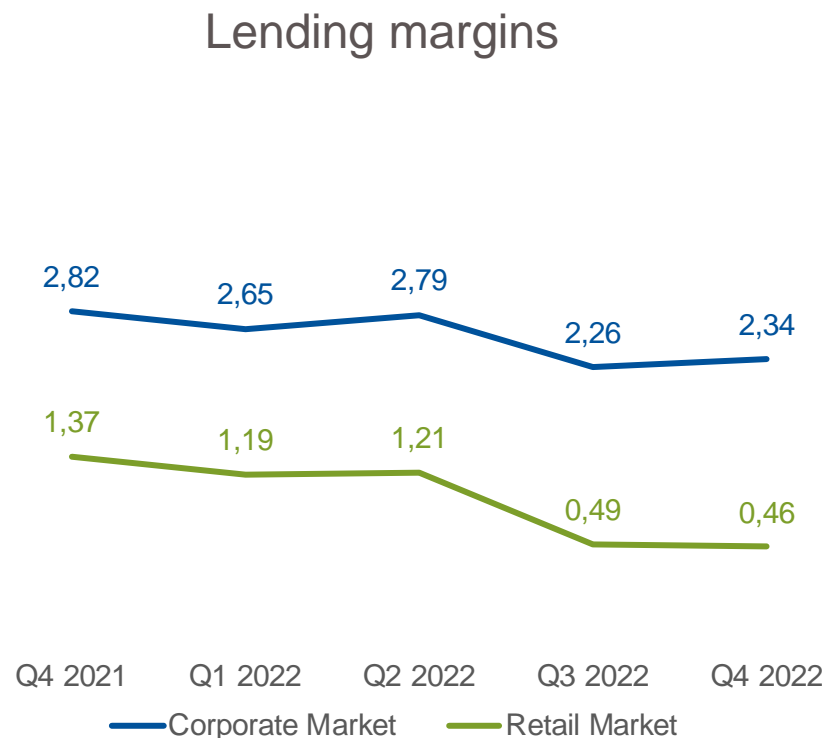


Solid growth from the Corporate Market



Customer margin

The bank has announced a new rise in interest rates for loans and deposits that have not yet had an effect. The overall effect going forward will depend on the development in 3 months. NIBOR

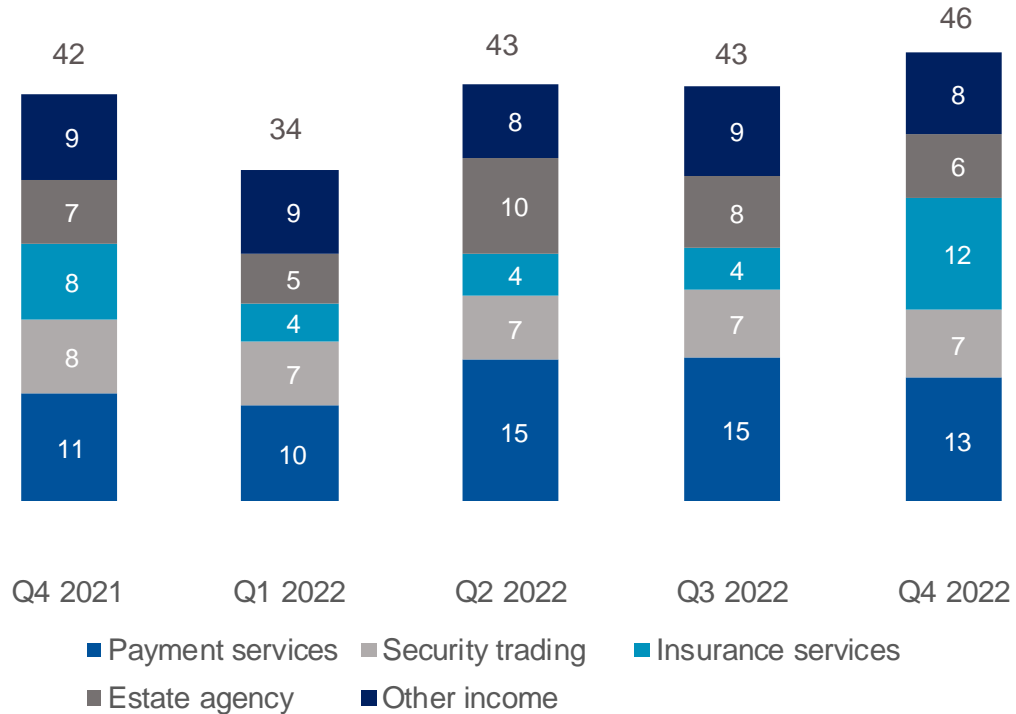


Shows deposit and lending rates for deposits and loans from customers measured against 3 month Nibor. The graph includes both deposit and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.

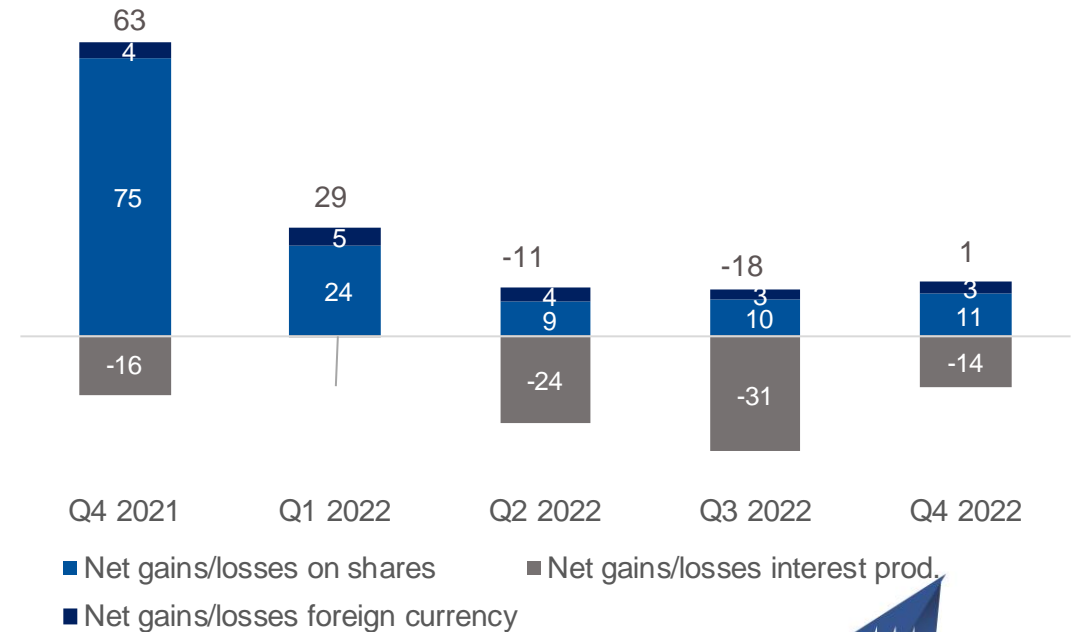
Low profit from financial investments

Commission from insurance strengthens other income

Other income



Result financial instruments

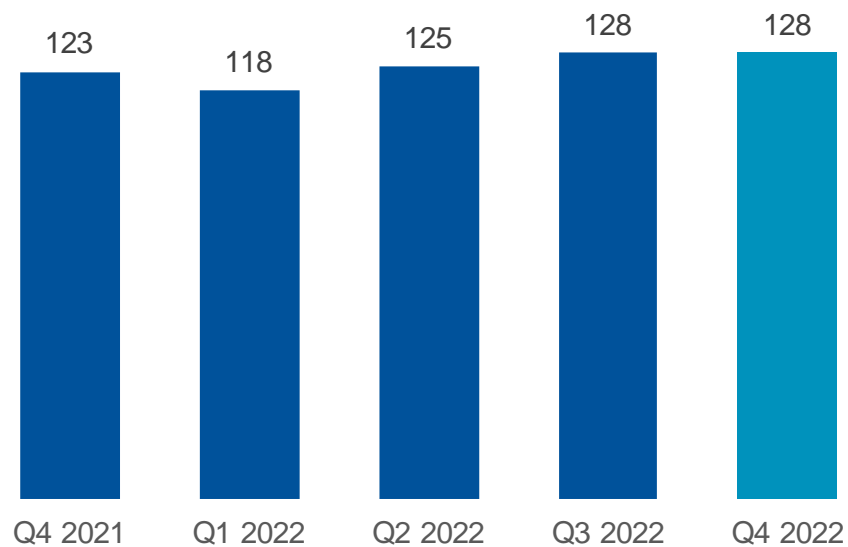


Figures per quarter in mill. NOK.

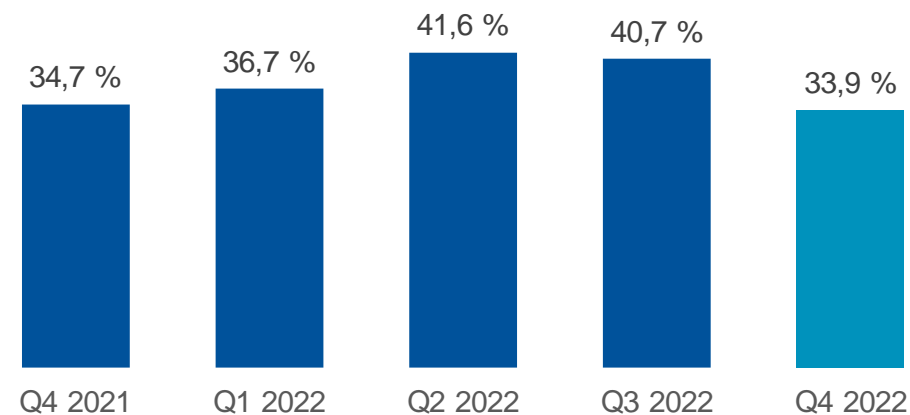
Operating costs

Moderate growth in costs results in cost-effective operations

Operating expenses



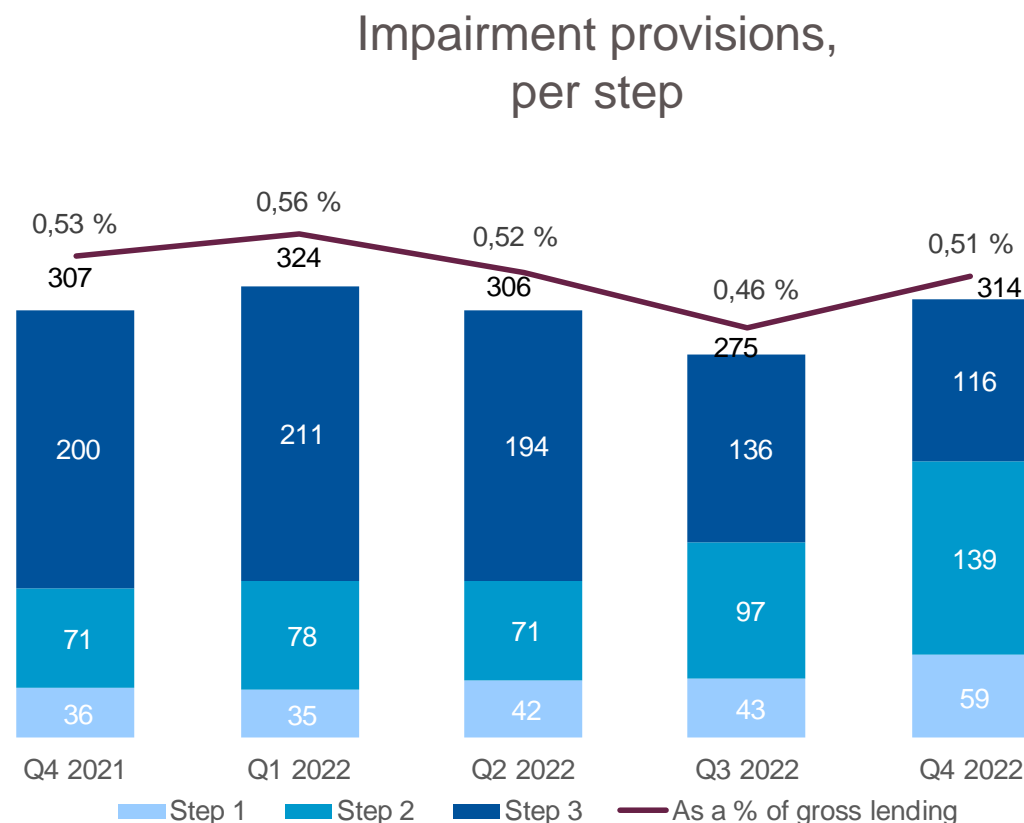
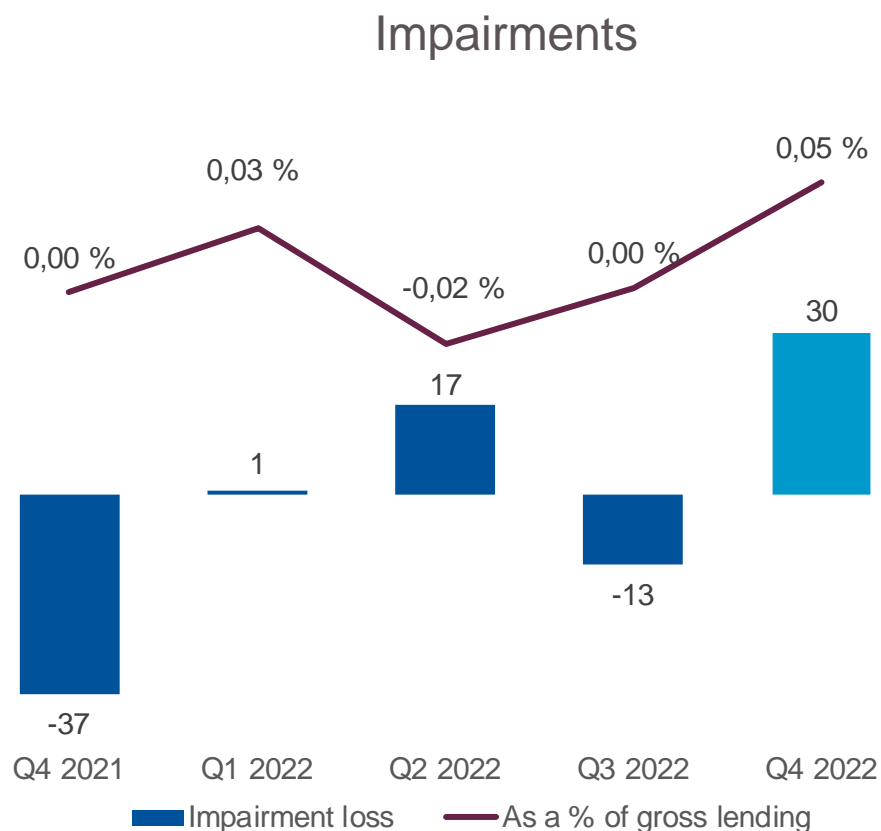
Cost/income ratio



Figures per quarter in mill. NOK.

Increase in the model-based losses in fourth quarter

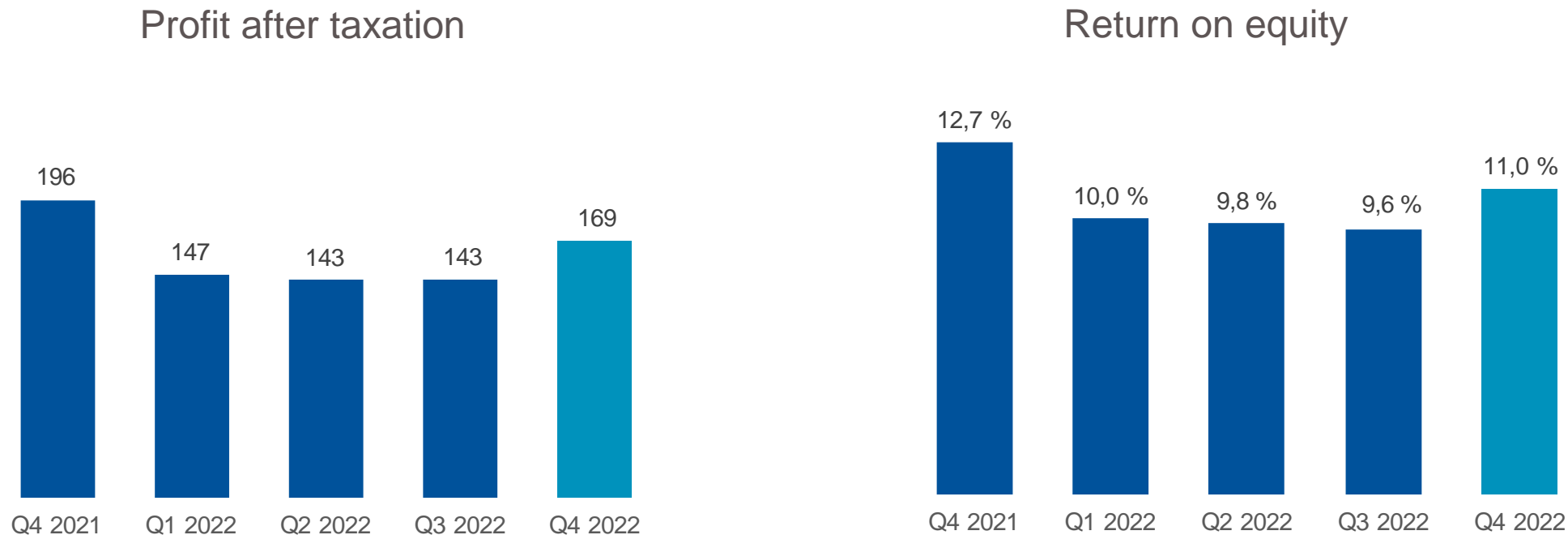
Due primarily to increased risk of falling prices in the residential market going forward. Individually assessed loans was roughly unchanged in the fourth quarter



Figures per quarter in mill. NOK.

Good result

Strong growth in net interest income provides a good result. Nevertheless, decline compared to the 4'th quarter of 2021 due to lower results from financial instruments and higher loan losses

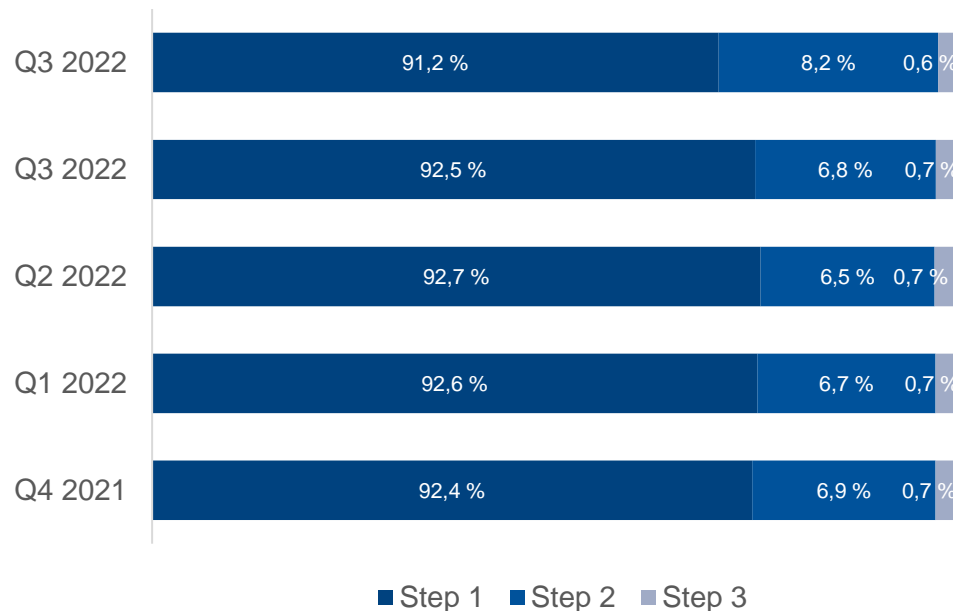


Figures for the quarters in NOK mill. Return on equity is calculated based on the opening equity excl. hybrid capital.

Credit risk in the Retail Market is still considered to be low

The bank is seeing an increase in applications for interest-only payments and for loan extensions, but no increases in defaults yet

Gross lending RM in % distributed per step



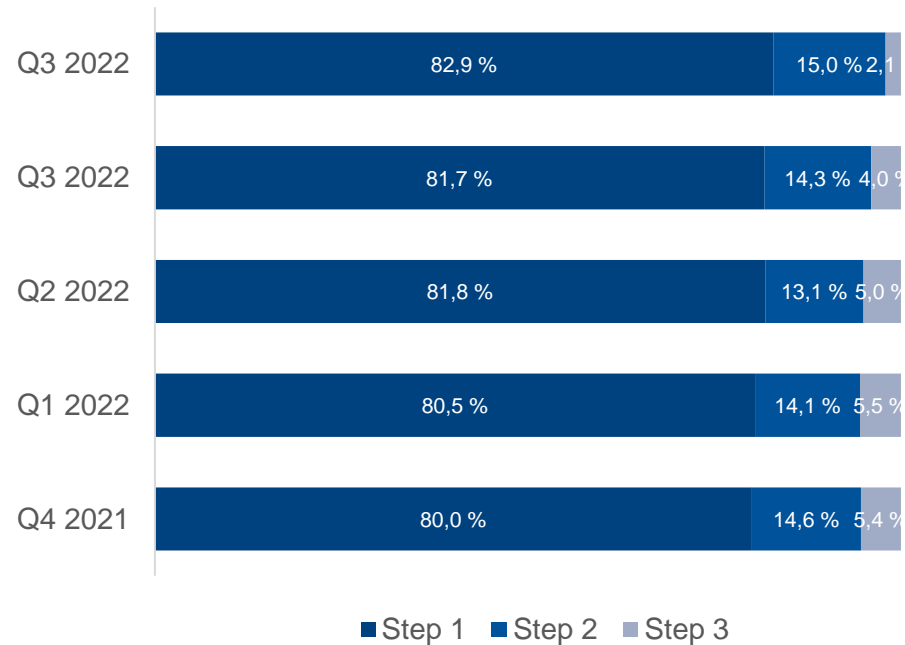
Loans to the RM in default >90 days



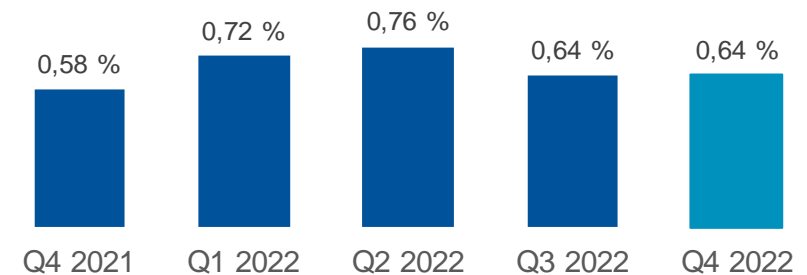
Credit risk Corporate Market is moderate

For the time being business activity is good, but higher interest rates and a high inflation may have a negative impact in the longer term.

Gross lending CM in % distributed per step

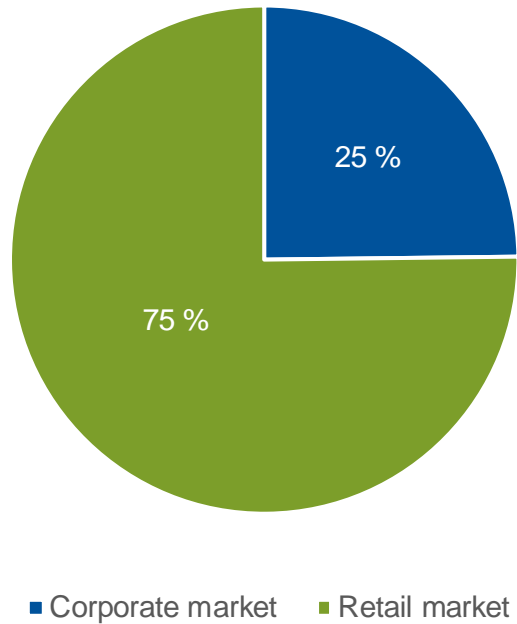


Loans to the corporate market in default > 90 days

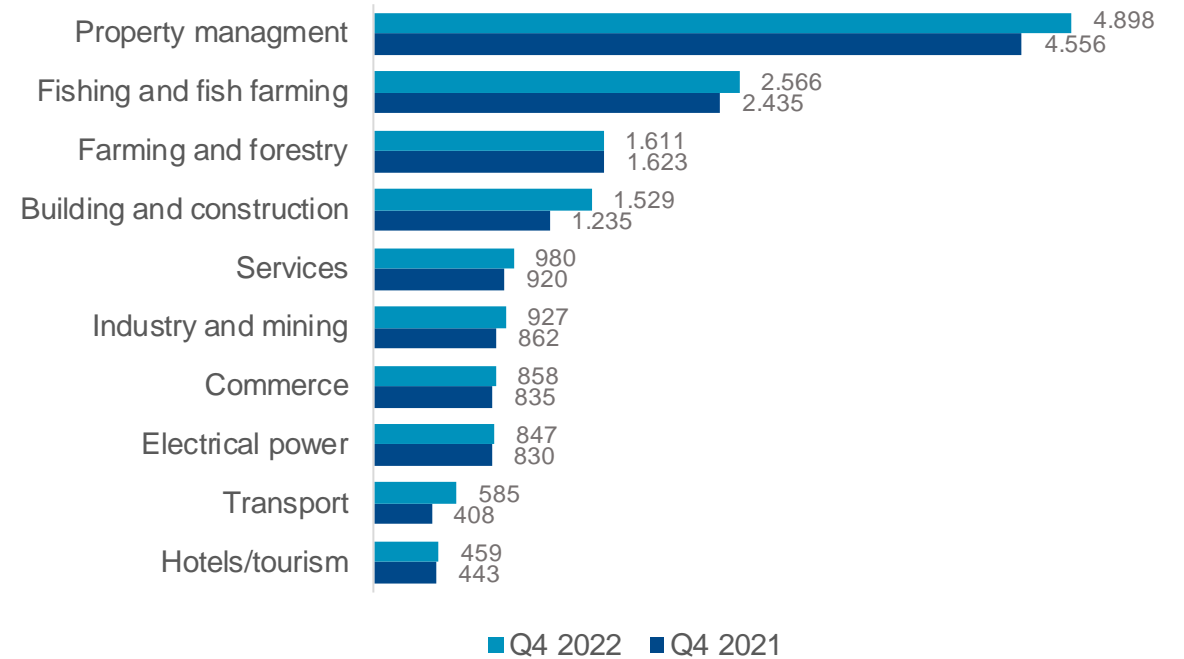


Segments and industries

Lending segments

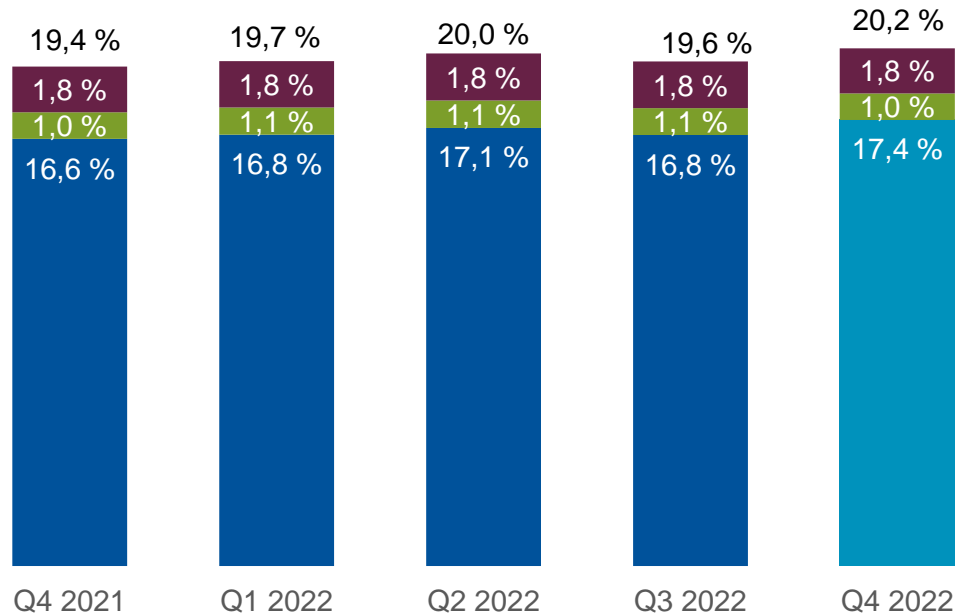


Lendings to the corporate market in NOK mill.



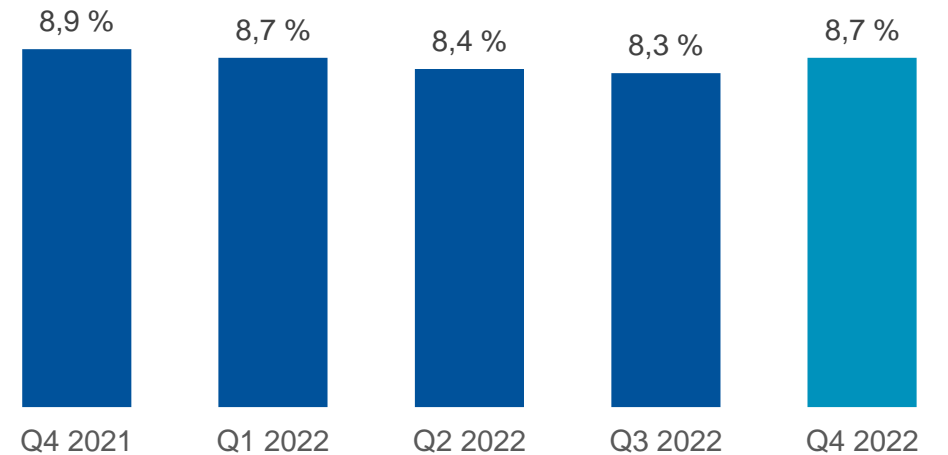
Solid capital adequacy ratio

Capital adequacy ratio

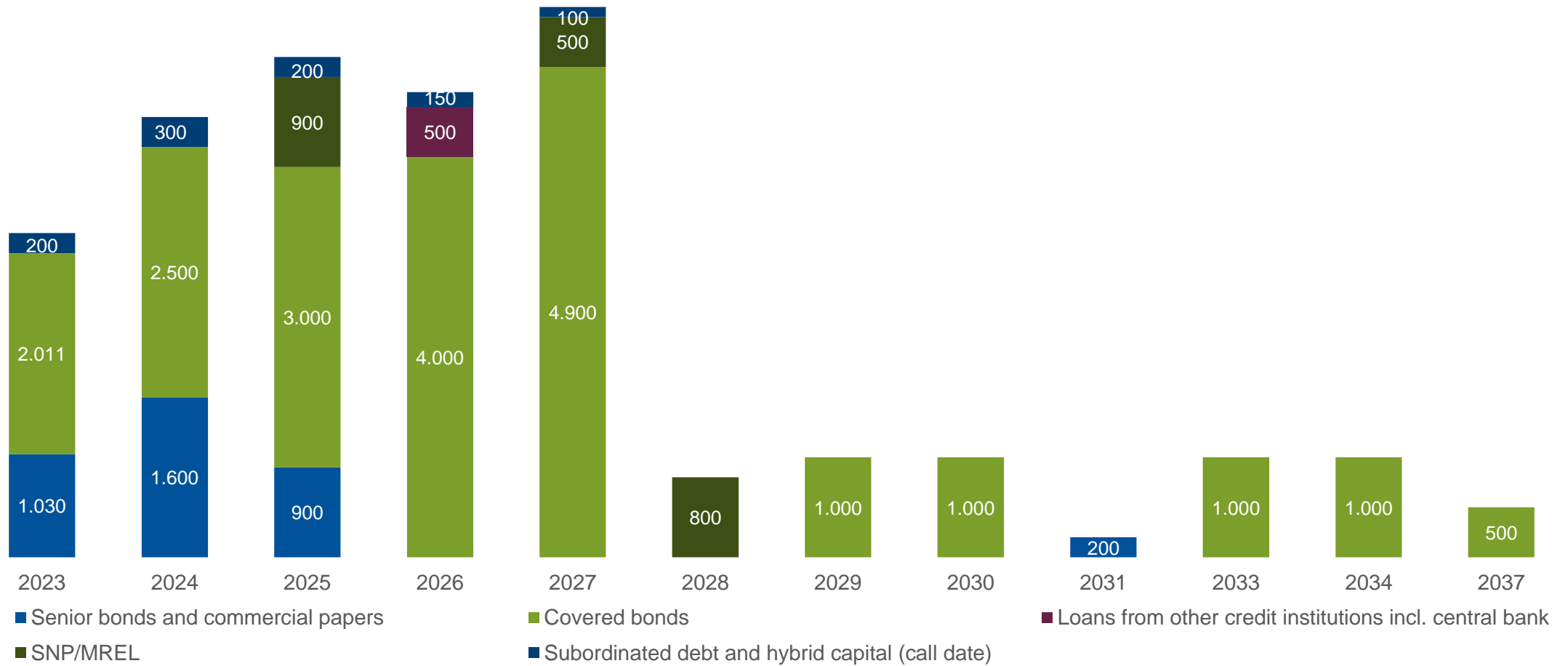


■ Tier 1 capital adequacy ratio ■ Hybrid capital ■ Supplementary capital

Leverage ratio



Maturity structure of funding



Figures in NOK mill.

Headlines 2022

(Figures in brackets are for the same period last year)



Solid lending growth: 6.7% (5.0%)



Increase in income: NOK 1 314 mill. (NOK 1 274 mill)



Costs increase: NOK 499 mill (NOK 483 mill)



Loan losses: NOK 36 mill (against reversals recognized as income NOK 37 mill.)



Strong liquidity and solidity:

- LCR: 165% (140%)
- Core Tier 1 capital adequacy ratio: 17.4% (16.6%)



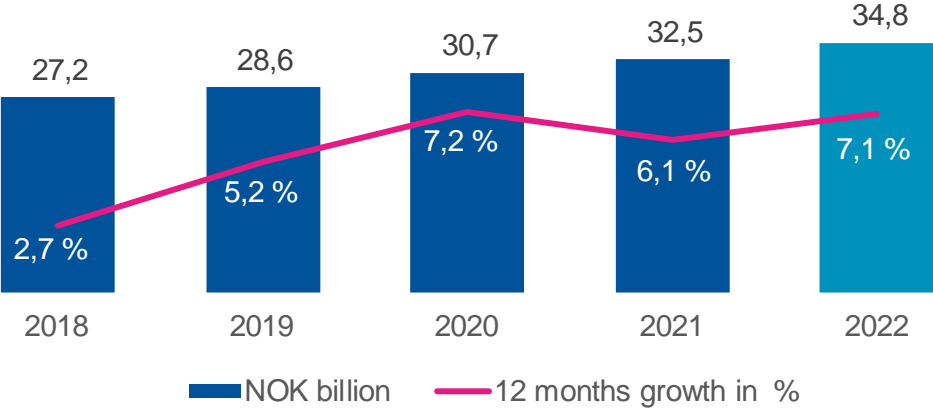
Profit per equity certificate (consolidated): kr 26.98 (kr 29.91)



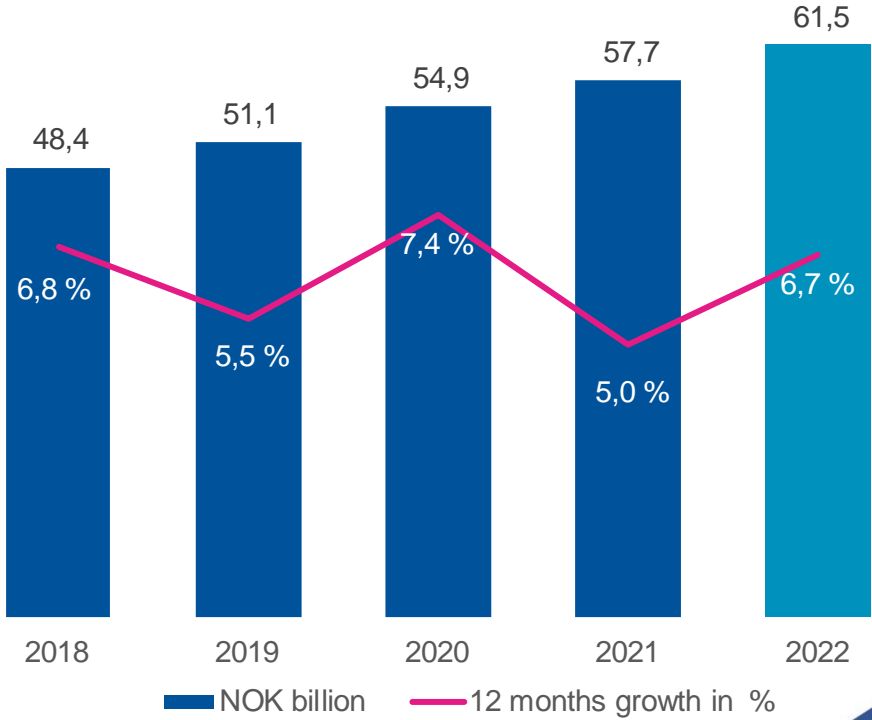
Strong return on equity: 10.2% (12.4%)

Development in deposits and lending shows our strong position in the market

Deposits last 5 years



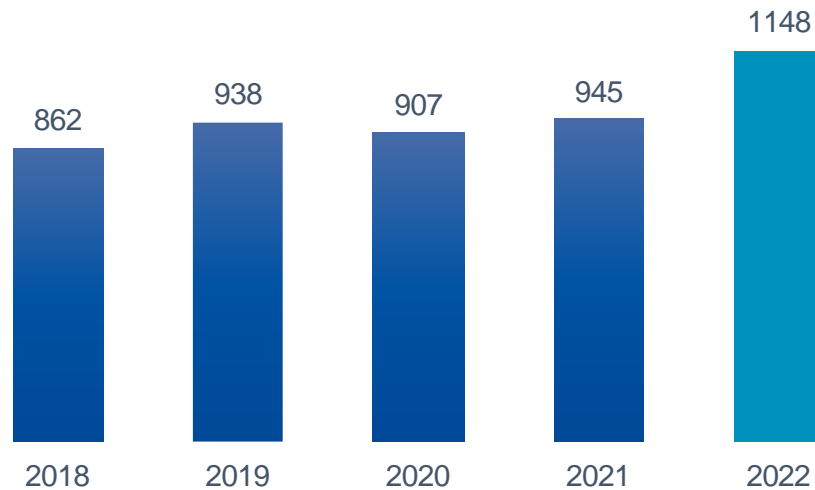
Lending last 5 years



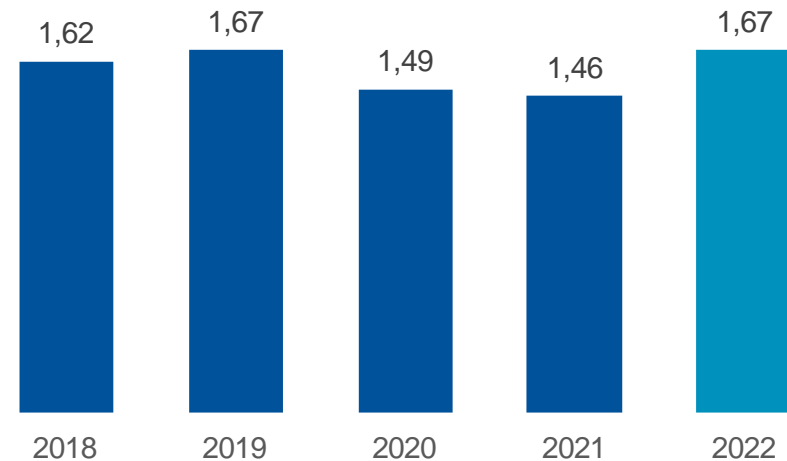
Increased net interest income in 2022

Net interest income increased by 21%, due to higher interest rates and solid growth in deposits and loans

Net interest income



Net interest income in % of average total assets

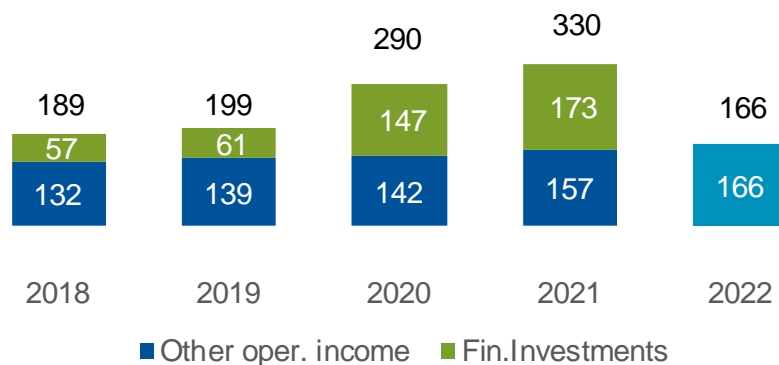


Figures in NOK mill.

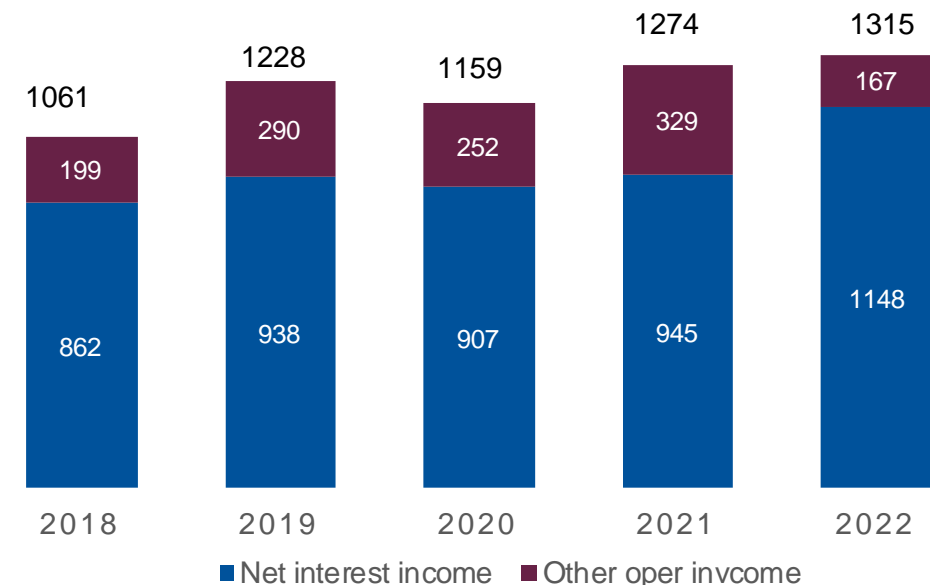
Good progress in total revenues but lower results from financial instruments

Lower profit from shares. At the same time, good progress in income from insurance and payment services

Other income



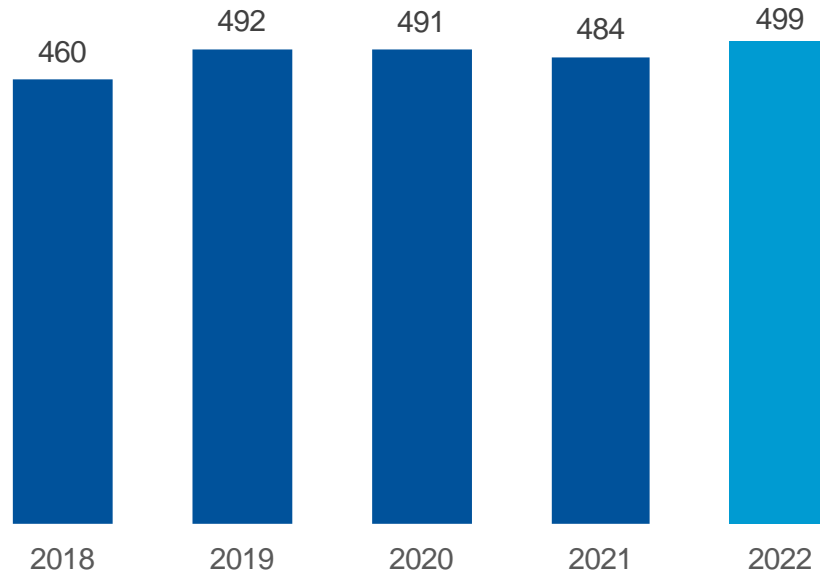
Total income



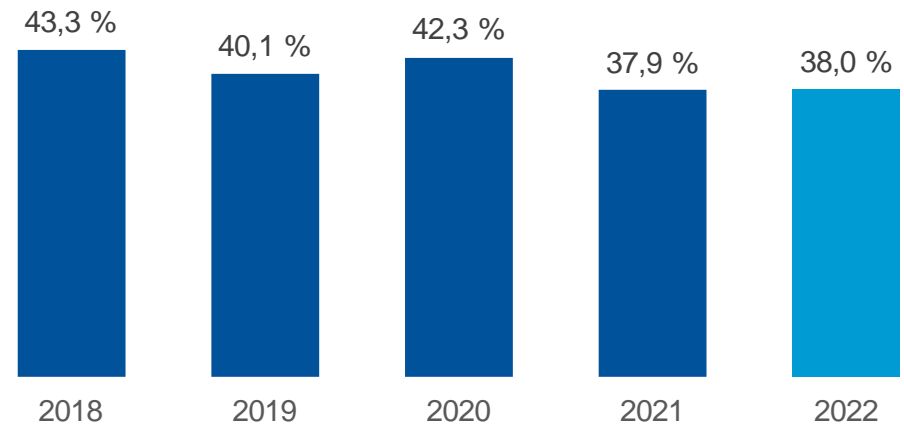
Moderate increase in operating costs

Adjusted for one offs, it is especially the IT and personnel costs that have increased from 2021.
More cost-effective operation has a positive effect on the cost percentage.

Operating expenses in NOK mill.



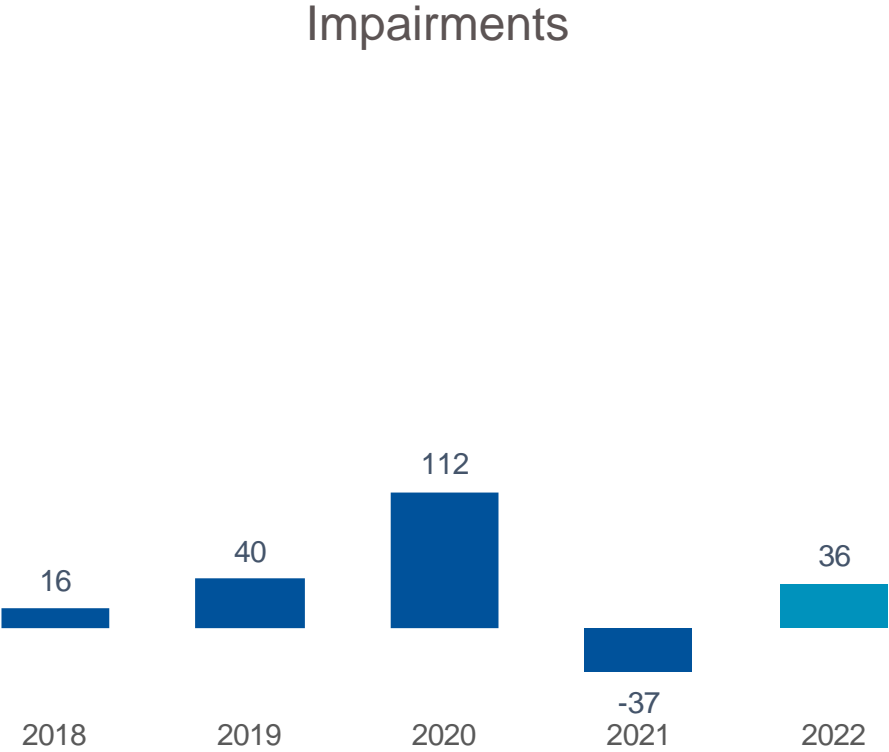
Cost/income ratio



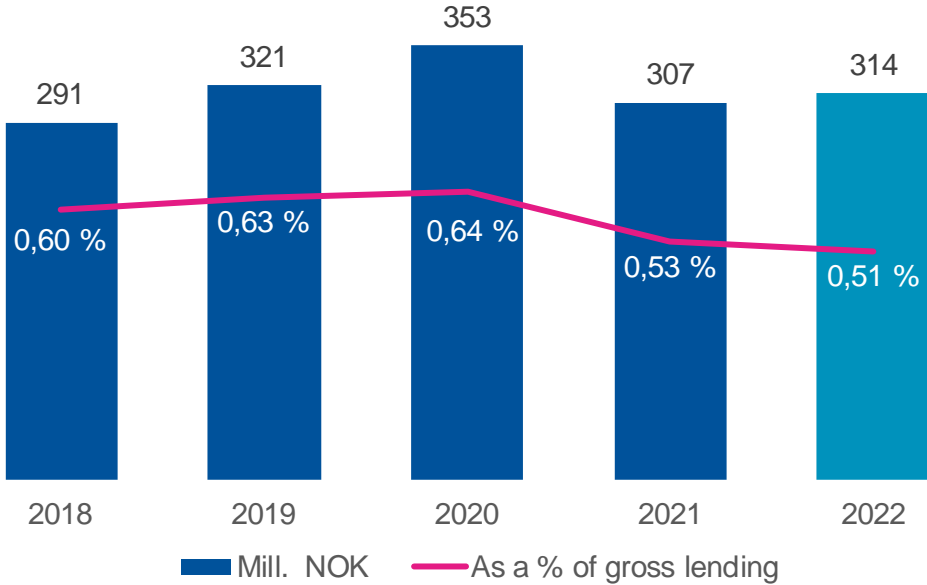
Still low loan losses

Uncertain macro situation gives an increase in the model-based losses in 2022

Impairments



Impairment provision as a % of gross loans

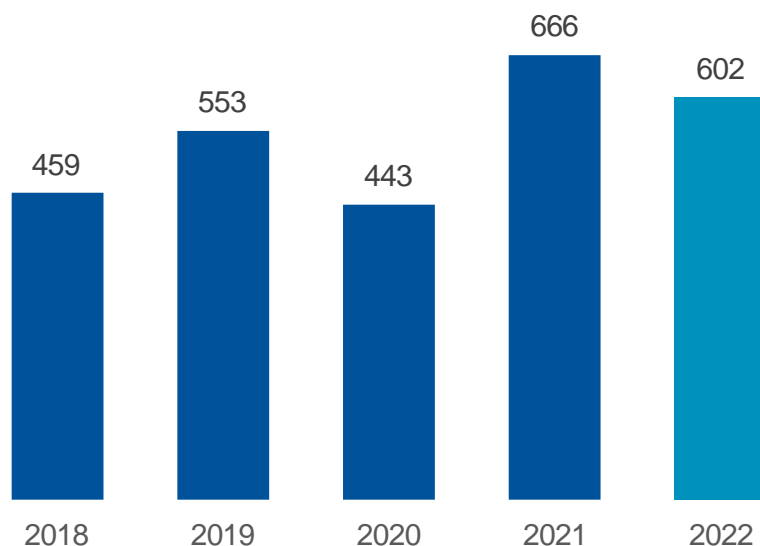


Figures in NOK mill

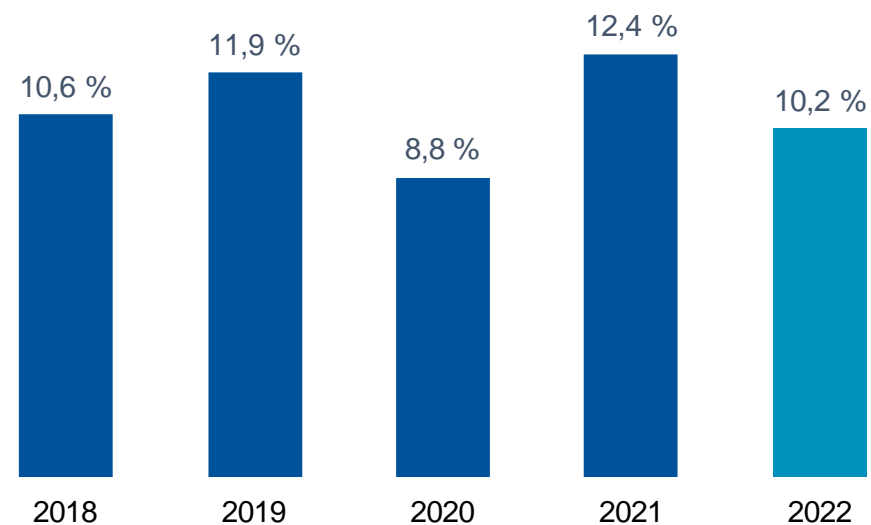
Good results for 2022

Nice progress in interest income and commission income. Lower results from financial instruments and higher loan losses gives lower results than in 2021

Comprehensive income



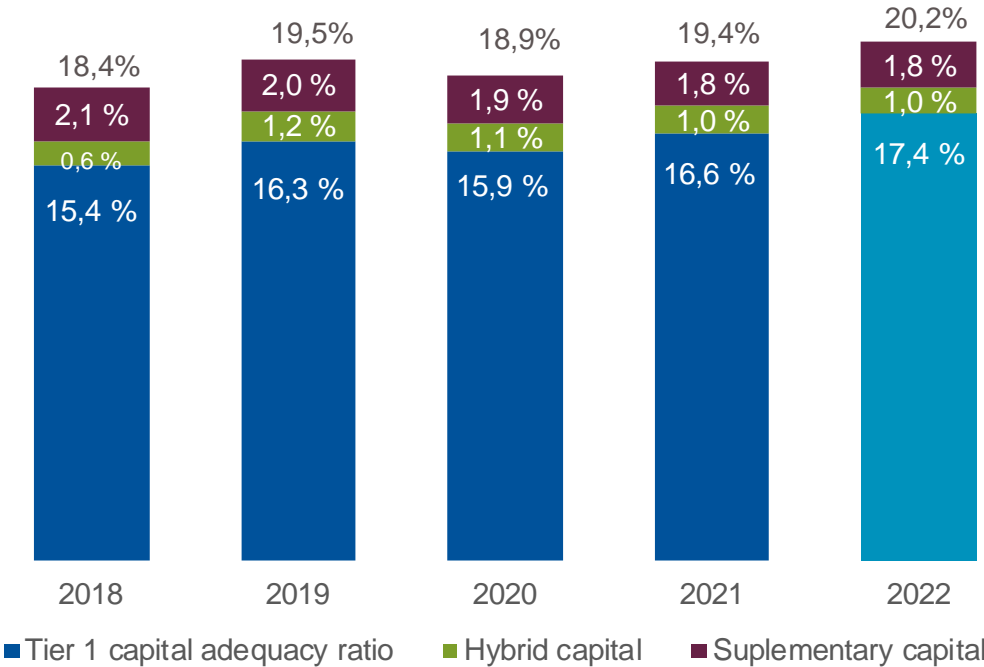
Return on equity



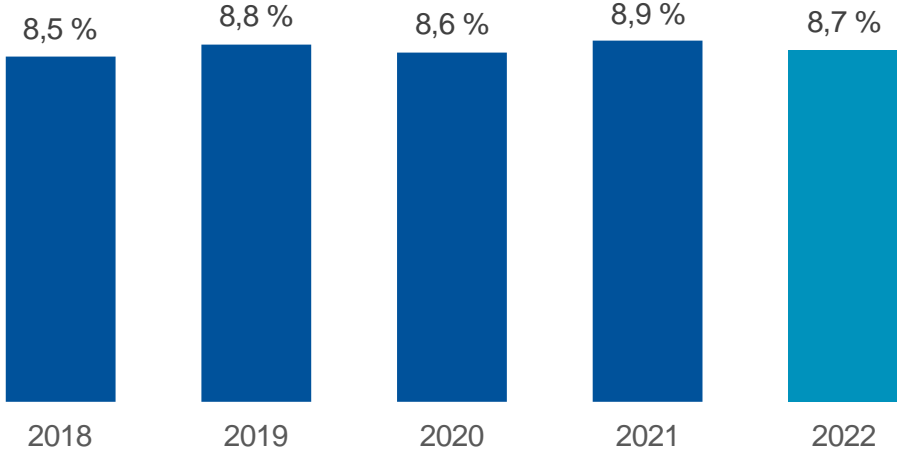
Figures in NOK mill

Solid capital adequacy ratio

Capital adequacy ratio



Leverage ratio





sparebanken
sogn og fjordane

Gåve
sparebanken
sogn og fjordane
TIL SOGN RIDEHALL
BELOP 400.000, —

Gåve
sparebanken
sogn og fjordane
TIL KUNNSKAPSPARKEN
BELOP 250.000, —

Gåve
sparebanken
sogn og fjordane
TIL VITE MEIR
BELOP 600.000, —

Gåve
sparebanken
sogn og fjordane
TIL LEIKANGER SKYTTLAG
BELOP 400.000, —

The bank and the community

VISION

A driving force for Sogn og Fjordane

STRATEGIC GOALS

Independence and co-operation
Financial performance in line with comparable regional savings banks

VALUE PROPOSITION



Community engagement
Personal and approachable
Smart digital services

STRATEGIC PRIORITIES FOR 2023

Customer growth

Product sales

Sustainability

Close partners of the business community

In 2022, we lent NOK 1 billion to new customers in the corporate market.

Our advisers for the corporate market are keeping a close eye on our customers in a volatile macroeconomic environment.

Businesses in Sogn og Fjordane are coping well, in spite of rising interest rates, high inflation and global unrest



Market shares in Sogn og Fjordane

Retail Market* **48.2 %**

Corporate Market* **34.4 %**

Estate Agency** **40.0 %**

*Market share : Figures as of Q3 2022

**Market share : Figures as Q4-21

Source: *SSB, Early Warning ** Eiendomsverdi,

Ownership structure and corporate social responsibility



*sparebankstiftinga
sogn og fjordane*



skape og dele
Sparebankstiftinga **FJALER**



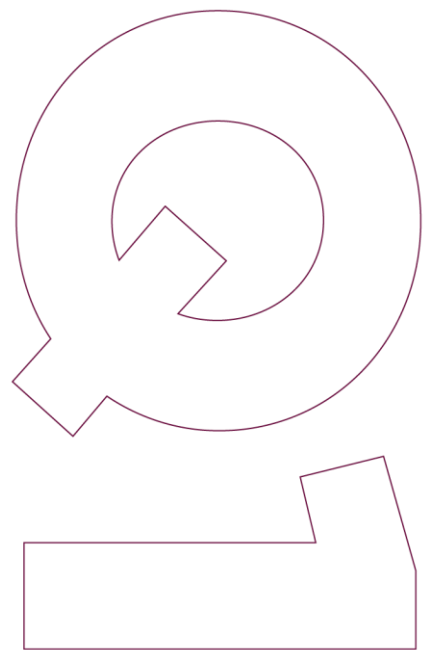
*sparebanken
sogn og fjordane*



I 2022 we returned
NOK 56 millions
to the local community through gifts



We have employed 150 new members of staff in the past 5 years, both to replace people retiring and in order to bring in fresh expertise



The biggest gift of the year was handed out in January, when the planned indoor football hall at Hafstadparken in Førde received **NOK 7 million** from us and **Sparebankstiftinga Sogn og Fjordane**.

We launched new environmentally friendly bank cards that contain less plastic than the old ones.

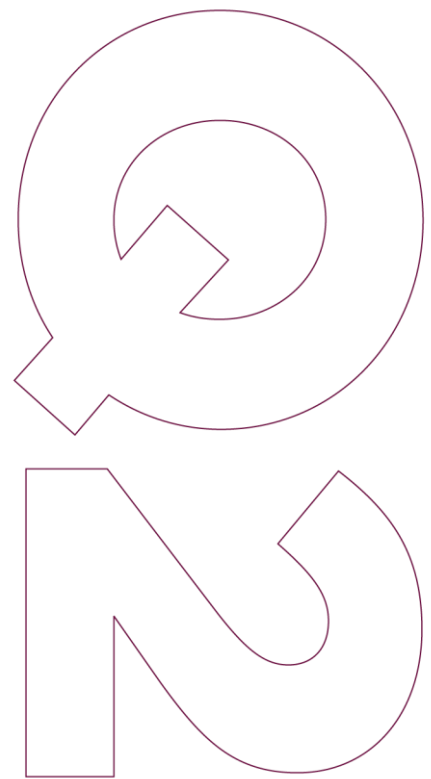
In March we presented our comprehensive income for 2021, which came to **NOK 666 million**.

Lars Solnørdal became our bank manager for Indre Sunnfjord.

To support agriculture, we offered an interest-free loan of **up to NOK 300,000** to farmers.



Lars Solnørdal



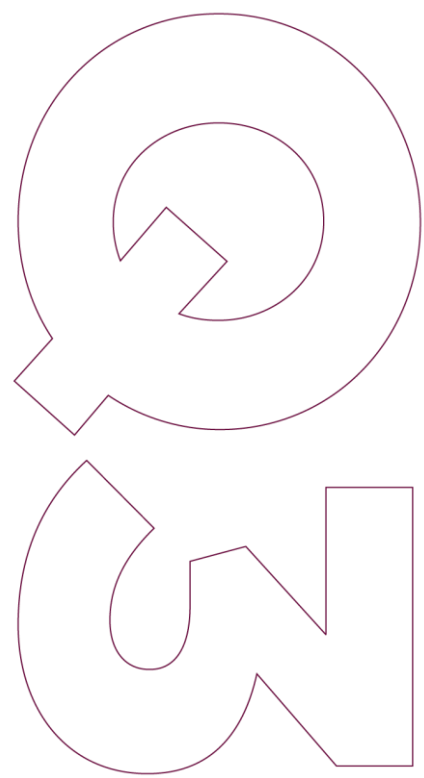
Svanøy manor house is being renovated, and to help cover the cost, we and Sparebanken Vest gave **NOK 5 million each**.

All of our employees were allocated equity certificates through a new savings programme that makes them shareholders in their own company

In June we moved into brand new offices in the centre of **Øvre Årdal**.

In the second quarter we reached a major milestone when we exceeded **NOK 1 billion in net loan growth to retail customers** in a single quarter for the very first time.





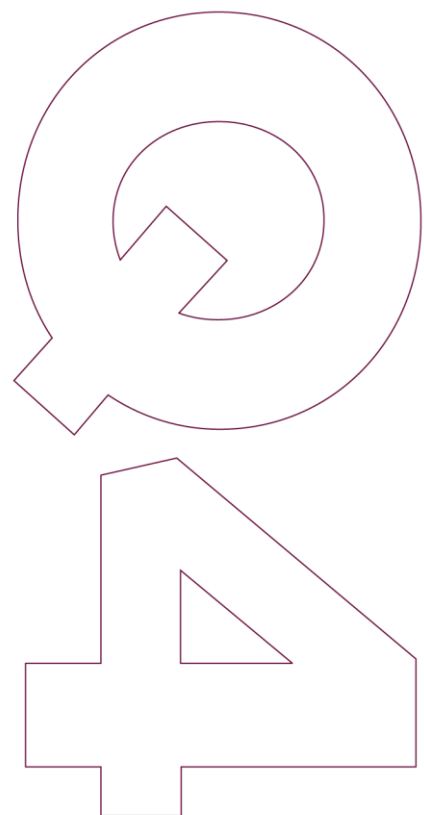
At Sandane we moved out of our offices and into temporary premises at the old police station. In 2023 we will move back into the bank when the renovation work has been completed

14 village halls in Sogn og Fjordane received funding to upgrade their buildings. **The total amount donated was NOK 1.5 million.**

Yet another year of great results in the industry survey by EPSI Rating. **For the fourth year in a row, we came top for reputation.**

Our CEO, Trond Teigene, is on the jury of the green innovation prize Drivprisen, and in September he attended the event where the first prize was awarded to **Brødrene Aa** from Hyen.





We have held family events at Sunnfjordparken activity park in Førde, and at the science centres VilVite in Bergen and ViteMeir in Kaupanger. We also offered free Christmas film showings at **17 locations in Sogn og Fjordane and Bergen.**

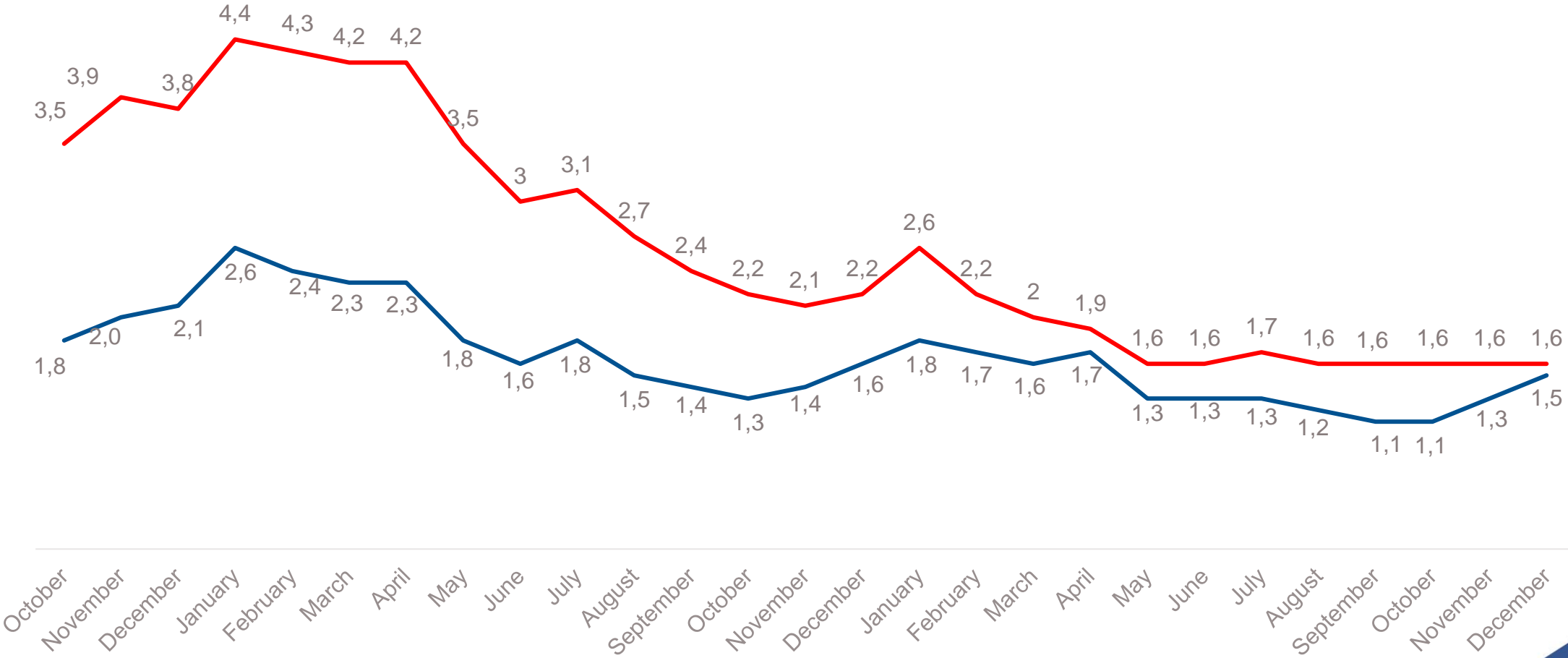
The new unheated sports hall in Dale has in total received **NOK 5.9 million** of our profit through Sparebankstiftinga Fjaler. It was finally officially opened in October.

The gymnastics group at Stryn sports club has received a brand **new gymnastics hall.** We attended its opening and celebrated the event by signing a three-year partnership agreement

Together with PwC our corporate banking department organised seminars for businesses in Førde, Stryn og Florø. The topic covered was “acquisitions and disposals”.



A slight increase in the unemployment rate in Sogn og Fjordane the last quarter



Year 2020

— Unemployment S&F — Unemployment NOR

Year 2022



Contact information

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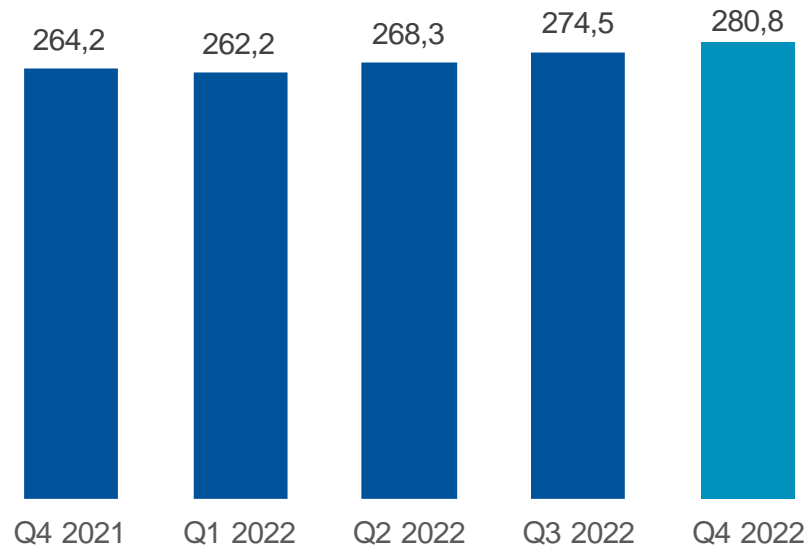


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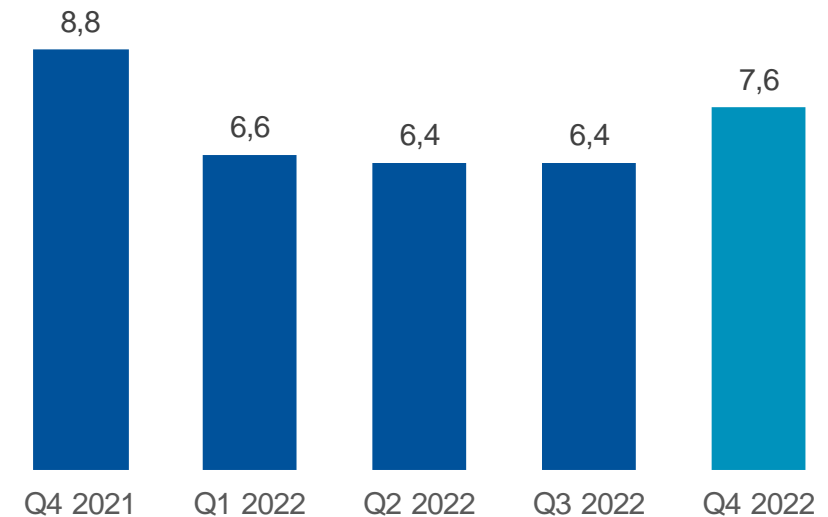
Attachments

Equity certificate

Book value per equity certificate



Profit before taxation per equity certificate per quarter



Figures in NOK per quarter

Consolidated financial results by quarter

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net interest income	332	291	268	257	250
Other operating income	46	43	43	34	42
Dividends and gains/losses on financial instruments	1	- 18	- 11	29	63
Net other operating income	47	25	32	63	105
Total revenues	379	315	300	320	355
Operating expenses	128	128	125	118	123
Profit/loss before impairment loss	250	187	175	203	232
Impairment loss	30	2	- 13	17	1
Profit/loss before taxation	220	185	188	186	231
Tax expense	51	42	45	39	35
Profit/loss after taxation	169	143	143	147	196
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	169	143	143	147	196

Consolidated financial results by quarter

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	235	231	229	233
Other operating income	38	40	37	37
Dividends and gains/losses on financial instruments	36	60	14	27
Net other operating income	74	100	51	64
Total revenues	309	331	279	297
Operating expenses	117	114	130	141
Profit/loss before impairment loss	192	217	149	155
Impairment loss	- 37	9	- 9	- 1
Profit/loss before taxation	229	208	159	156
Tax expense	53	37	36	37
Profit/loss after taxation	176	171	123	119
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	176	171	123	119

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	Full-year 2022	Full-year 2021
INCOME STATEMENT		
Net interest income	1 148	945
Dividends and gains/losses on financial instruments	0	173
Other operating income	166	157
Operating expenses	499	483
Profit/loss before loan impairment charge (incl. securities)	815	791
Profit/loss before impairment loss (excl. securities)	815	618
Impairment loss	36	- 37
Profit/loss before taxation	779	827
Tax expense	177	161
Profit/loss after taxation	602	666
Other comprehensive income	0	0
Comprehensive income	602	666
BALANCE SHEET		
Assets		
Gross loans and advances to customers	61 498	57 651
Loss allowance	- 314	- 307
Security investments (shares, commercial paper and bonds)	8 225	7 368
Debt and equity		
Deposits from and debt to customers	34 846	32 536
Debt securities and debt to credit institutions	27 673	25 835
Equity	6 645	6 249
Total assets	70 824	65 808
Average total assets	68 515	64 604

Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	Full-year 2022	Full-year 2021
Profitability		
Net interest margin	1,67 %	1,46 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,24 %	0,24 %
Operating expenses as a % of average total assets	0,73 %	0,75 %
Profit/loss before impairment loss as a % of average total assets	1,19 %	1,22 %
Profit/loss before tax as a % of average total assets	1,14 %	1,28 %
Profit/loss after tax as a % of average total assets	0,88 %	1,03 %
Comprehensive income as a % of average total assets	0,88 %	1,03 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	37,99 %	43,87 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	37,98 %	37,93 %
Impairment loss as a % of gross loans	0,06 %	- 0,06 %
Return on equity before tax 1)	13,21 %	15,38 %
Return on equity after tax 1)	10,21 %	12,39 %
Pre-tax return on equity (comprehensive income) 1)	10,21 %	12,39 %
Consolidated comprehensive income per equity certificate, in NOK	26,98	29,91
Dividend payable per equity certificate, in NOK	12,00	9,00
<i>1) Return on equity is calculated based on opening equity excl. hybrid capital</i>		
Capital and liquidity position		
Capital adequacy ratio	20,15 %	19,44 %
Core capital adequacy ratio	18,39 %	17,66 %
Core Tier 1 capital adequacy ratio	17,36 %	16,62 %
Leverage ratio	8,65 %	8,86 %
Liquidity Coverage Ratio (LCR)	165 %	140 %
NSFR, consolidated	122 %	
NSFR, parent company	140 %	
Balance sheet history		
Growth in total assets (year-on-year)	7,62 %	5,02 %
Growth in gross customer lending (year-on-year)	6,67 %	5,04 %
Growth in customer deposits (year-on-year)	7,10 %	6,10 %
Deposits as a % of consolidated gross lending	56,66 %	56,44 %
Deposits as a % of parent company's gross lending	104,80 %	94,84 %
Employees		
Full-time equivalent employees	283	273