



*sparebanken  
sogn og fjordane*

# Investor presentation

Q3-2024

# Headlines Q3 2024

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



**Solid growth in loans : 4,1 % last 12 months**



**Increase in net interest income: NOK 405 mill. (NOK 379 mill.)**



**Results from financial instruments: NOK 222 mill. (NOK -29 mill.)**



**Impairment gain: NOK 5 mill. (against loss of NOK 30 mill.)**



**Solid liquidity and solidity:**

- **LCR 152 % (158 %)**
- **Core Tier 1 Capital adequacy ratio: 17.5 % (16,9 %)**



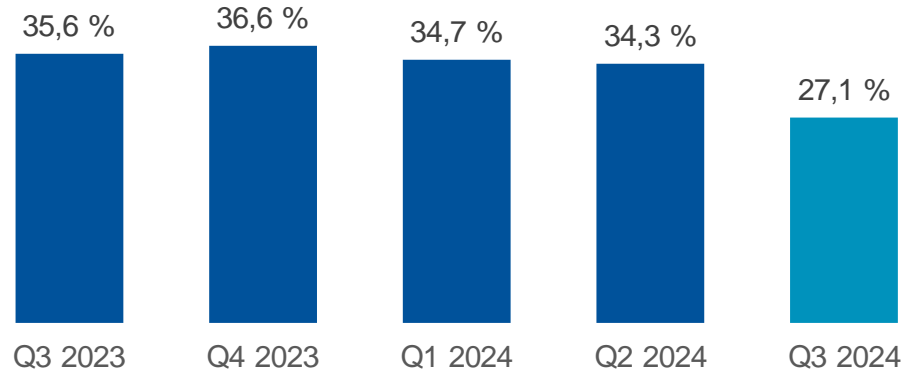
**Profit per equity certificate (consolidated): NOK 19,05 (NOK 7,42)**



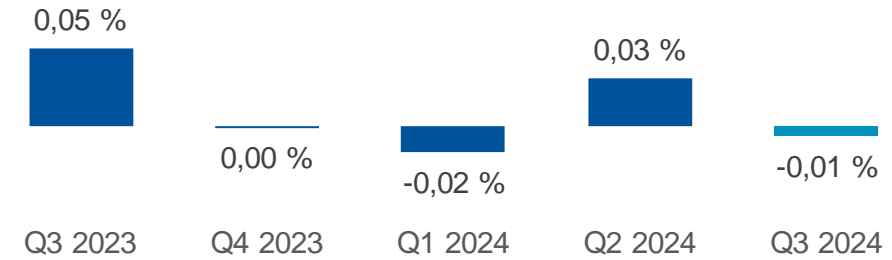
**Return on equity: 24,1 % p.a. (9,7 % p.a.)**

# Development important key figures

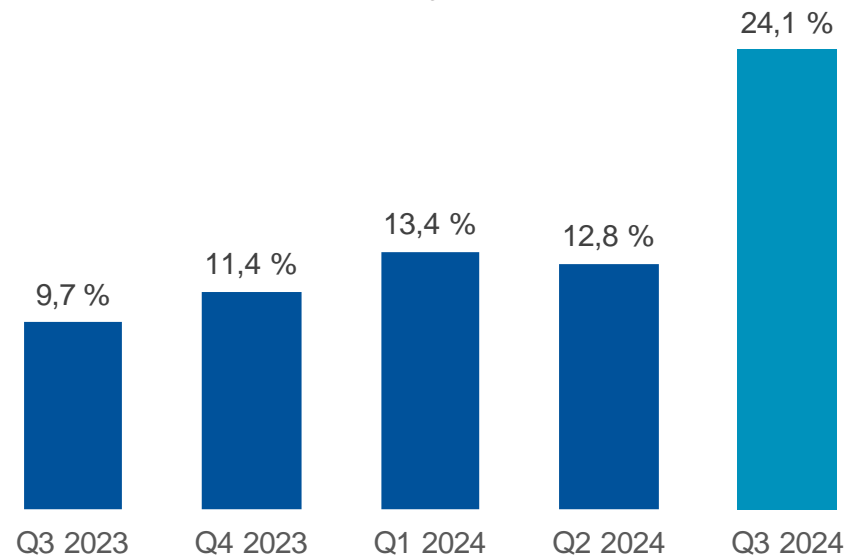
## Cost/income ratio



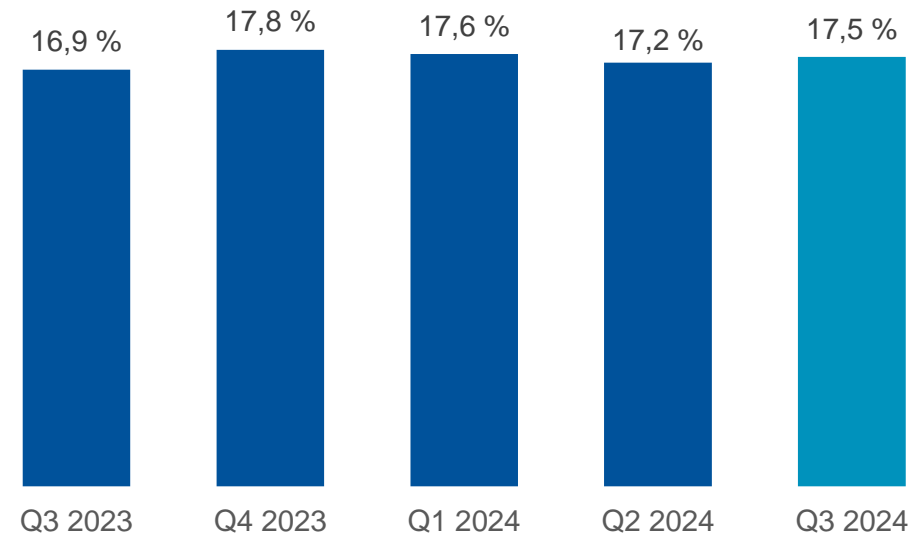
## Impairment loss



## Return on equity after tax



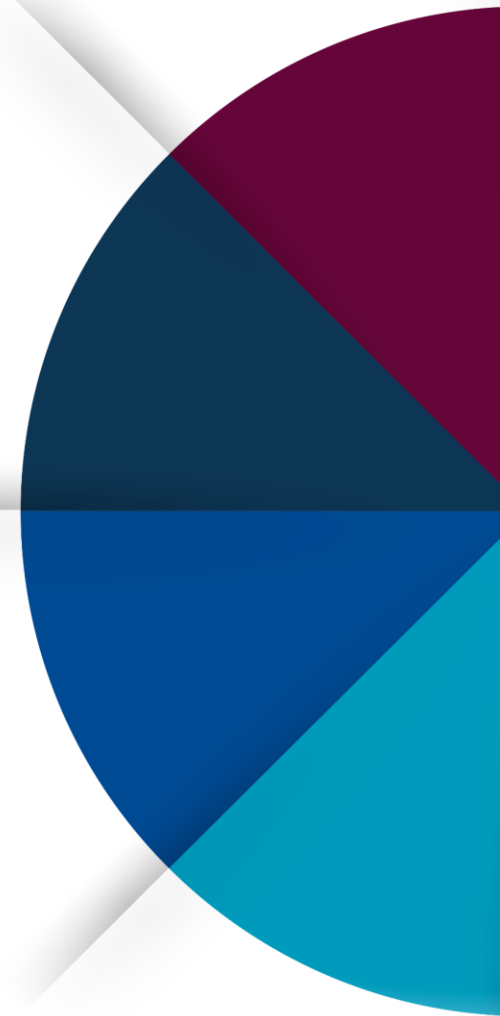
## Core Tier 1 capital adequacy ratio



# Financial target figures

	Target figures	Status Q3-24
Return on equity	> 11 %	24,1 %
Cost/income ratio	< 40 %	27,1 %
Core Tier 1 capital ratio*	> 17 %	17,5%
Dividend payout ratio	≥ 50 %	82,9 %

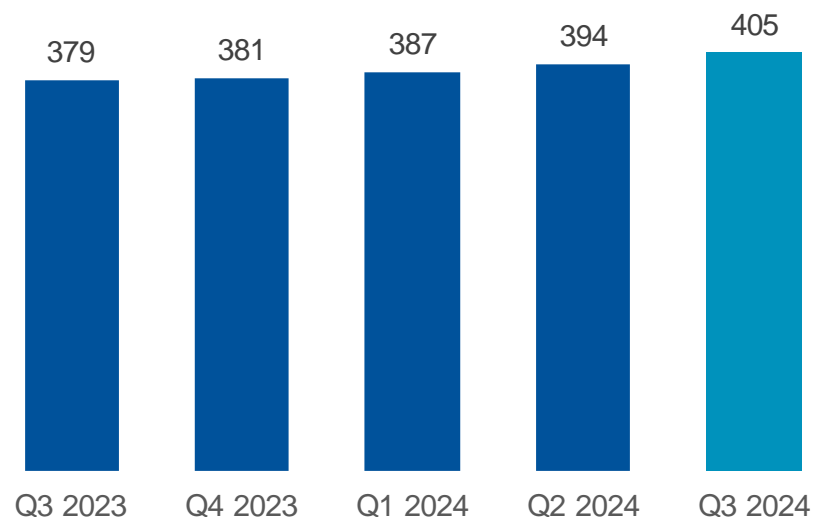
\* Core tier 1 capital ratio including the profit at the third quarter of 2024, less a proportionate share of expected dividends and gifts.



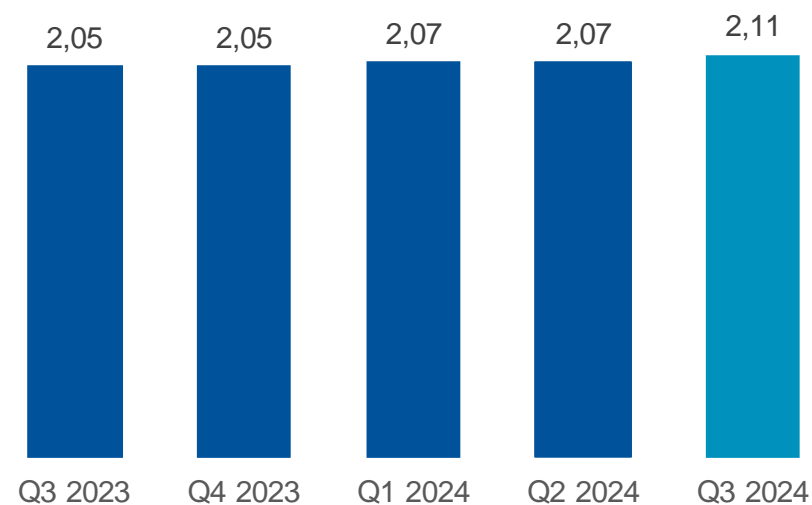
# Increase in net interest income

Higher customer margins and growth in loans are the main reasons for the positive development in net interest income.

Net interest income in NOK million



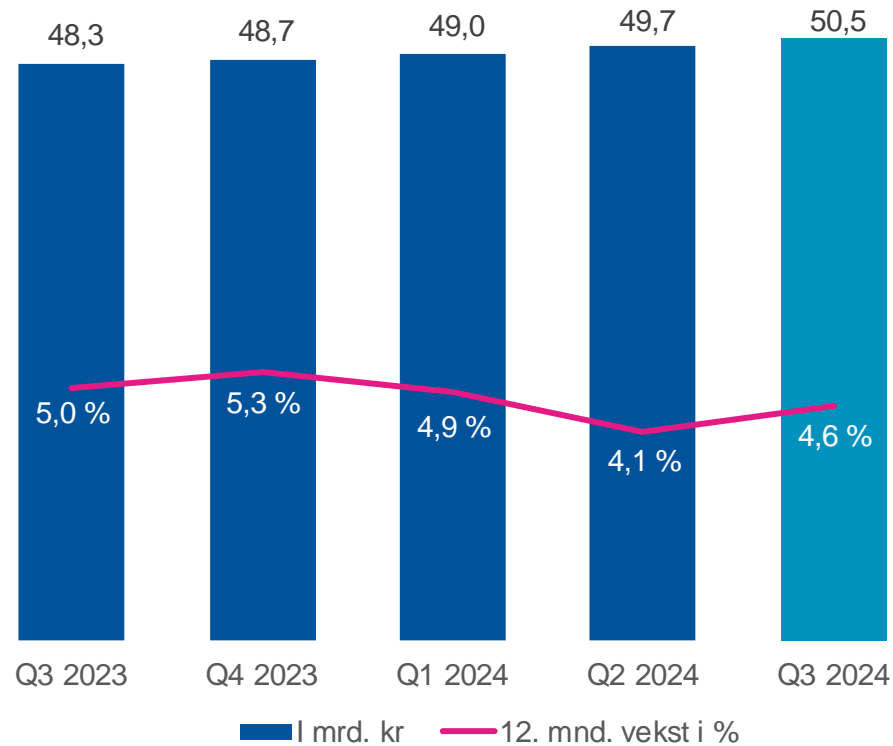
Net interest income as a percentage of average total assets



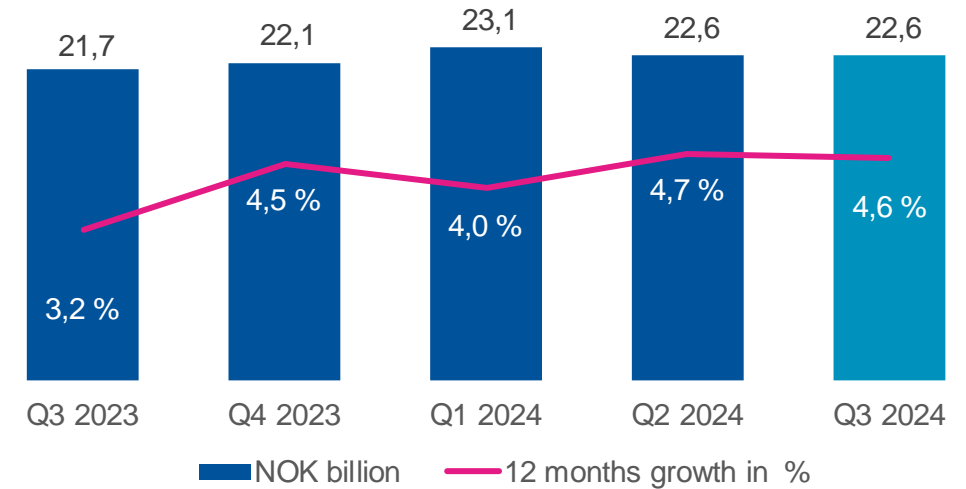
# Good lending growth to the Retail Market

High activity and good long-term work have led to the bank reaching a milestone with NOK 50 billion in lending to the Retail Market in the third quarter

## Loans Retail Market



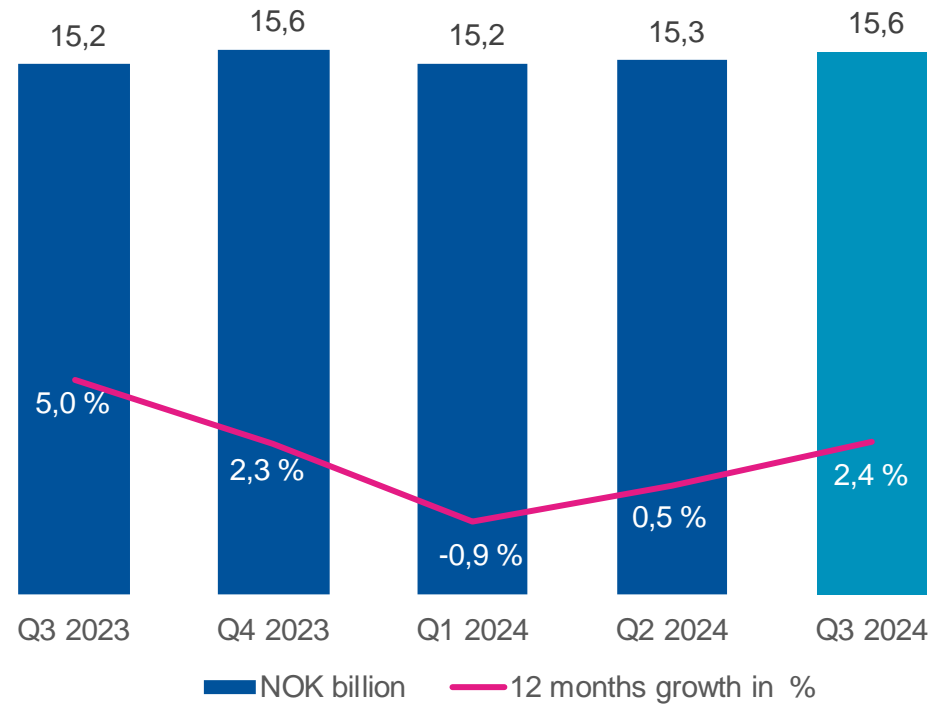
## Deposits Retail Market



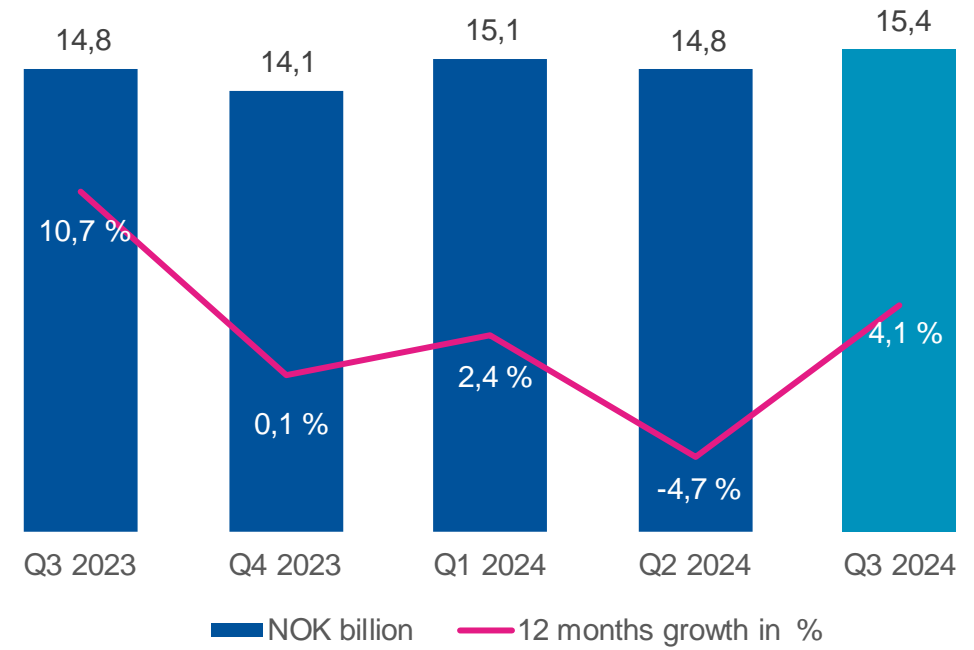
# Lending growth to the Corporate Market

The bank registers increased activity and demand for financing in Q3

### Loans Corporate Market

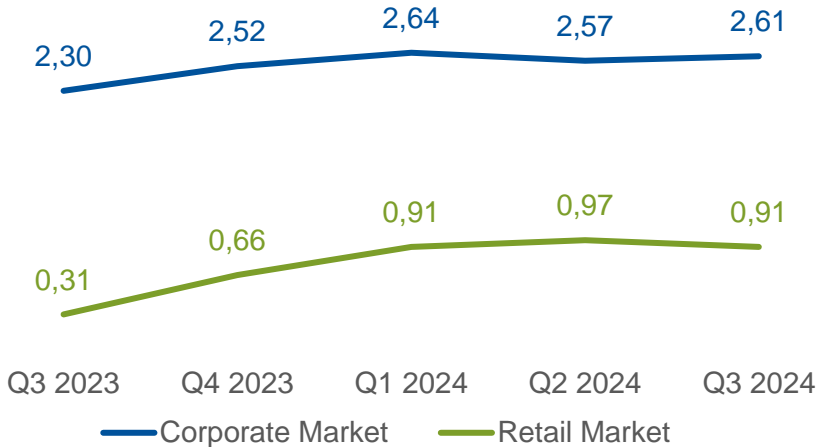


### Deposits Corporate Market



# Customer margin

### Lending margins



### Deposit margins

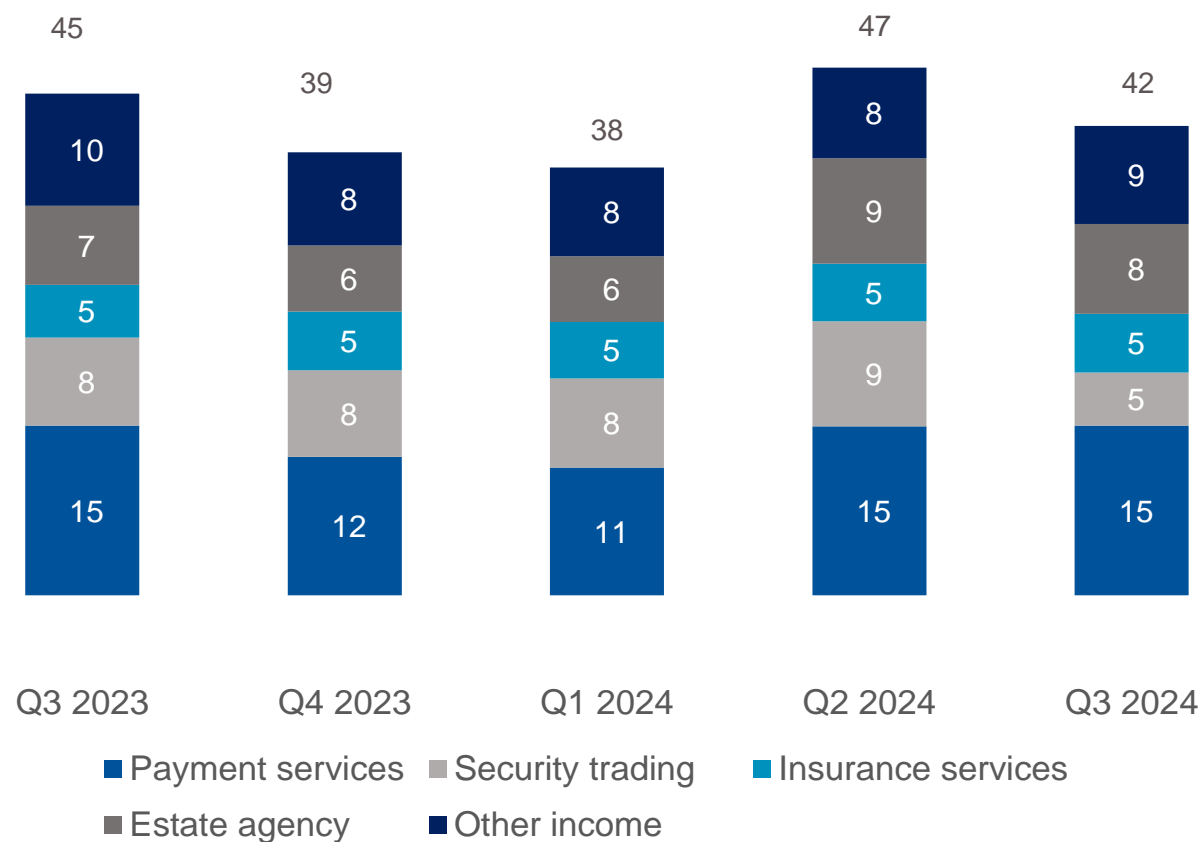


Shows deposit and lending rates for deposits and loans from customers measured against 3 months Nibor. The graph includes both deposits and loans with floating and fixed interest rates. Deposits and loans in foreign currency are not included.



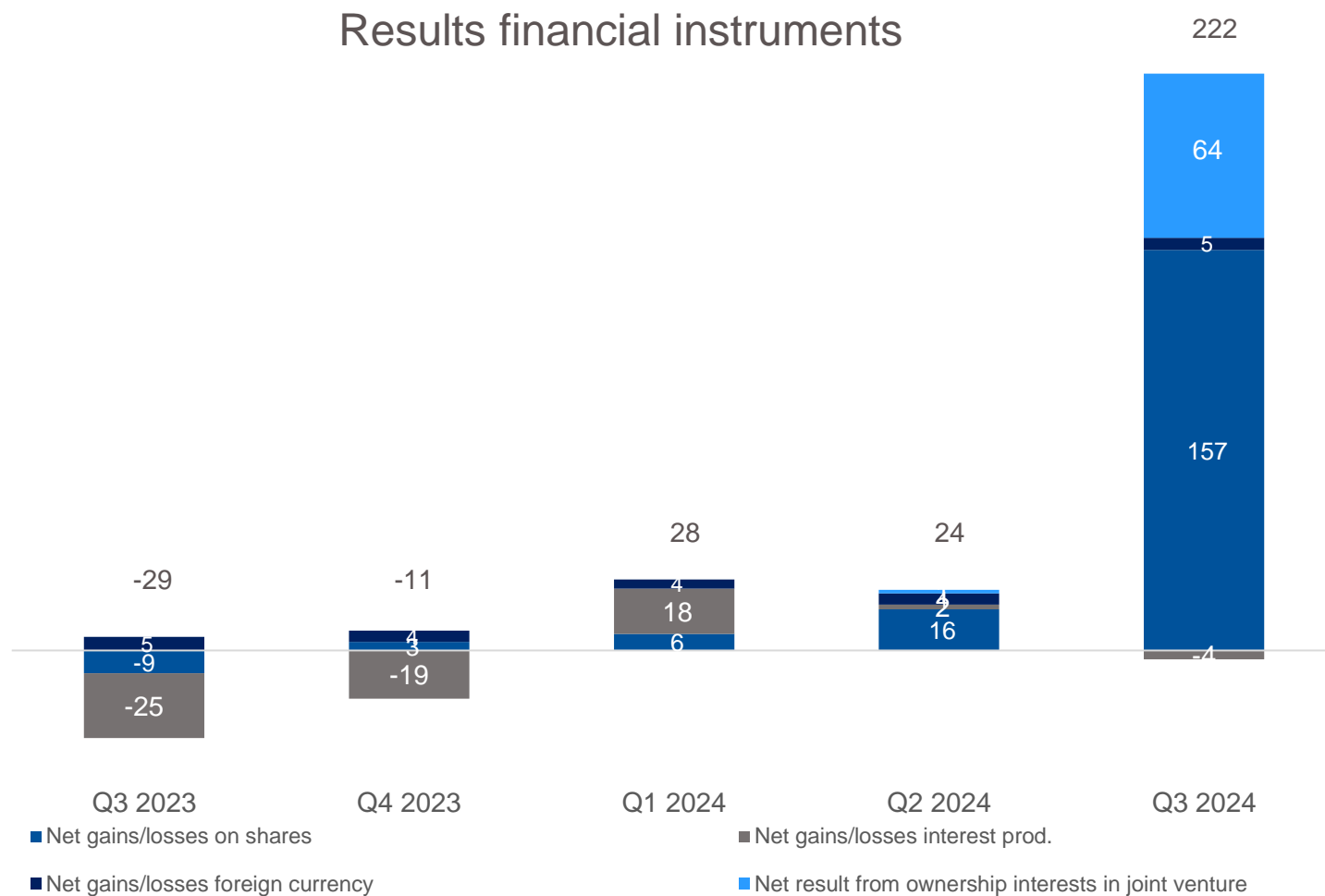
# Other income

Good increase in income from insurance and lower income for security trading, due to price reduction



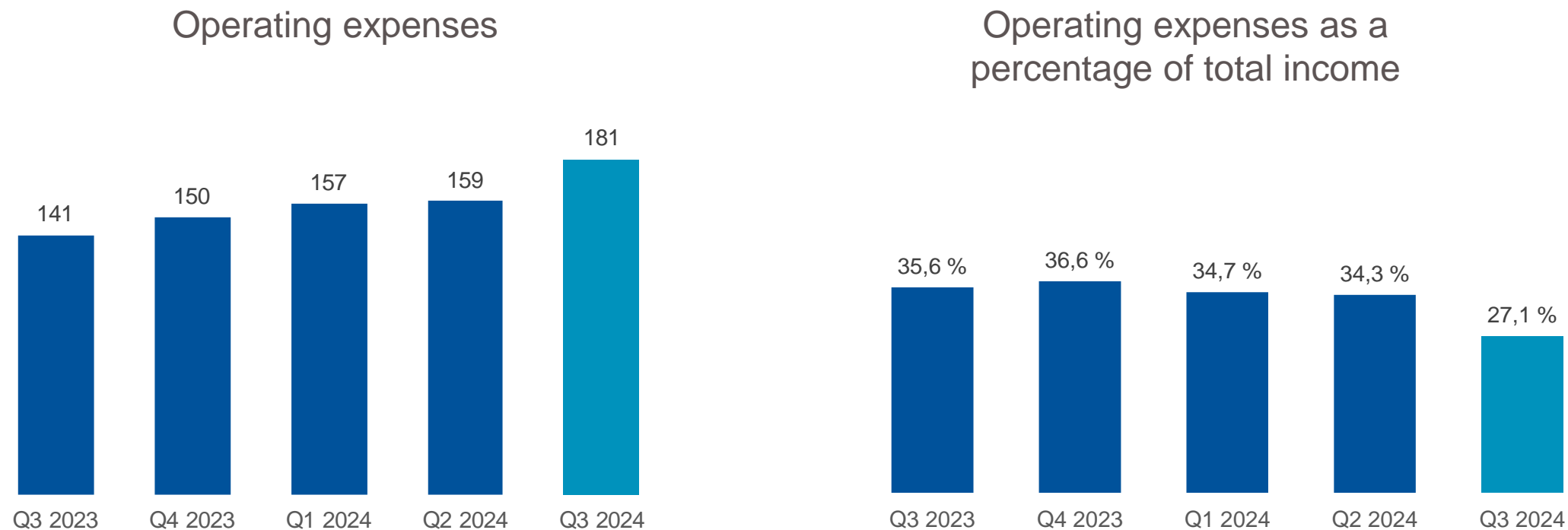
# Very good result from financial investments

Sale of shares in Frende Holding with a gain of NOK 148 million and a revaluation gain and profit from Samarbeidende Sparebanker of NOK 65 million contributes to the good result in Q3



# High one-off costs affects cost growth

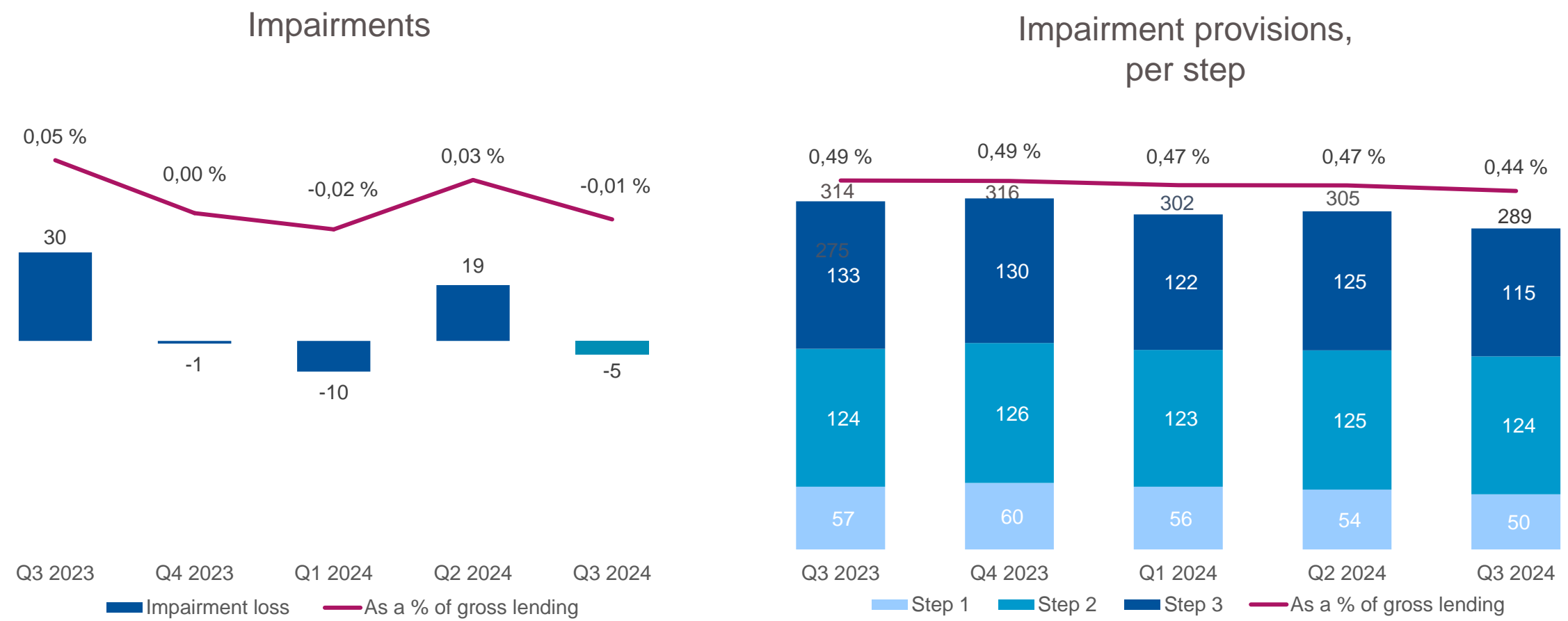
Operating costs increased by 29 % compared to the same quarter last year. The increase in costs is primarily due to conversion and adaptation to the SpareBank 1 alliance



Figures per quarter in mill. NOK.

# Loan losses

Losses on individually assessed assets amount to NOK 1 million. The model-based loan loss provisions are at the same time reduced by NOK 6 million.

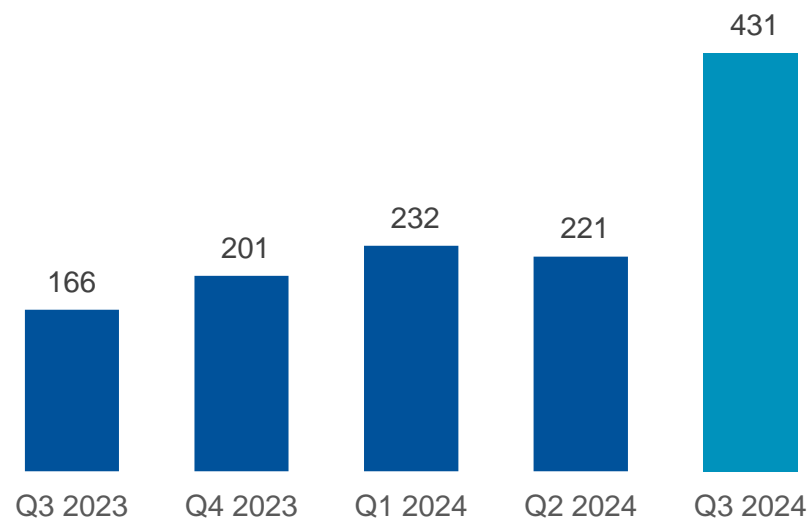


Figures per quarter in mill. NOK.

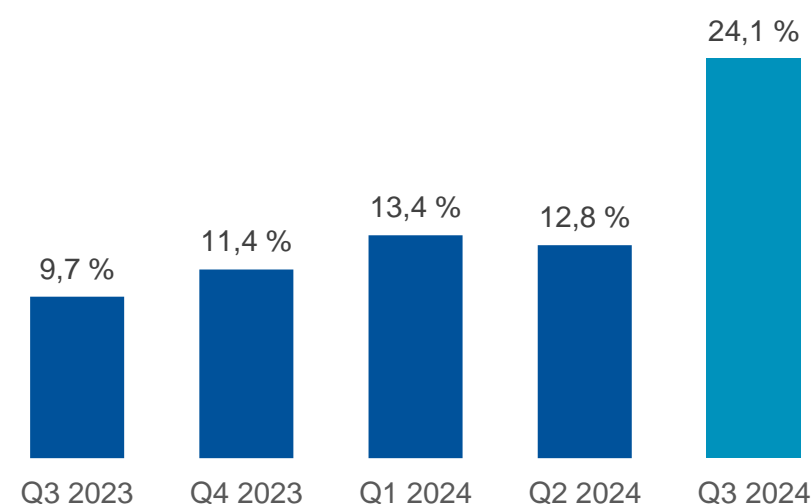
# Strong quarterly result

The result progress is due to a very good result from financial investments, low losses on loans and good development in net interest income

## Profit after taxation



## Return on equity after tax



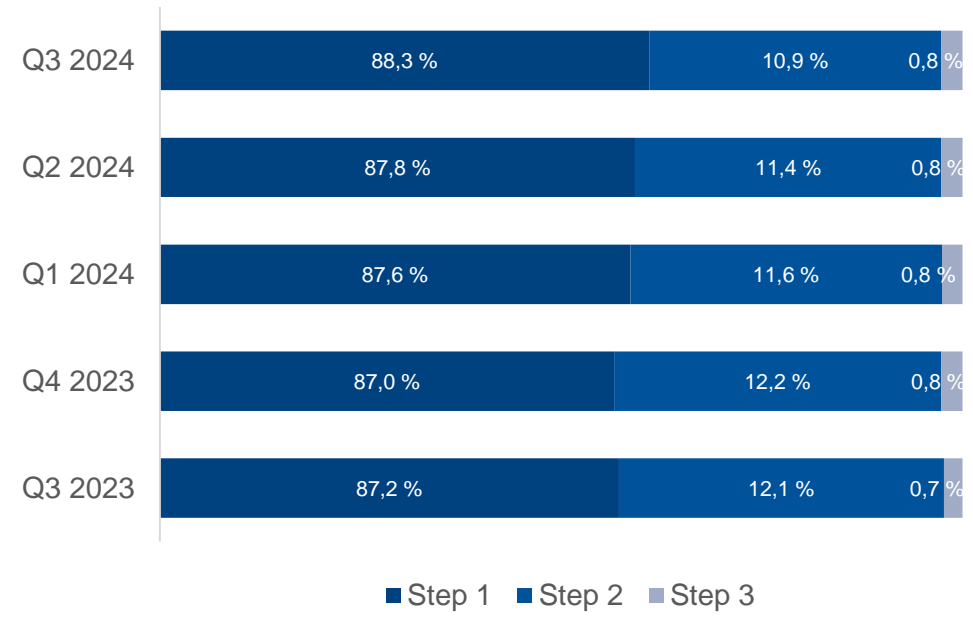
Figures for the quarters in NOK mill.

Return on equity is calculated based on average equity excl. hybrid capital. The calculation method has been changed from Q1 2024 and the figures for previous periods have been adjusted.

# The credit risk in the Retail Market is assessed as low

Reduced need for interest-only payments and the payment defaults remain stable at a low level

### Gross lending RM in % distributed per step



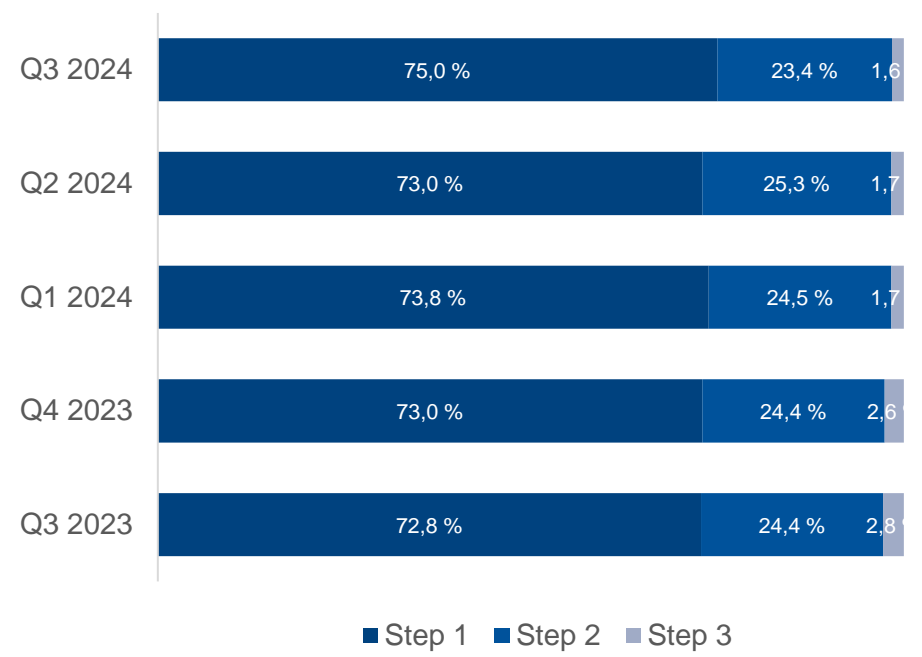
### Loans to the RM in default >90 days



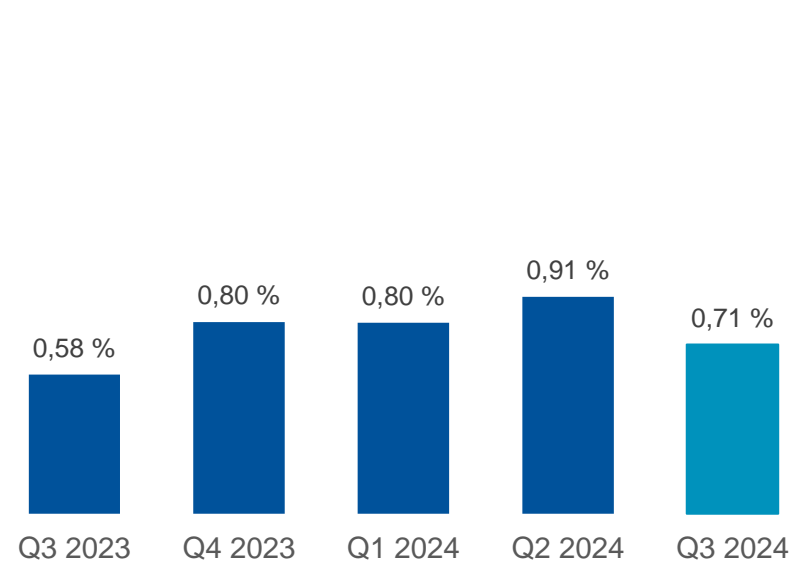
# The credit risk in the Corporate Market is moderate

Slightly declining activity in the Corporate Market. The bank closely monitors the business sector in Sogn og Fjordane.

### Gross lending CM in % distributed per step

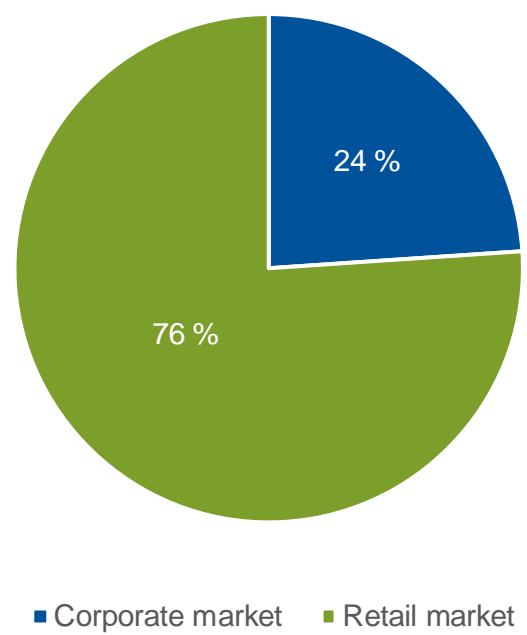


### Loans to the CM in default > 90 days

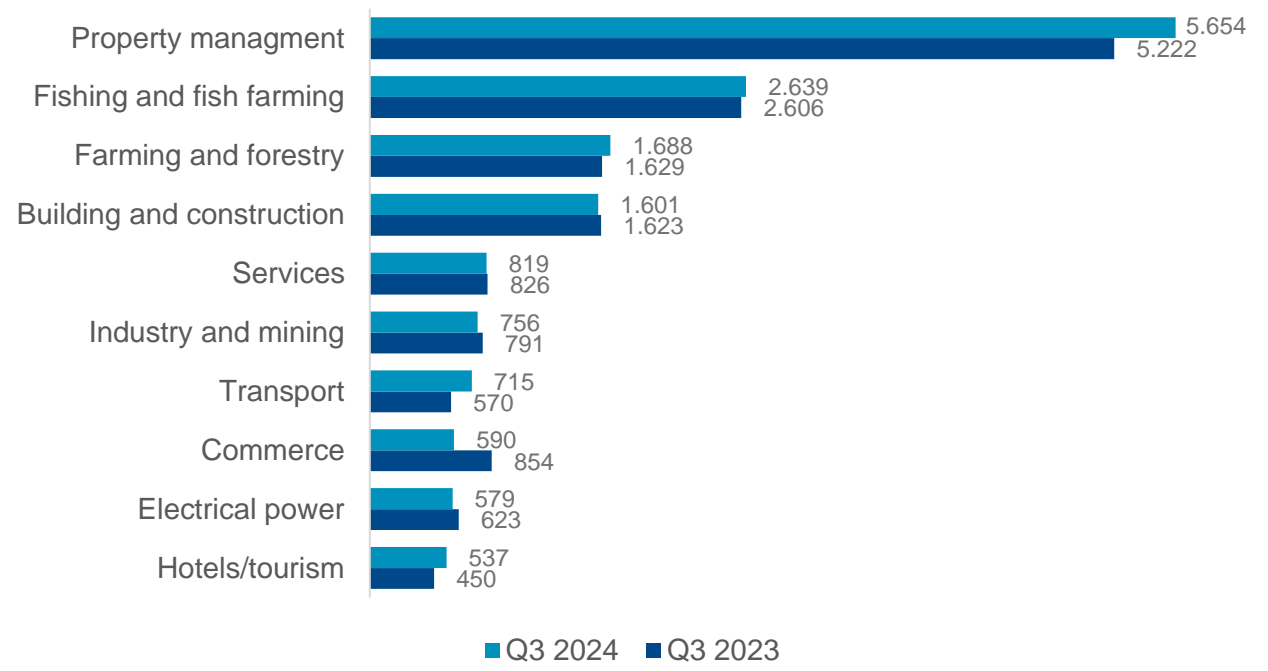


# Segments and industries

### Lending segments

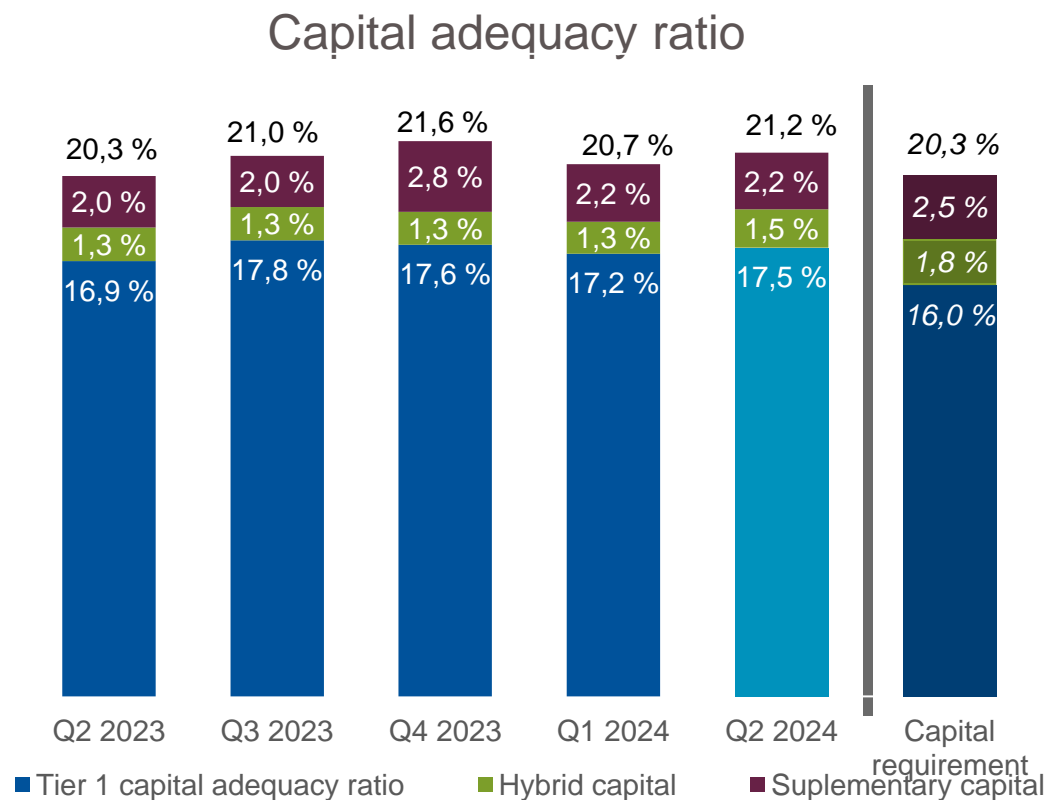


### Lendings to the Corporate Market in NOK mill.





# Solid capital adequacy ratio

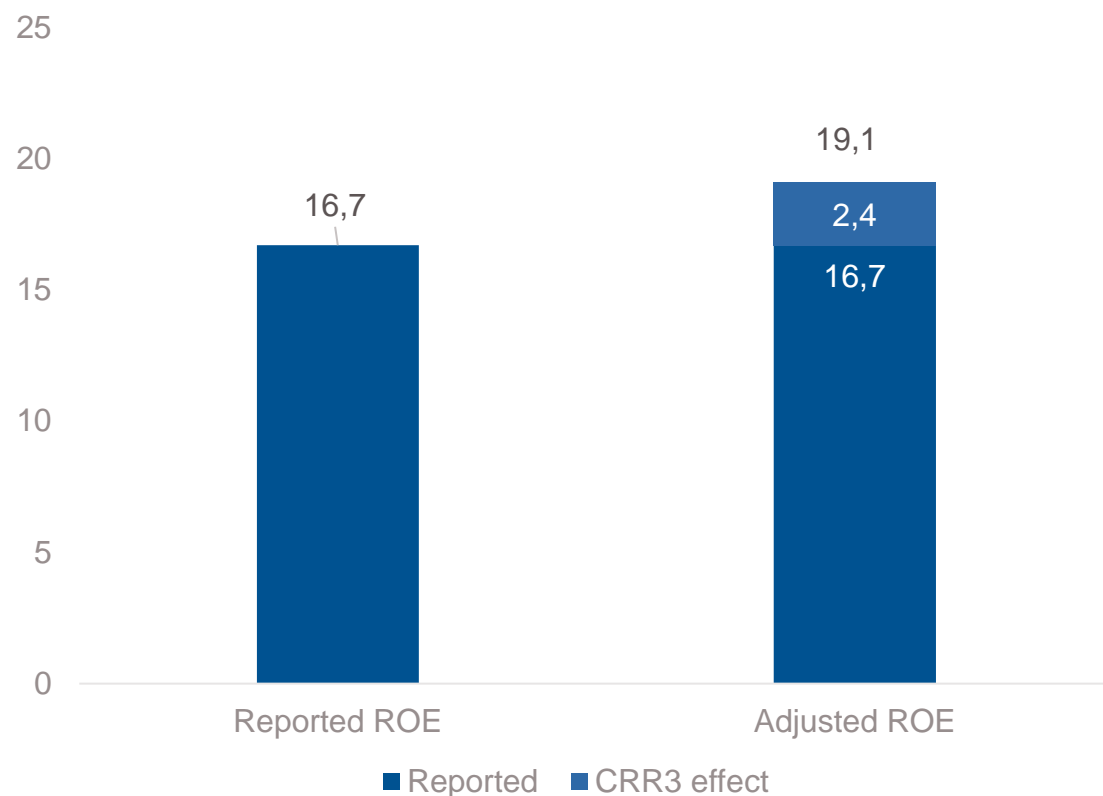


- ▶ Additional dividend of NOK 10 per ECC to be paid out
- ▶ The additional dividend has been taken into account in the reported capital adequacy ratio
- ▶ ECCs will be traded excluding dividends on 31.10.24 and dividends will be paid on 07.11.24

As of April 30 2024, SSF has been given a new pillar 2 requirement of 1,8 %. As a result, the regulatory requirement for core tier 1 capital adequacy ratio is 15 %. In addition, the bank is expected to maintain a capital requirement buffer of at least 1.0 %, so the total requirement for core tier 1 capital adequacy ratio, including the capital requirement buffer, is 16 %. The reported capital adequacy ratio is included the profit for 2024, less a proportionate share of expected dividends and gifts.

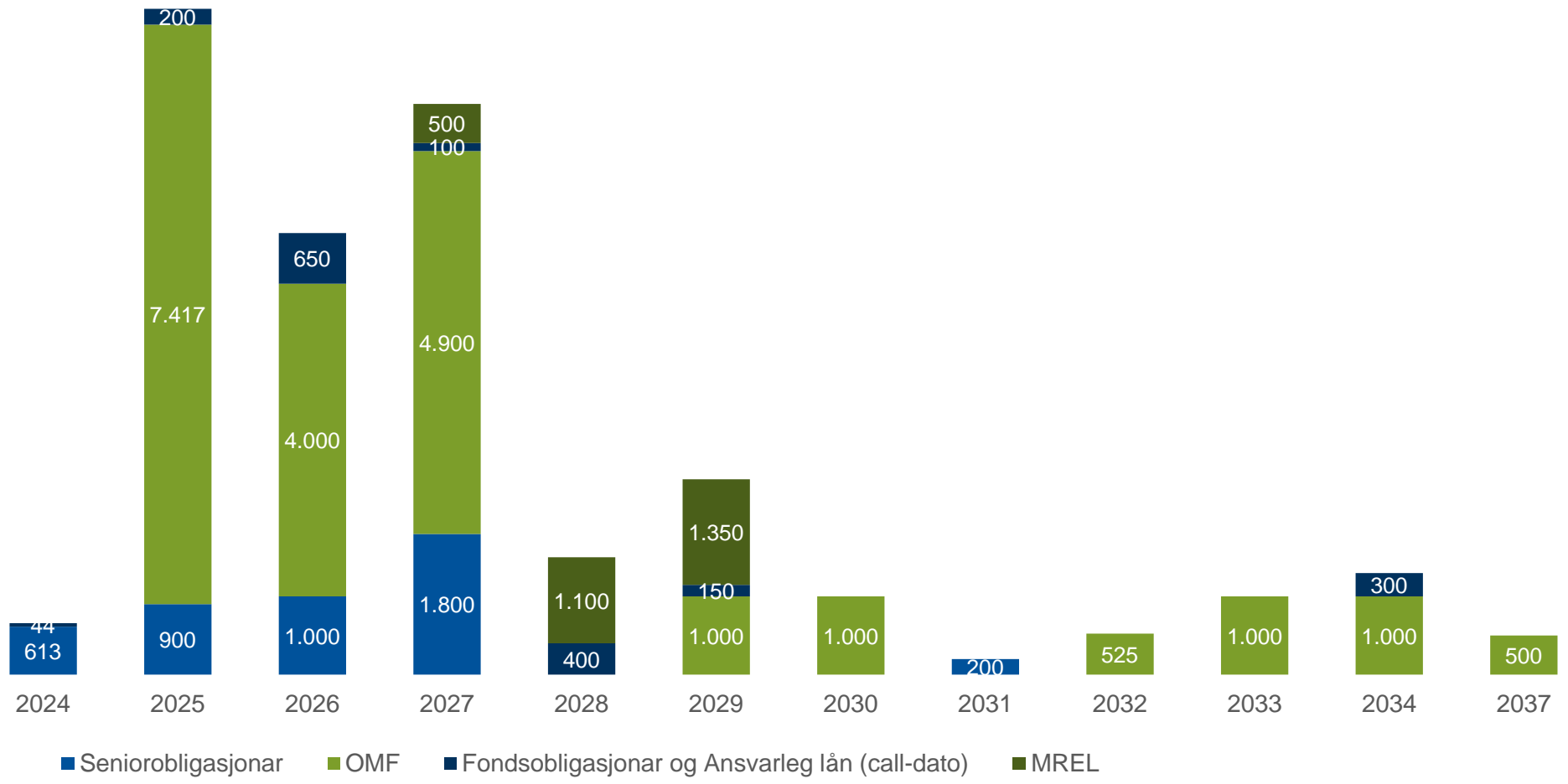
# Capital effect from CRR3

ROE effect given CET1 ratio of 17.5 %  
for existing and new standard approach



- ▶ SSF estimates that risk weighted assets (RWA) will be reduced by approx. MNOK 5000 with the introduction of CRR3
- ▶ This will increase reported CET 1 ratio by approx. 3 percentagepoints
- ▶ If we assume that the bank had adjusted CET1 so as to have the same CET 1 ratio under CRR3 the reported ROE would increase to 19,1 % so far and 27,5 % in Q3 2024

# Maturity distribution of funding



Figures in NOK mill.



## SpareBank 1 Sogn og Fjordane

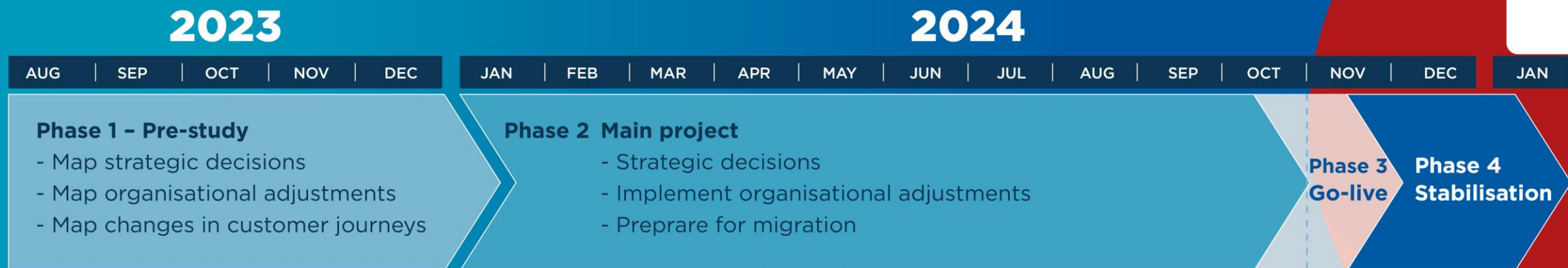
In April 2023, Sparebanken Sogn og Fjordane announced an agreement for a strategic banking partnership with the SpareBank 1 alliance. With an investment of NOK 624 million, the bank will become a shareholder in SpareBank 1 and SamSpar.

Since then, the bank, SamSpar and Sparebank 1 Utvikling have been working together to prepare for the transition into the alliance.

The technical conversion will take place on November 4 2024 and the change of name was approved by the general meeting on 3 of October 2024.



# Sparebanken Sogn og Fjordane expect to migrate to the SpareBank 1-alliance on November 4th this year



Main project ready for migration weekend november 1st to 4th

# Migration project will increase cost levels in 2024

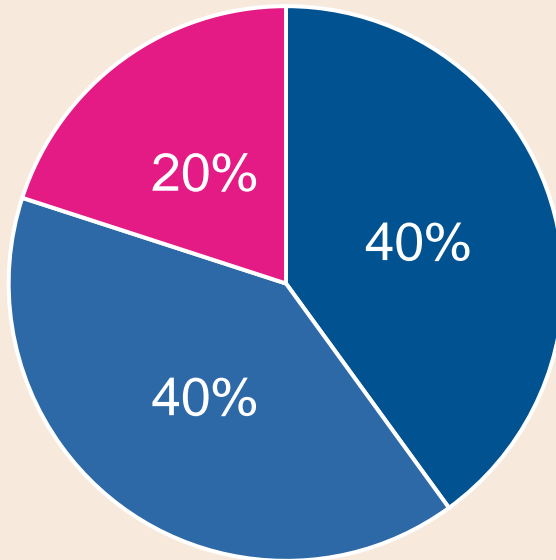


The bank expects to spend in the area of **MNOK 70 on external assistance** on the migration project, in addition to a great effort from the internal employees.

So far we have spent **MNOK 39** this year, in addition to **MNOK 7** last year, in external project costs, and there are about 500 persons involved in the project.

# Migrating to SpareBank 1 is driving costs in 2024

Cost increase of MNOK 100 by Q3 2024



- One offs related to migration
- Our share of ordinary SB1 expenses so far
- Other cost increases

- 40 % of cost increase is one offs related to preparing for migration
- 40 % is our share of new ordinary expenses in SpareBank 1 so far. 2024 is dominated by running double IT platforms part of the year. In 2025 we will focus on reducing double costs by exiting old systems and contracts
- 20 % is other cost increases due to increased personell costs, inflation and generally a high activity level



# The bank in the community

Q3-2024



# Market shares in Sogn og Fjordane

Retail Market\* **49.1 %**

Corporate Market\* **36.2 %**

Estate Agency\*\* **40.0 %**

\*Market share : Figures as of Q3-2024

\*\*Market share : Figures as 2023

Source: \*SSF, Early Warning \*\* Eiendomsverdi,

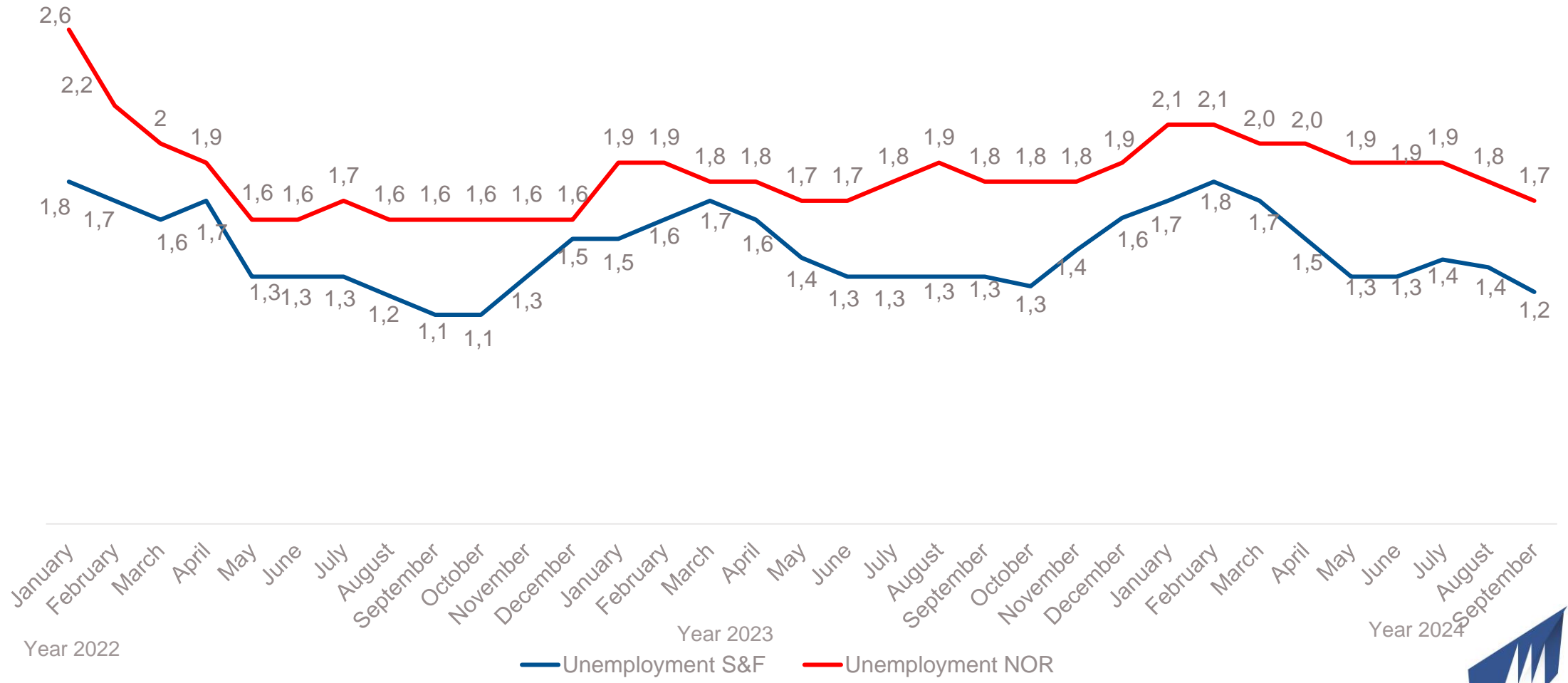


DNT Sogn og Fjordane has been awarded NOK 20 million for the project «I went for a walk on the trail». The money, which originates from our profits and are given from Sparebankstiftinga Sogn og Fjordane, will contribute to the development of hiking trails throughout the region of Sogn og Fjordane.

In the picture from the left: Trond Teigene (CEO Sparebanken Sogn og Fjordane), Yngve Thorsen (head of gifts and public relations Sparebankstiftinga Sogn og Fjordane), Siv Merete Stadheim (chair DNT Sogn og Fjordane) and Gry Thyrestrup (project coordinator DNT Sogn og Fjordane).

# The unemployment rate in Sogn og Fjordane remain at a low level

It is the bank's assessment that most customers manage to handle the financial situation well



# Contact information

## Sparebanken Sogn og Fjordane

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6801 Førde

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E-mail address: [kundesenter@ssf.no](mailto:kundesenter@ssf.no)  
Organisation no: 946 670 081  
Tel no. 57 82 97 00

### **Contact:**

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CEO	CFO
Tel. no. + 47 908 25 086	Tel. no. + 47 951 98 452

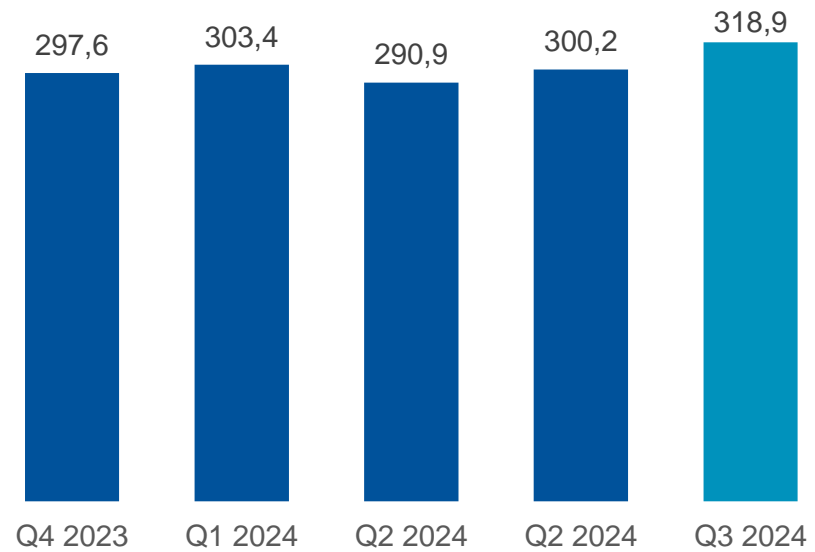


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sogn og fjordane*

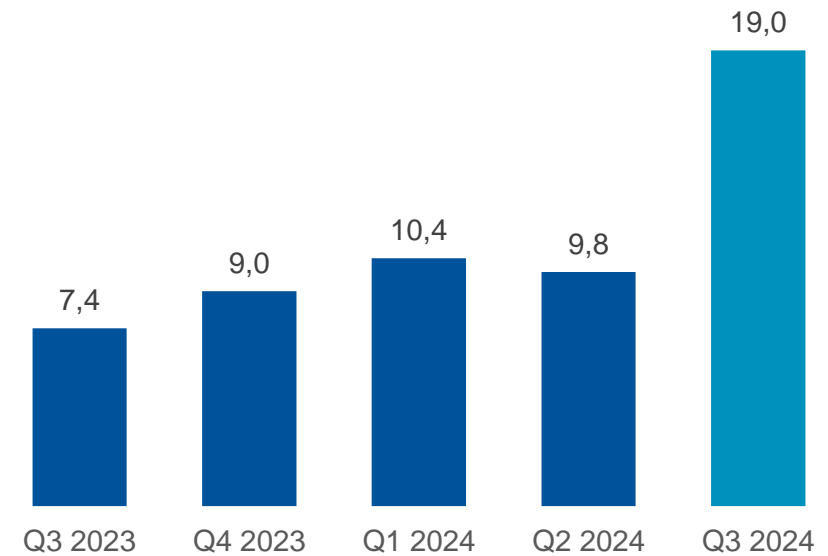
Attachments

# Equity certificate

## Book value per equity certificate



## Profit per equity certificate per quarter



Figures in NOK per quarter

# Consolidated financial results by quarter

	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23
<b>Net interest income</b>	<b>405</b>	<b>394</b>	<b>387</b>	<b>381</b>	<b>379</b>
Other operating income	42	47	38	40	45
Dividends and gains/losses on financial instruments	222	24	28	- 11	- 29
<b>Net other operating income</b>	<b>264</b>	<b>71</b>	<b>66</b>	<b>29</b>	<b>15</b>
<b>Total revenues</b>	<b>669</b>	<b>464</b>	<b>453</b>	<b>410</b>	<b>395</b>
Operating expenses	181	159	157	150	141
<b>Profit/loss before impairment loss</b>	<b>487</b>	<b>306</b>	<b>296</b>	<b>259</b>	<b>254</b>
Impairment loss	- 5	19	- 10	- 1	30
<b>Profit/loss before taxation</b>	<b>492</b>	<b>287</b>	<b>306</b>	<b>260</b>	<b>225</b>
Tax expense	61	66	74	59	58
<b>Profit/loss after taxation</b>	<b>431</b>	<b>221</b>	<b>232</b>	<b>201</b>	<b>166</b>
Remeasurements, pensions	0	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>431</b>	<b>221</b>	<b>232</b>	<b>201</b>	<b>166</b>

# Consolidated financial results by quarter

	Q2 23	Q1 23	Q4 22	Q3 22
<b>Net interest income</b>	<b>356</b>	<b>350</b>	<b>332</b>	<b>291</b>
Other operating income	45	37	46	43
Dividends and gains/losses on financial instruments	60	14	1	- 18
<b>Net other operating income</b>	<b>105</b>	<b>51</b>	<b>47</b>	<b>25</b>
<b>Total revenues</b>	<b>462</b>	<b>401</b>	<b>379</b>	<b>315</b>
Operating expenses	128	127	128	128
<b>Profit/loss before impairment loss</b>	<b>334</b>	<b>274</b>	<b>250</b>	<b>187</b>
Impairment loss	- 11	- 4	30	2
<b>Profit/loss before taxation</b>	<b>345</b>	<b>278</b>	<b>220</b>	<b>185</b>
Tax expense	75	69	51	42
<b>Profit/loss after taxation</b>	<b>270</b>	<b>210</b>	<b>169</b>	<b>143</b>
Remeasurements, pensions	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>270</b>	<b>210</b>	<b>169</b>	<b>143</b>



# Key figures, consolidated

AMOUNTS IN MILLIONS OF NOK

	30.09.24	30.09.23	31.12.23
<b>INCOME STATEMENT</b>			
Net interest income	1 186	1 085	1 466
Dividends and gains/losses on financial instruments	274	45	34
Other operating income	127	127	167
Operating expenses	497	396	546
<b>Profit/loss before impairment loss (incl. securities)</b>	<b>1 089</b>	<b>862</b>	<b>1 121</b>
<b>Profit/loss before impairment loss (excl. securities)</b>	<b>815</b>	<b>817</b>	<b>1 088</b>
Impairment loss	4	14	13
<b>Profit/loss before taxation</b>	<b>1 085</b>	<b>848</b>	<b>1 108</b>
Tax expense	201	202	261
<b>Profit/loss after taxation</b>	<b>884</b>	<b>646</b>	<b>847</b>
Other comprehensive income	0	0	0
<b>Comprehensive income</b>	<b>884</b>	<b>646</b>	<b>847</b>
<b>BALANCE SHEET</b>			
<b>Assets</b>			
Gross loans and advances to customers	66 066	63 482	64 286
Loss allowance	- 289	- 314	- 316
Security investments (shares, associates, commercial paper and bonds)	9 605	8 744	8 361
<b>Debt and equity</b>			
Deposits from and debt to customers	38 013	36 359	35 796
Debt securities and debt to credit institutions	29 266	27 793	28 542
Equity	7 759	7 122	7 316
Total assets	77 090	73 485	73 556
Average total assets	75 613	72 307	72 573

	30.09.24	30.09.23	31.12.23
<b>KEY FIGURES</b>			
<b>Profitability</b>			
Net interest margin	2,09 %	2,01 %	2,02 %
Other operating income (excl. inc. from fin. instr.) as a % of average total assets	0,22 %	0,23 %	0,23 %
Operating expenses as a % of average total assets	0,88 %	0,73 %	0,75 %
Profit/loss before impairment loss as a % of average total assets	1,92 %	1,59 %	1,55 %
Profit/loss before tax as a % of average total assets	1,91 %	1,56 %	1,53 %
Profit/loss after tax as a % of average total assets	1,56 %	1,19 %	1,17 %
Comprehensive income as a % of average total assets	1,56 %	1,19 %	1,17 %
Oper. exp. as a % of oper. income excl. inc. from fin. instr.	37,90 %	32,63 %	33,41 %
Oper. exp. as a % of oper. income incl. inc. from fin. instr.	31,35 %	31,46 %	32,73 %
Impairment loss as a % of gross loans	0,01 %	0,02 %	0,02 %
Return on equity before tax 1)	20,55 %	17,17 %	16,57 %
Return on equity after tax 1)	16,66 %	13,08 %	12,56 %
Pre-tax return on equity (comprehensive income) 1)	16,66 %	13,08 %	12,56 %
Consolidated comprehensive income per equity certificate, in NOK	39,09	28,81	37,79
Dividend payable per equity certificate, in NOK	10,00	0	25,00
<i>1) Return on equity is calculated based on average equity excl. hybrid capital. The way it is calculated has been changed as of Q1 2024 and figures for previous periods have been restated.</i>			
<b>Capital and liquidity position</b>			
Capital adequacy ratio	21,15 %	20,25 %	21,03 %
Core capital adequacy ratio	18,95 %	18,24 %	19,04 %
Core Tier 1 capital adequacy ratio	17,46 %	16,94 %	17,75 %
Leverage ratio	8,22 %	8,38 %	8,84 %
Liquidity Coverage Ratio (LCR)	152 %	158 %	165 %
NSFR, consolidated	125 %	122 %	122 %
NSFR, parent company	131 %	134 %	135 %
MREL total	40 %	45 %	37 %
MREL eligible liabilities	31 %	29 %	29 %
<b>Balance sheet history</b>			
Growth in total assets (year-on-year)	4,91 %	4,25 %	3,86 %
Growth in gross customer lending (year-on-year)	4,07 %	4,98 %	4,53 %
Growth in customer deposits (year-on-year)	4,55 %	4,86 %	2,72 %
Deposits as a % of consolidated gross lending	57,54 %	57,28 %	55,68 %
Deposits as a % of parent company's gross lending	93,80 %	95,22 %	91,49 %
<b>Employees</b>			
Full-time equivalent employees	299	289	286