

Quarterly presentation 2024

Q3



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



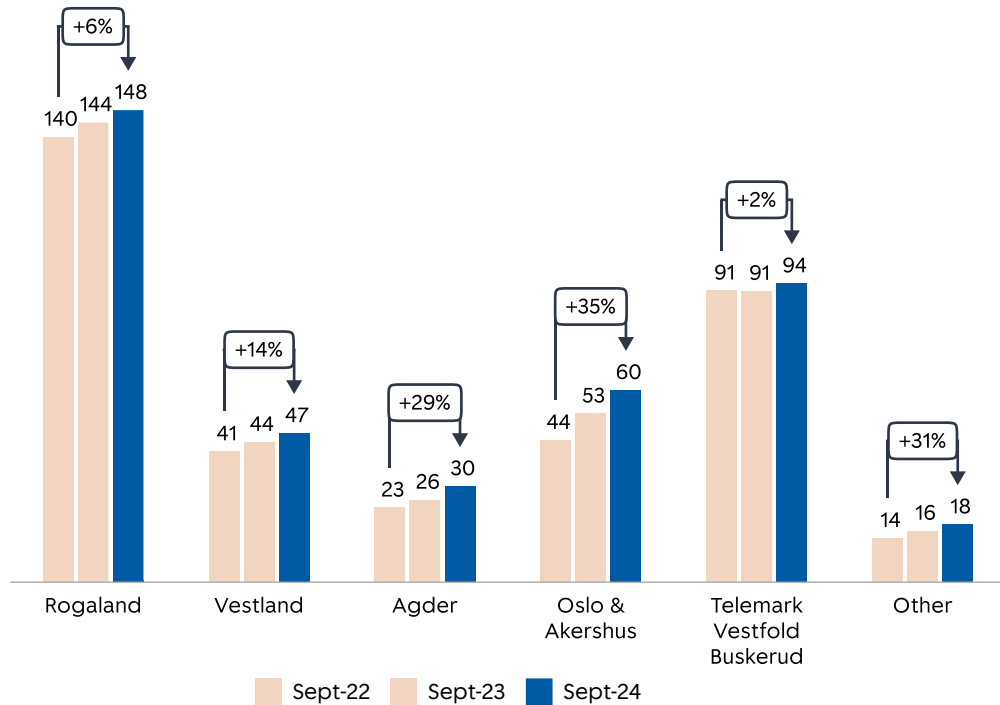
Fully integrated

Autumn 2025

SpareBank 1 Sør-Norge

Proforma

Lending volume in NOK billion



SpareBank 1 SR-Bank



A good result characterised by good underlying operations, high lending growth and one-offs

Result 30 September 2024

15.6%

14.5% excl. one-off effects*
Return on equity after tax

7.3%

12 months lending growth

Result 3. quarter 2024

17.5%

13.6% excl. one-off effects*
Return on equity after tax

1.7%

Quarterly lending growth

Retail market	1.9%
Corporate market	1.0%
SME and Agriculture	1.0%

17.8%

CET 1 capital ratio

MNOK 160

Impairments on lending and financial commitments

0.22% of gross lending

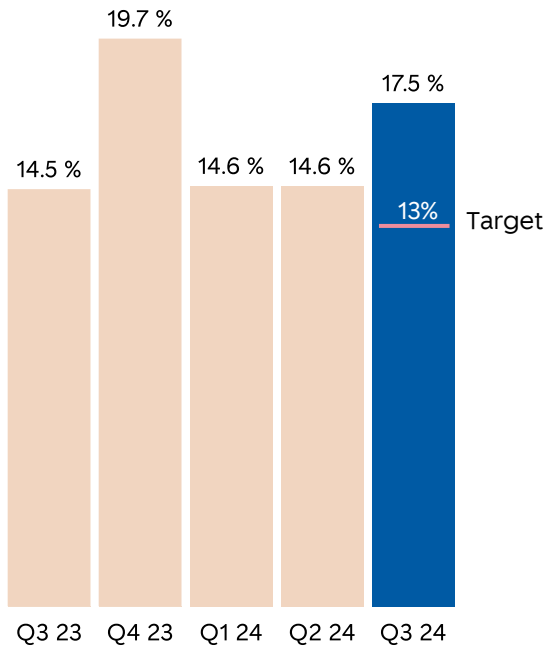
32.3%

Cost to income ratio

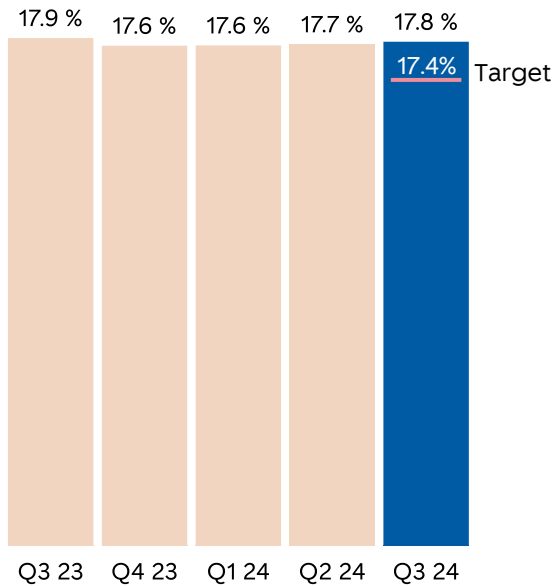
*Gain of MNOK 452 from the merger between Eika Forsikring and Fremtind Forsikring, write down of shares of MNOK 105 in Folkeinvest and merger cost of MNOK 65 (MNOK 84 year to date).

Key figures – quarterly development

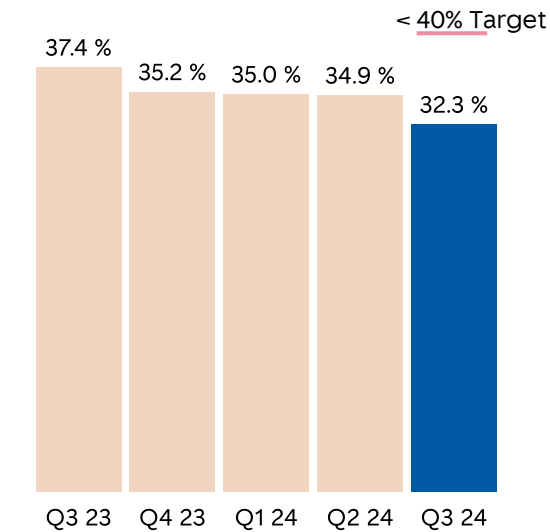
Return on equity



CET 1 capital ratio

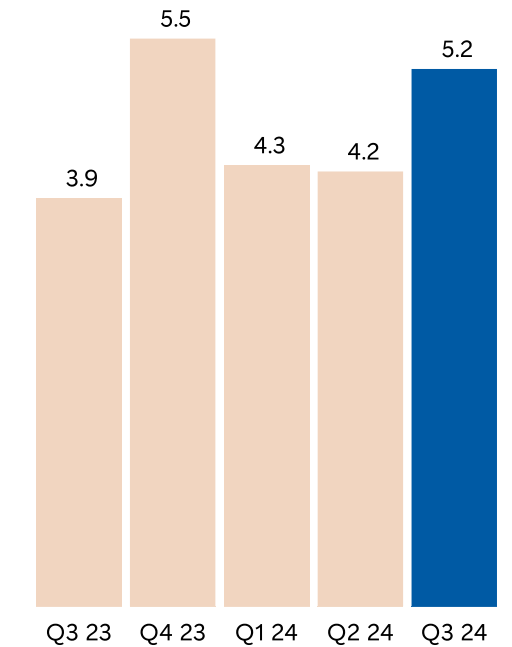


Cost to income ratio



Earnings per share (NOK)

Target: ~ 50% dividend share



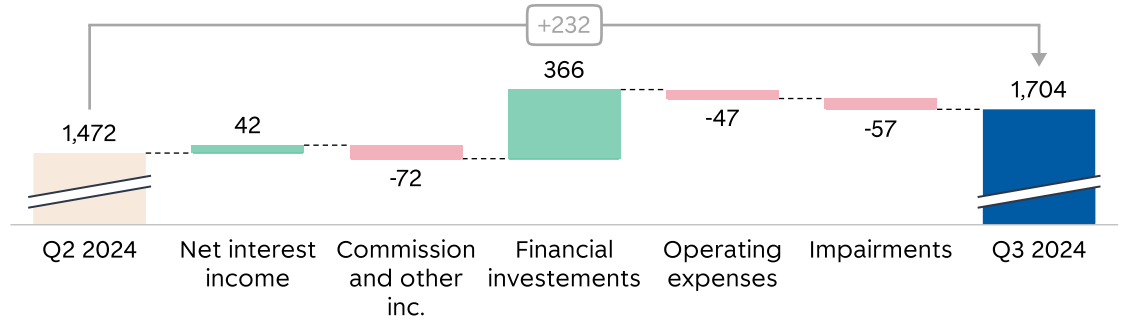
Good underlying operations, high lending growth and one-offs

Group Income statement

(MNOK)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net interest income	1,768	1,726	1,729	1,715	1,596
Net commission and other income	473	544	480	465	496
Net income on financial investments	514	148	149	478	11
Total income	2,755	2,419	2,359	2,659	2,103
Total operating expenses	891	844	826	935	786
Operating profit before impairments	1,864	1,575	1,533	1,724	1,317
Impairments on loans and financial commitments	160	103	35	-91	-78
Pre-tax profit	1,704	1,472	1,498	1,815	1,396
Tax expense	254	311	307	311	334
Profit after tax	1,450	1,162	1,191	1,503	1,062

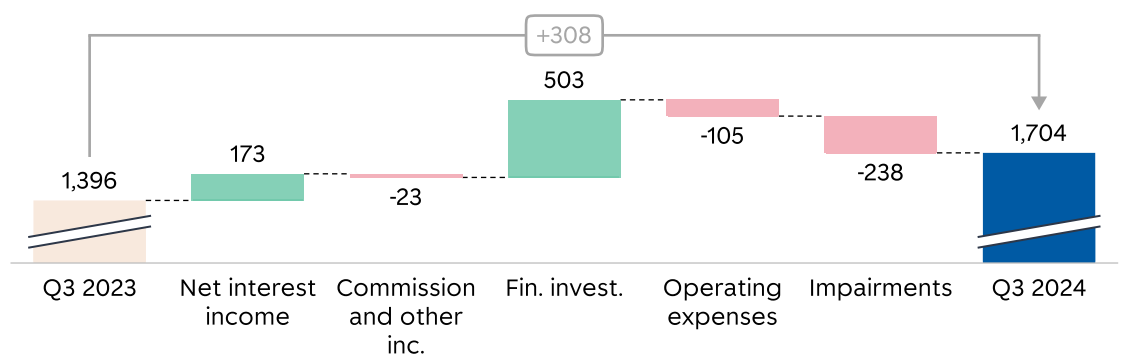
Change from last quarter

(MNOK)



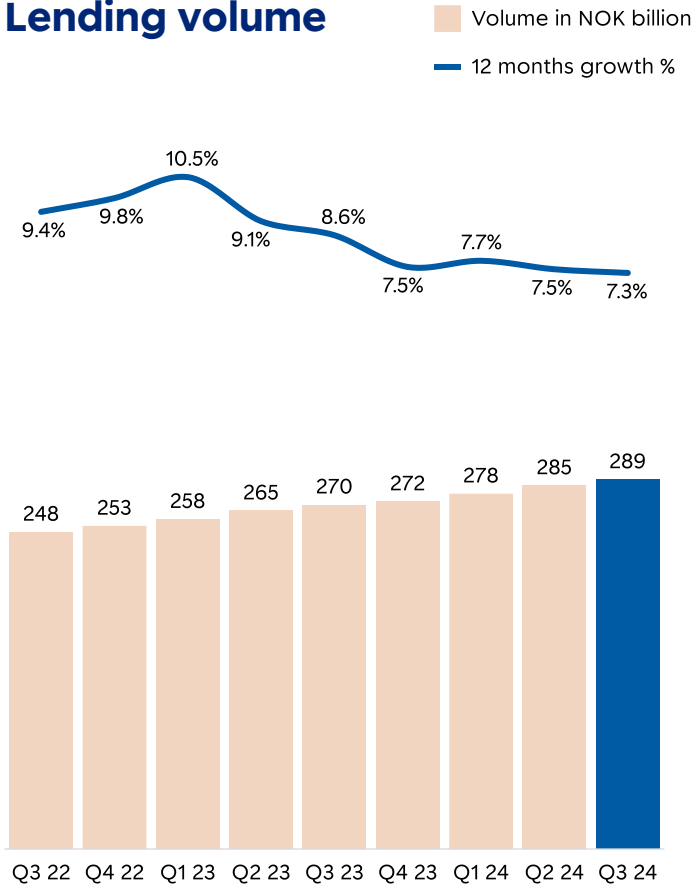
Change from Q3 2023

(MNOK)

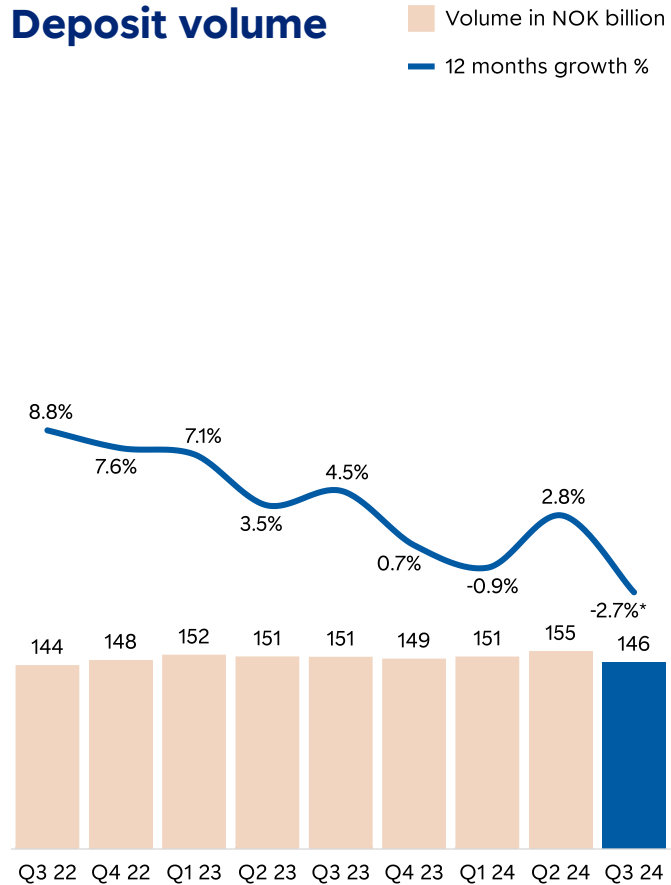


Volumes and margins

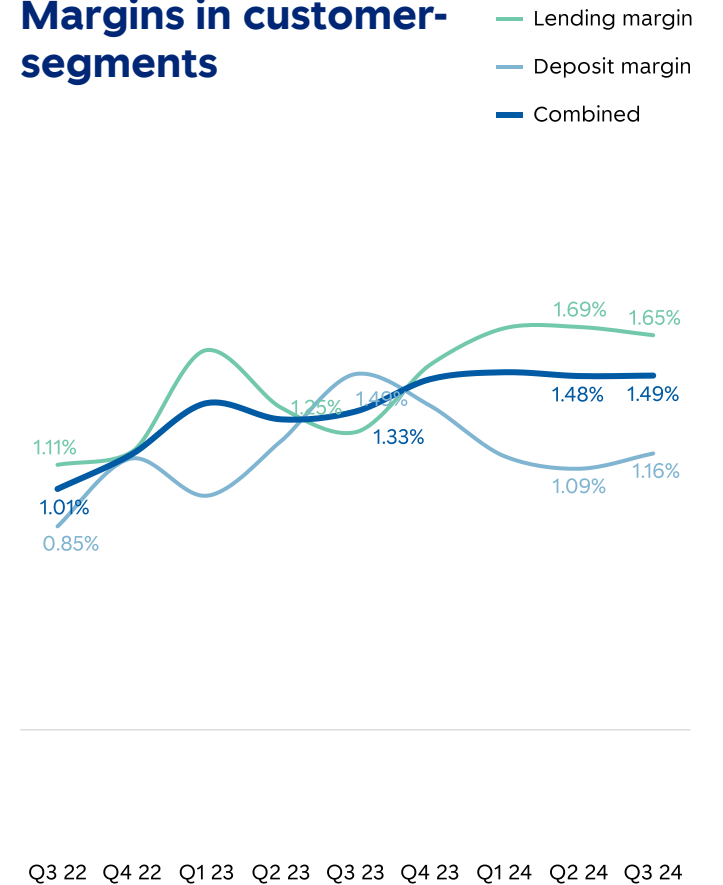
Lending volume



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 and treasury is 4.2%.

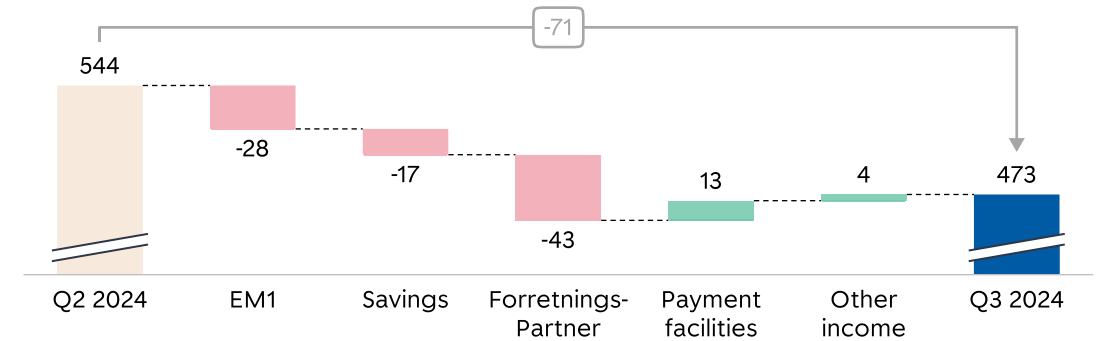
Net commission and other income

Net commission and other income

MNOK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Payment facilities	101	88	81	105	96
Savings/placements	30	47	35	36	35
Insurance products	68	65	64	61	66
Commission income EiendomsMegler 1	106	134	91	89	92
Guarantee commission	29	24	30	30	28
Arrangement- and customer fees	57	63	54	48	88
Commission income ForretningsPartner	74	116	114	102	82
Other	8	6	10	-5	8
Net commission and other income	473	544	480	465	496

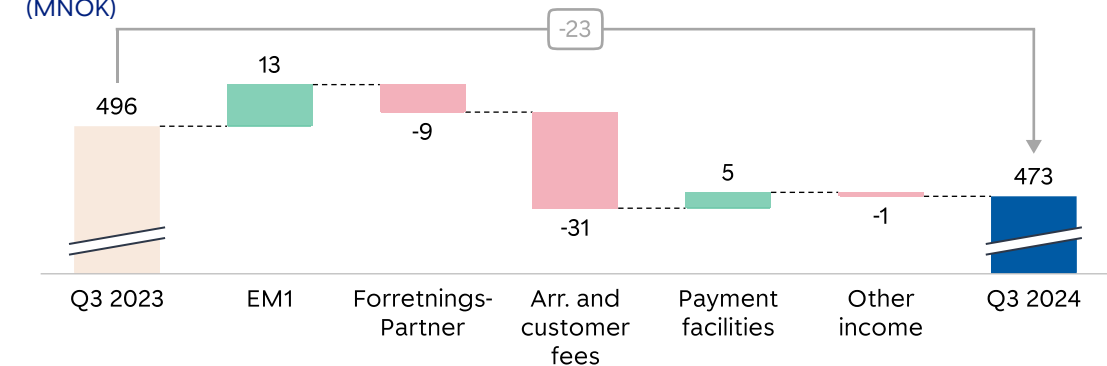
Change from previous quarter

(MNOK)



Change from Q3 2023

(MNOK)



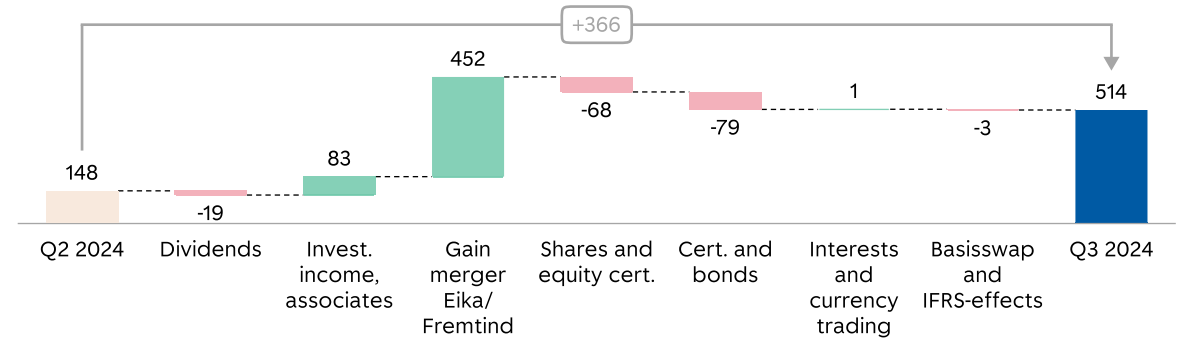
Net income on financial investments

Net income on financial investments

MNOK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Dividends	14	33	6	8	1
Investment income, associates	203	120	143	93	47
Gain merger Eika/Fremtind	452				
Net income on financial instruments	-154	-4	1	377	-37
• Shares and equity certificates	-92	-24	24	393	-49
• Certificates and bonds	-45	34	-7	-47	19
• Interests and currency trading	33	32	34	71	54
• Basisswap and IFRS-effects	-50	-46	-51	-40	-62
Net income on financial investments	514	148	149	478	11

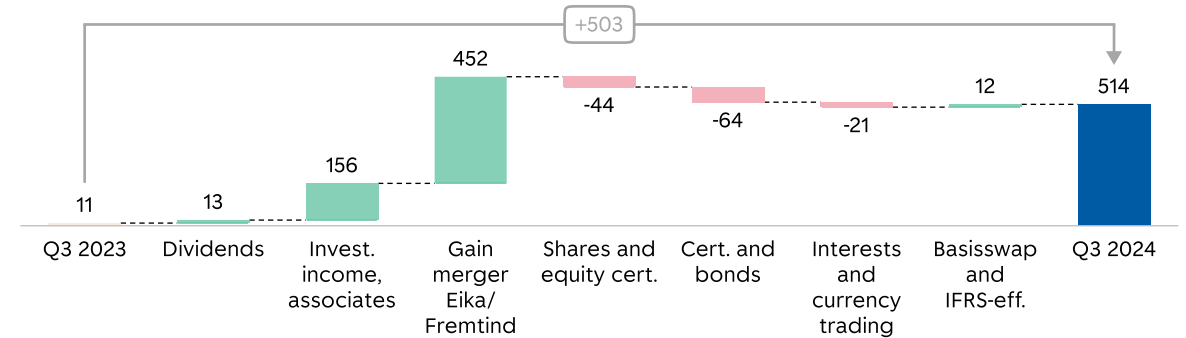
Change from previous quarter

(MNOK)



Change from Q3 2023

(MNOK)



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

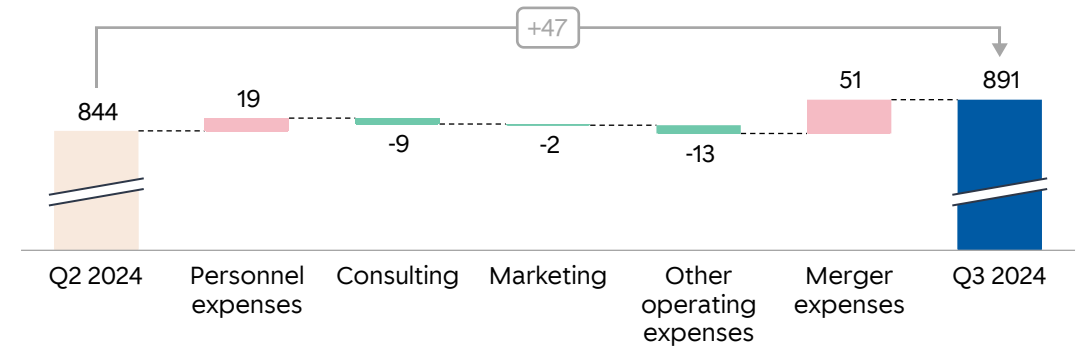
Operating expenses

Operating expenses

MNOK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Total personnel expenses	532	513	508	570	513
IT expenses	122	122	117	123	111
Consulting	28	37	30	32	28
Marketing	22	24	22	24	21
Operating expenses from real estate	19	18	19	18	19
Administrative expenses	21	16	19	22	21
Travel and meeting	9	13	13	14	7
Other operating expenses	31	45	48	71	25
Merger expenses	64	13	6	19	0
Total operating expenses	316	289	275	322	231
Depreciation and impairments	43	42	43	43	41
Total operating expenses	891	844	826	935	786

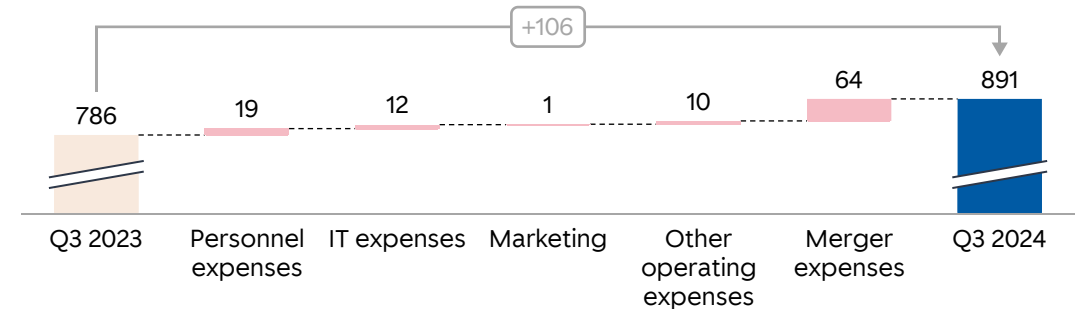
Change from previous quarter

(MNOK)



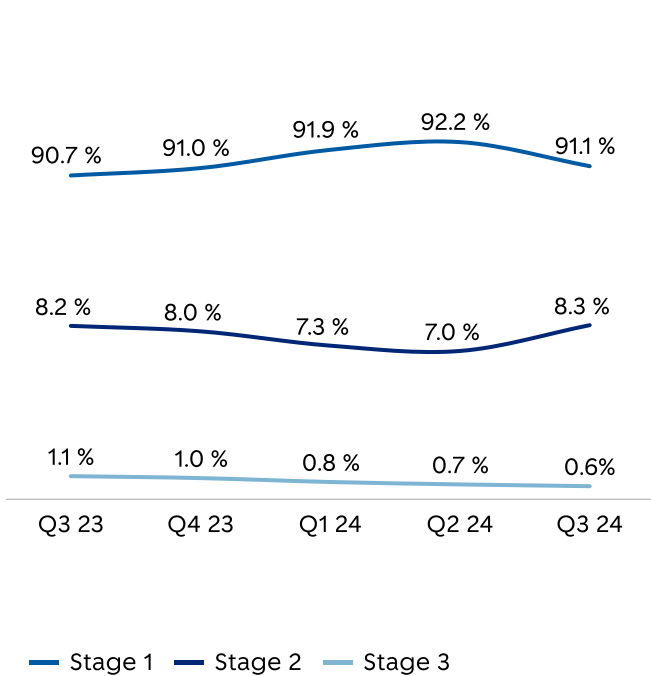
Change from Q3 2023

(MNOK)

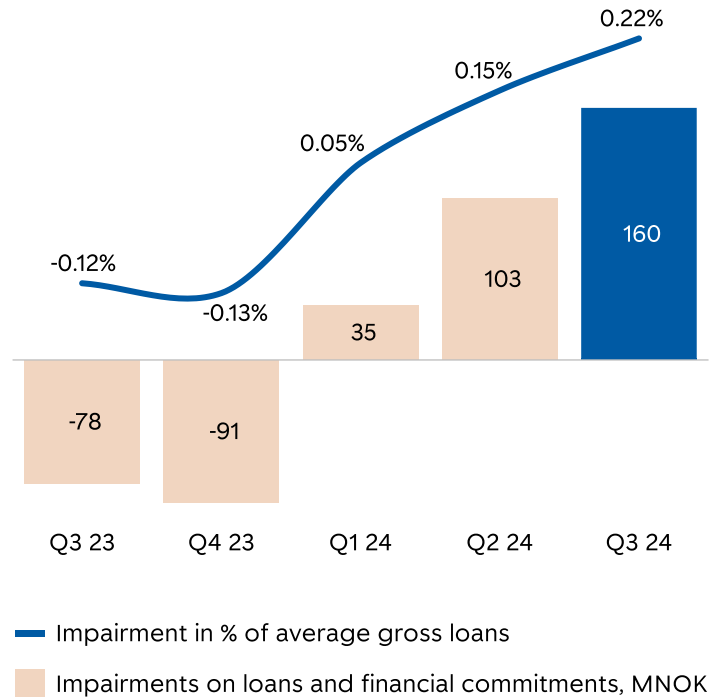


Loans and financial commitments

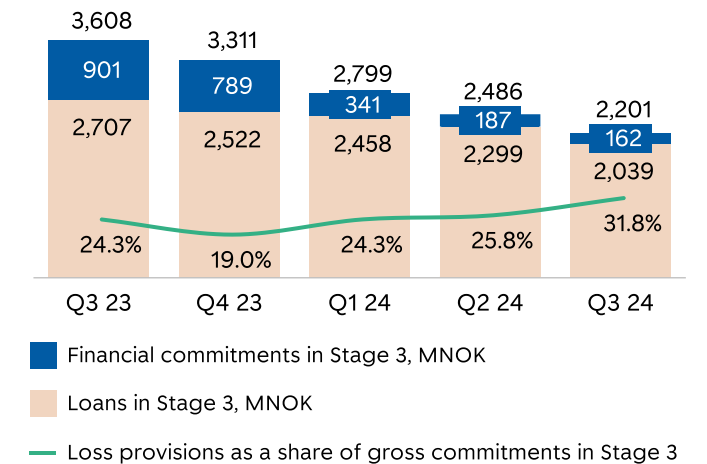
Change in gross loans and financial commitments



Impairments on loans and financial commitments

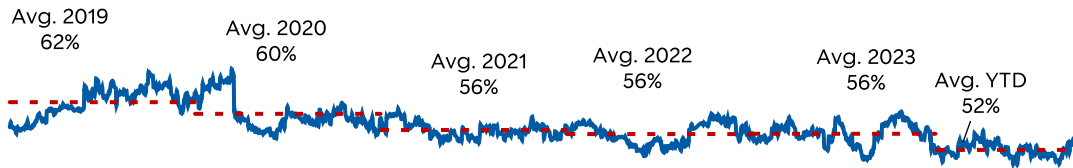


Changes in gross loans and financial commitments defined as Stage 3

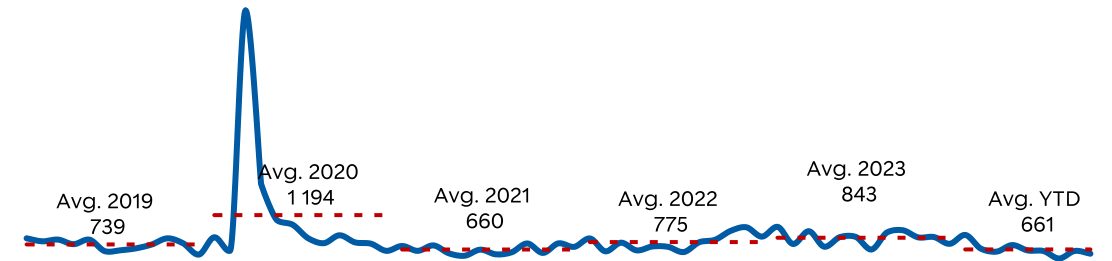


Our customers are doing well

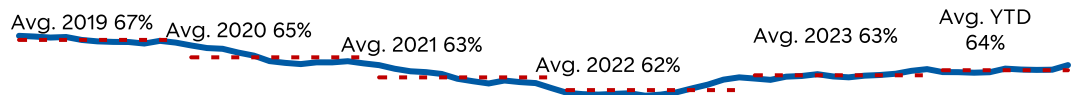
Corporate market - Drawn amount on credit facilities



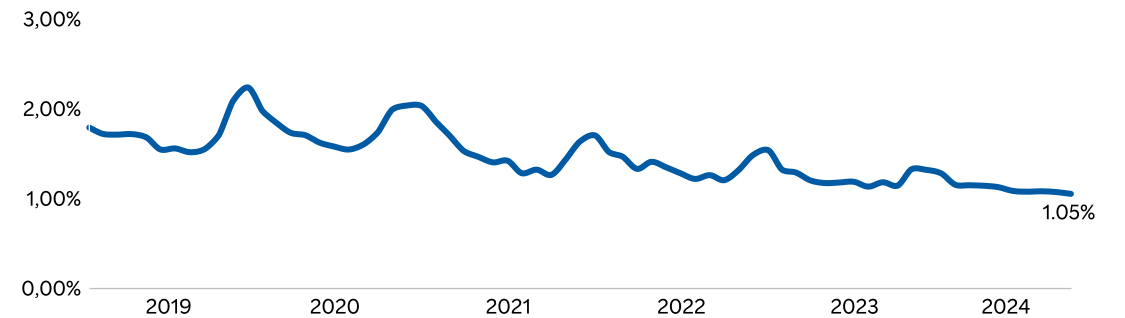
Retail market – Avg. number of applications for interest-only per month



Retail market – Drawn amount on interest only loans



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



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

SpareBank 1 Sør-Norge

Proforma



SpareBank 1 Sør-Norge

Proforma

Result 30 September 2024

14.0%

13.0% excl. one-off effects
Return on equity after tax

6.1%

12 month lending growth

Result 3. quarter 2024

16.2%

12.8% excl. one-off effects*
Return on equity after tax

18.3%

CET 1 capital ratio

33.8%

Cost to income ratio

1.5%

Quarterly lending growth

Retail market	1.8%
Corporate market	0.8%

MNOK 166

Impairments on lending and
financial commitments

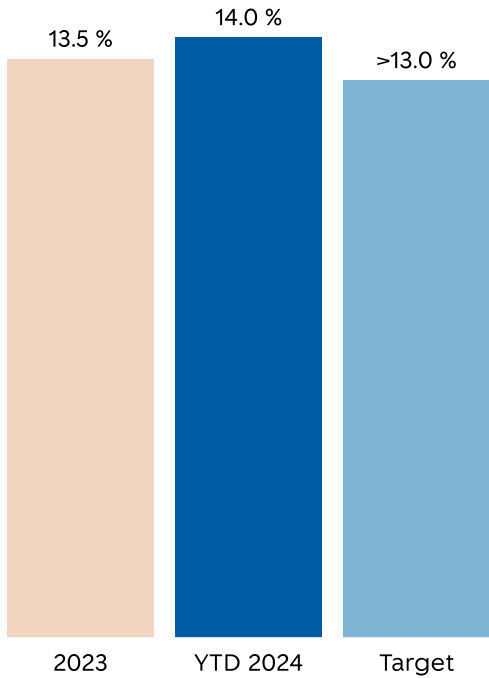
0.17% of gross lending

*Gain of MNOK 577 from the merger between Eika Forsikring and Fremtind Forsikring, write down of shares of MNOK 105 in Folkeinvest and merger cost of MNOK 95 (MNOK 121 year to date).

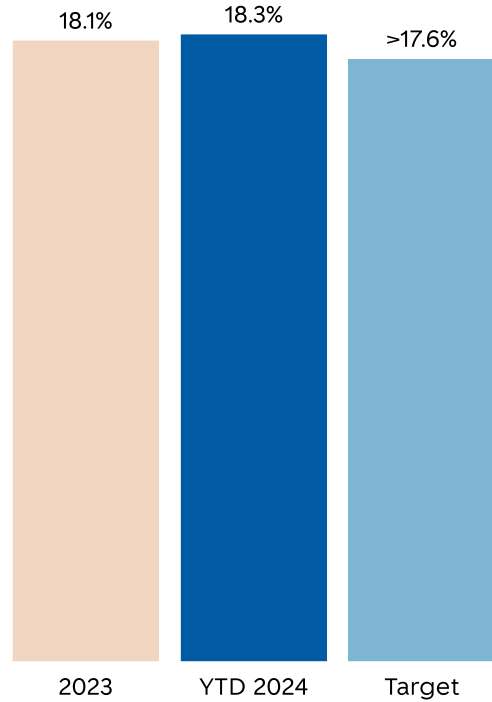
SpareBank 1 Sør-Norge: Key figures

Proforma

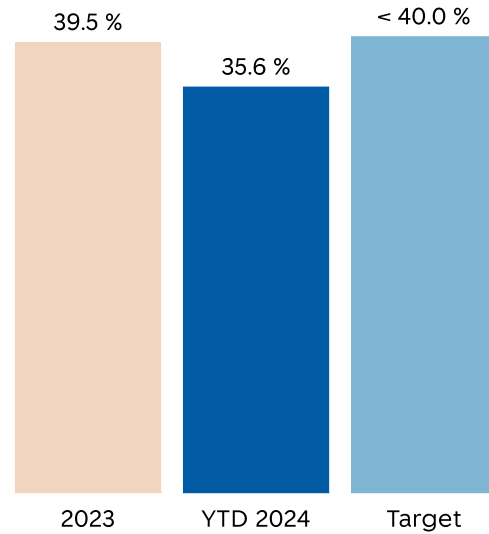
Return on equity



CET 1



Cost to income ratio



Dividend share*

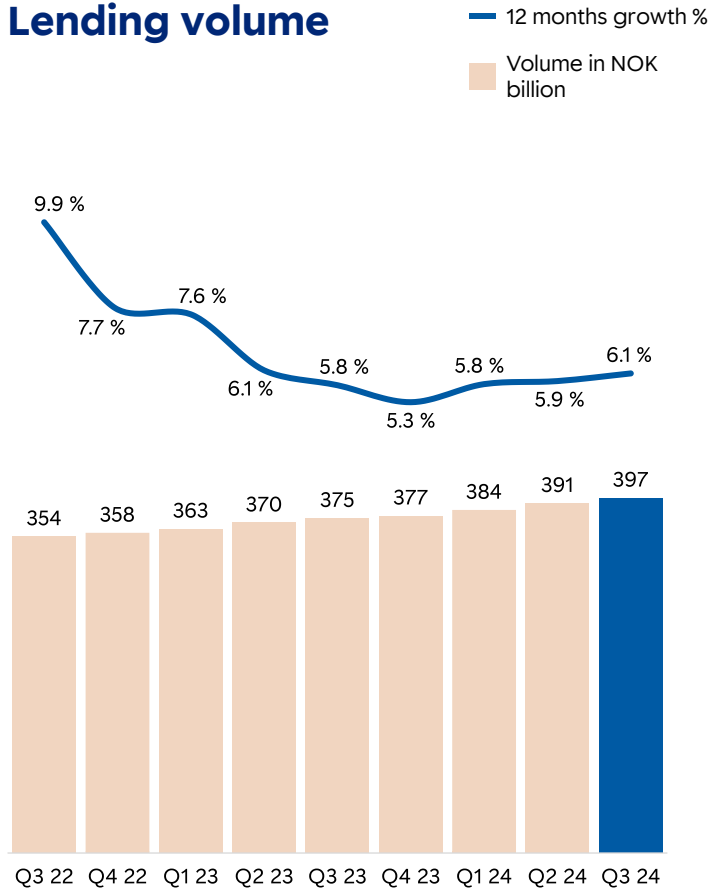


*SB1 SR-Banks dividend share, uncorrected dividend share was 46.1%

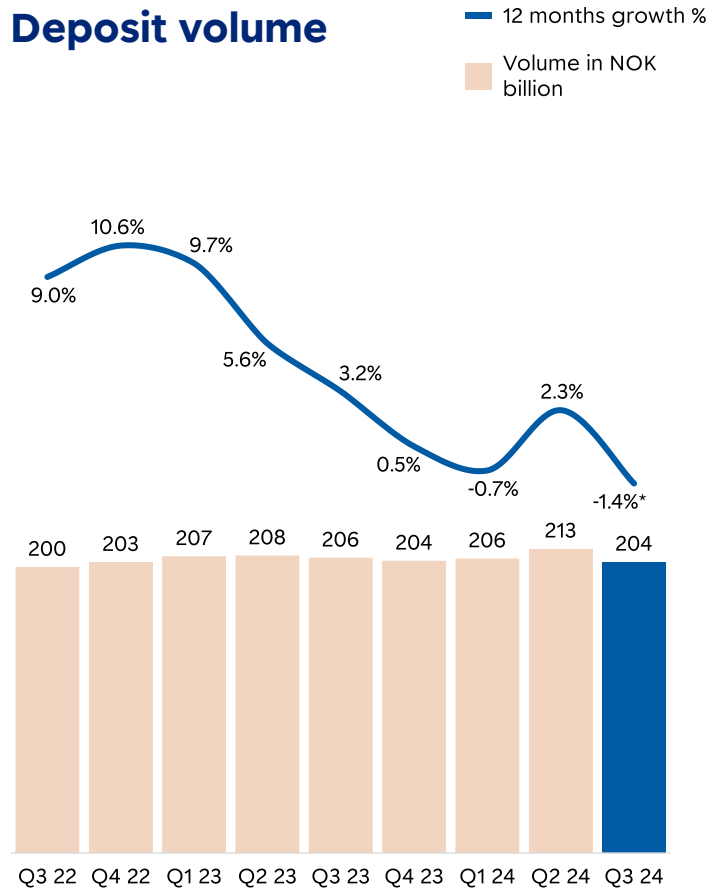
SpareBank 1 Sør-Norge

Proforma

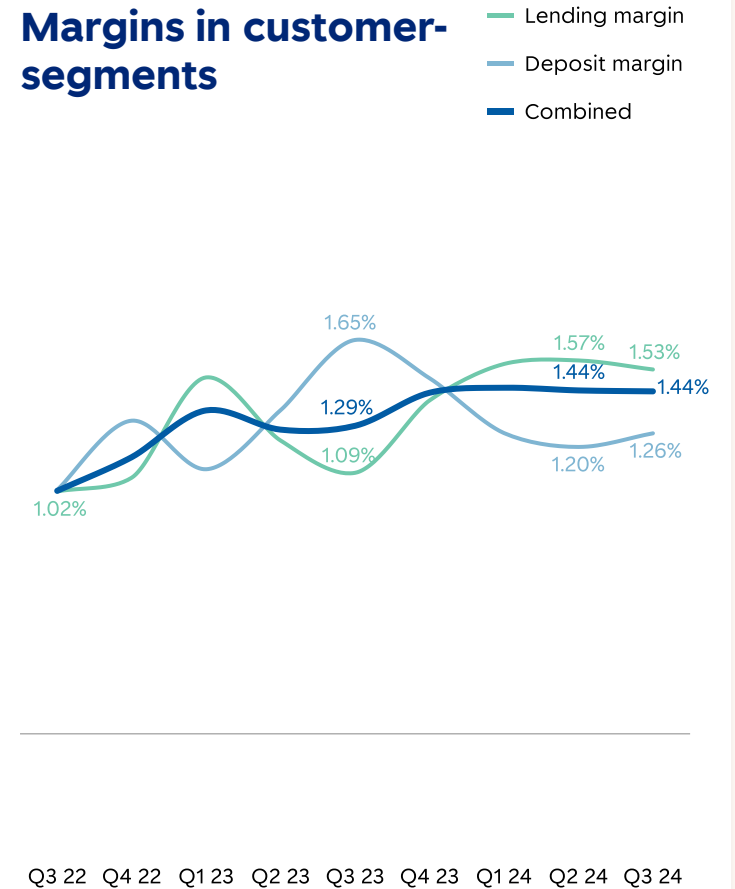
Lending volume



Deposit volume



Margins in customer-segments



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

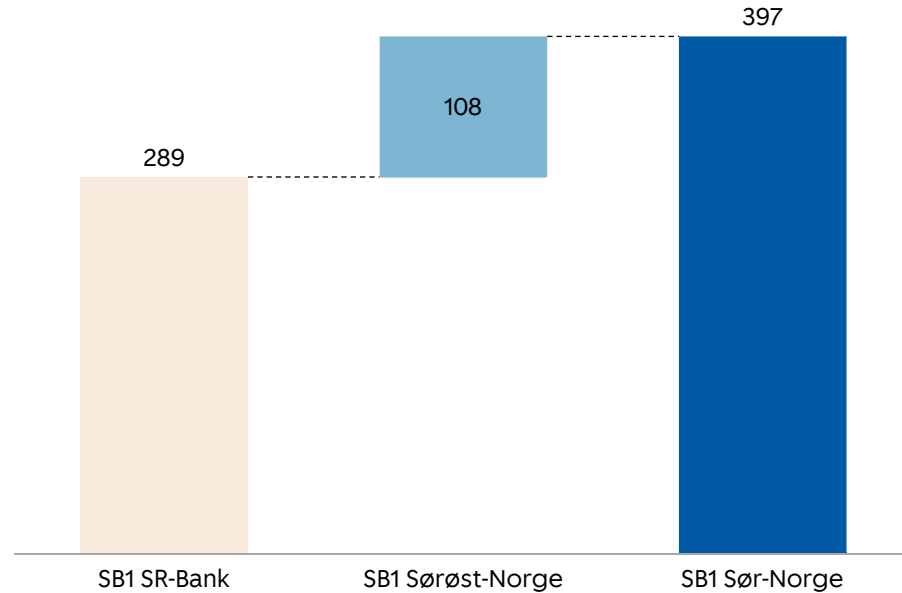
*The 12 months deposit growth excluding deposits from customers in the Public sector and Treasury is 3.5%

SpareBank 1 Sør-Norge

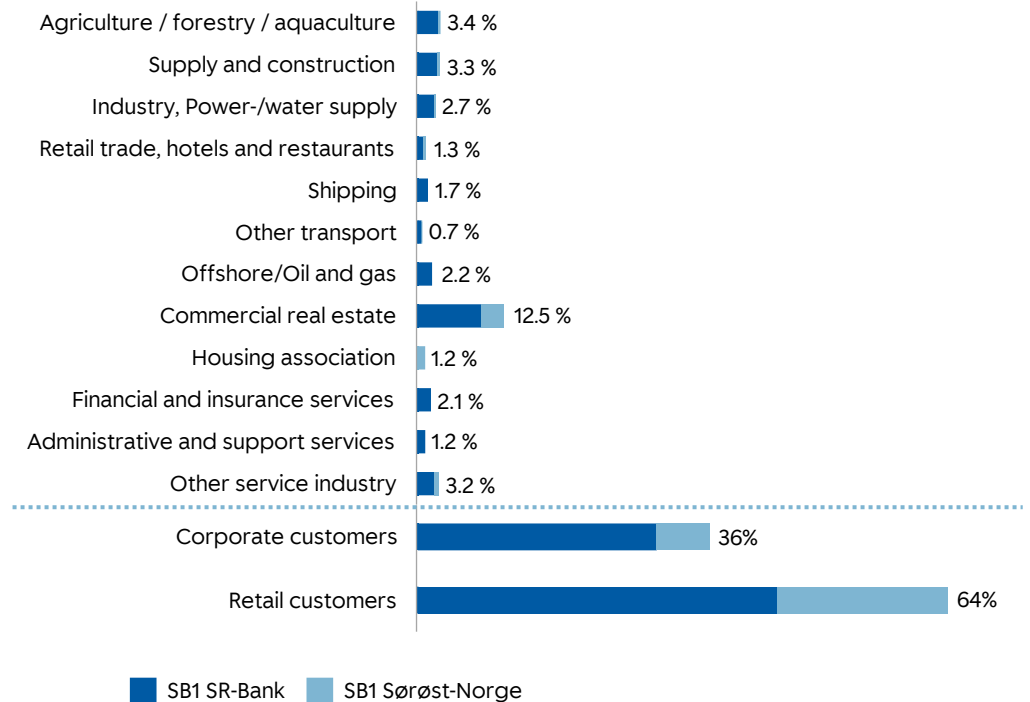
Proforma

Lending volume

(NOK Bill)



Loan portfolio



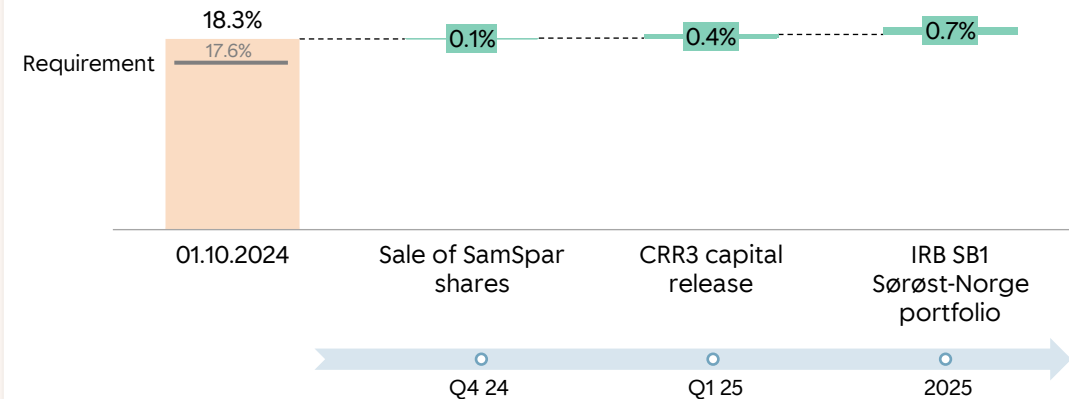
SpareBank 1 Sør-Norge: Synergies

Proforma

A solid platform for profitable growth

- The merger is primarily aimed at creating the most efficient platform for profitable growth and achieving economies of scale. The companies do not have overlapping office networks. There is a clear ambition to achieve revenue synergies over time.
- Annual synergies related to operations and funding are currently estimated at approximately NOK 150 million. Work with identification of operational synergies is expected to be completed in the 4th quarter of 2024.
- SpareBank 1 Sør-Norge expects to achieve capital synergies, estimated at approximately NOK 2,5 billion.
 - Sale of shares in SamSpar
 - Introduction of CRR3 in Norway and capital release on SpareBank 1 Sørøst-Norge's mortgage portfolio
 - Approval of the A-IRB for SpareBank 1 Sørøst-Norge's lending portfolio

CET 1 – Estimated capital synergies 2024/2025



*100% of SB1 Sørøst-Norges result is included in CET1 capital

Outlook

- The businesses in SpareBank 1 Sør-Norge's business review are at their most positive in over two years
- Expecting subdued housing price growth going forward
- The group has strong growth and is increasing its market share
- Full integration of SpareBank 1 Sør-Norge is expected autumn 2025



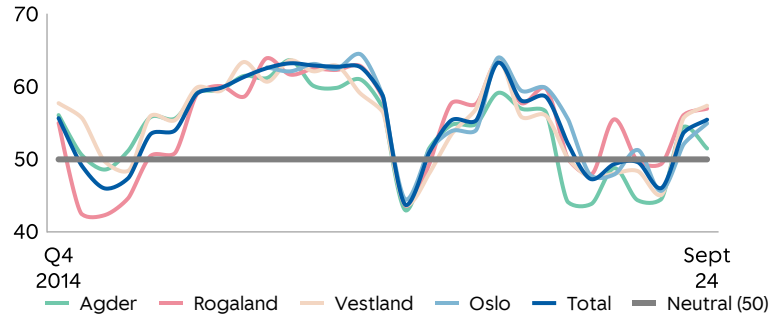
APPENDIX

- 1) **Macro**
- 2) SpareBank 1 Sør-Norge Proforma
- 3) SpareBank 1 SR-Bank

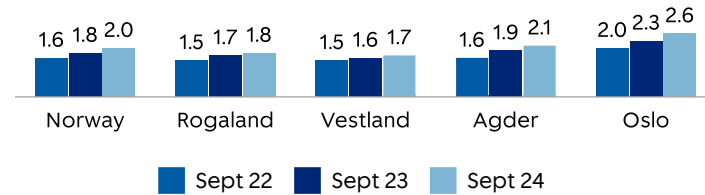
Macro in Southern Norway

SpareBank 1 SR-Bank's business survey

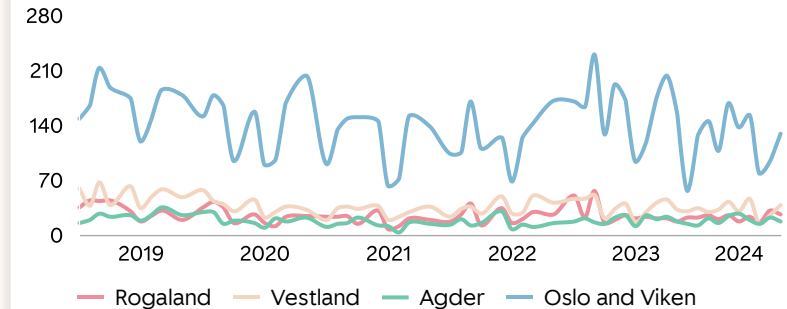
Main index of 55 per cent as of the 3 quarter of 2024



Unemployment rate

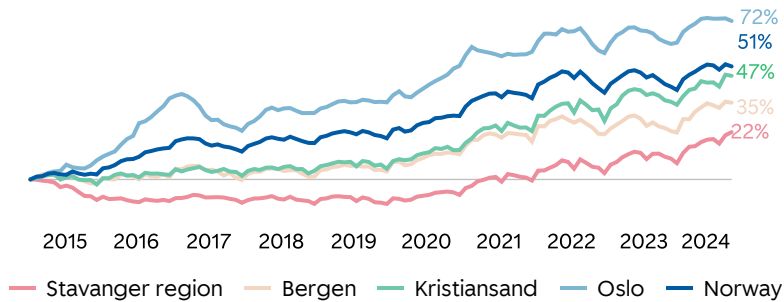


Number of bankruptcies

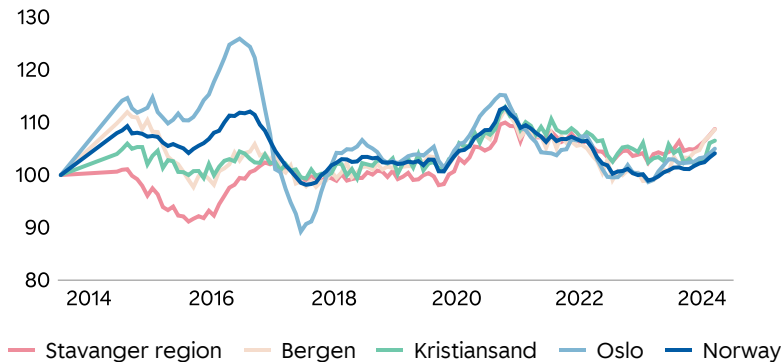


House price development

Norwegian house prices have increased by 4.1 % the last 12 months

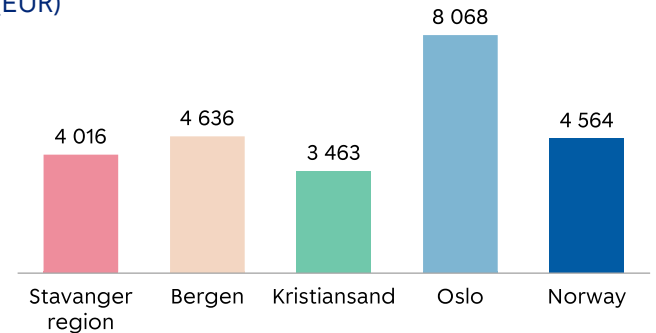


Index change 12 month (%)



Prices by city per square meter

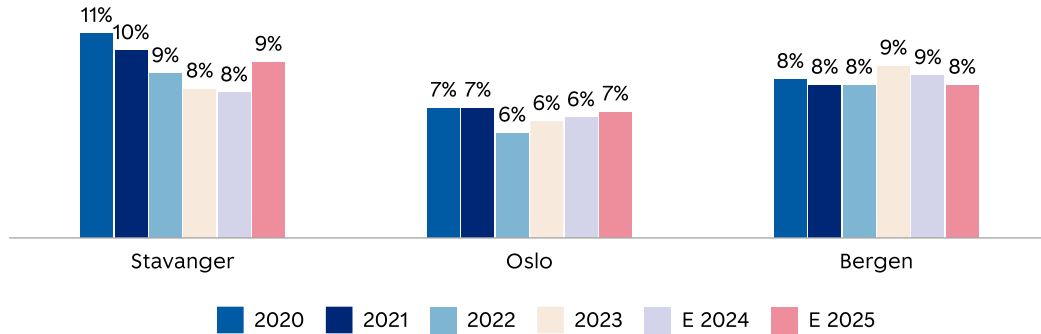
(EUR)



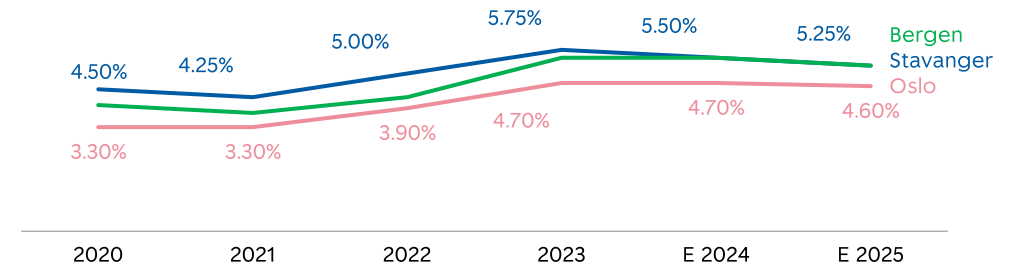
Sources: Eiendom Norge, Eiendomsverdi, NAV, Brønnøysundregisteret, SP1 SR-Bank Business survey.

Market – Commercial real estate

Office vacancy

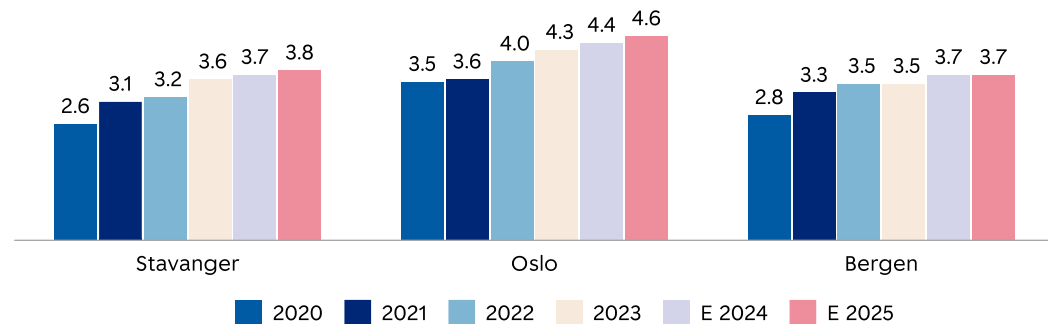


Prime yield



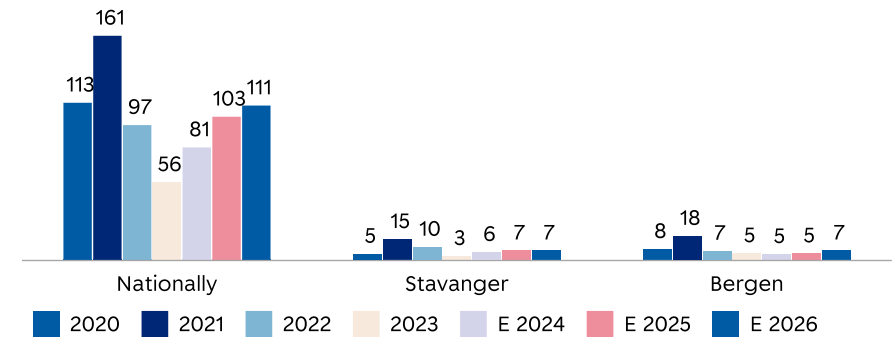
Rental prices

(TNOK per sq.m)



Transaction volume

(NOK billion)



APPENDIX

- 1) Macro
- 2) SpareBank 1 Sør-Norge Proforma**
- 3) SpareBank 1 SR-Bank

SpareBank 1 Sør-Norge

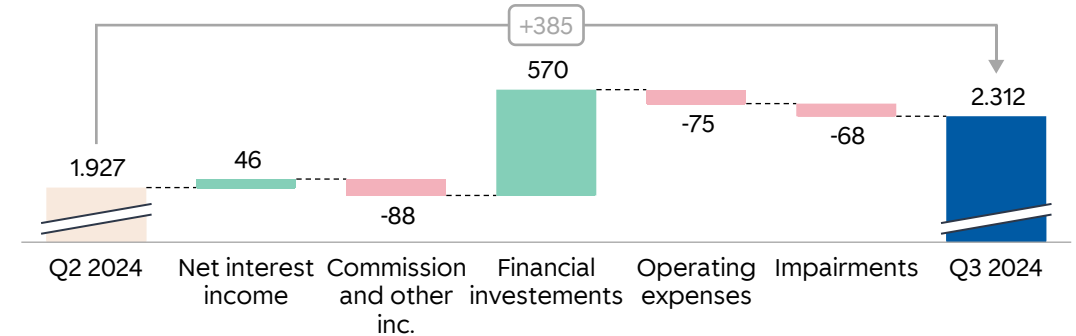
Proforma

Income statement

(MNOK)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net interest income	2.308	2.262	2.256	2.258	2.119
Net commission and other income	694	782	676	656	701
Net income on financial investments	743	173	266	484	19
Total income	3.745	3.217	3.198	3.399	2.839
Total operating expenses	1.268	1.193	1.161	1.321	1.107
Operating profit before impairments	2.478	2.025	2.037	2.077	1.732
Impairments on loans and financial commitments	166	98	59	- 132	- 60
Pre-tax profit	2.312	1.927	1.977	2.209	1.792
Tax expense	353	417	398	405	427
Profit after tax	1.959	1.510	1.580	1.804	1.365

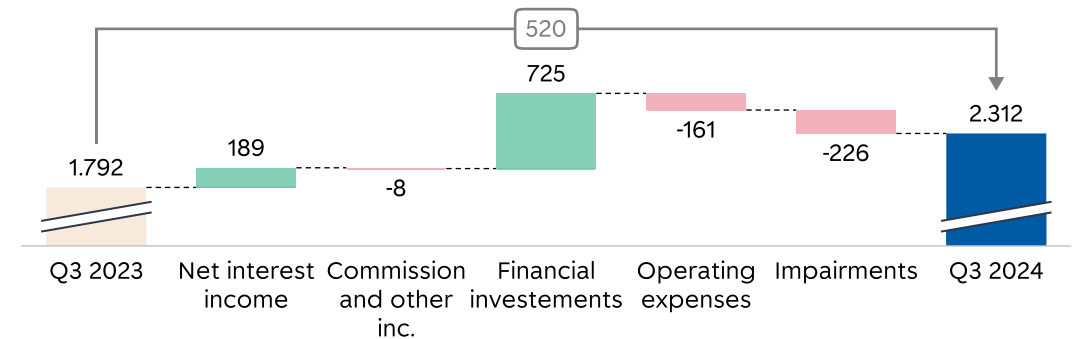
Change from last quarter

(MNOK)



Change from Q3 2023

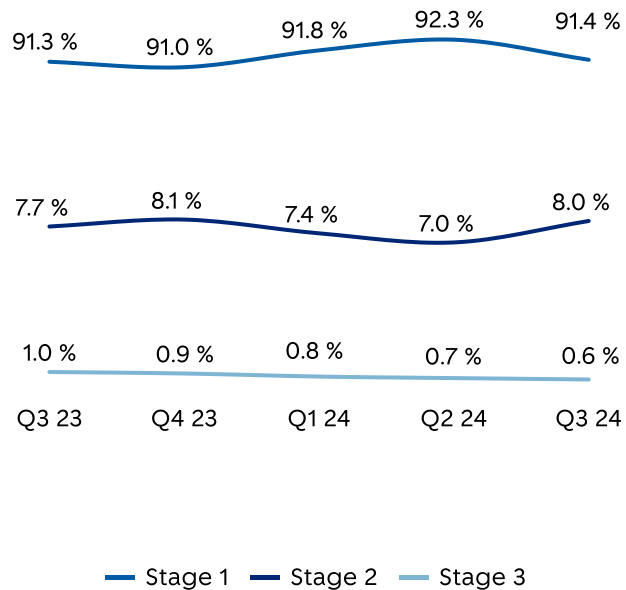
(MNOK)



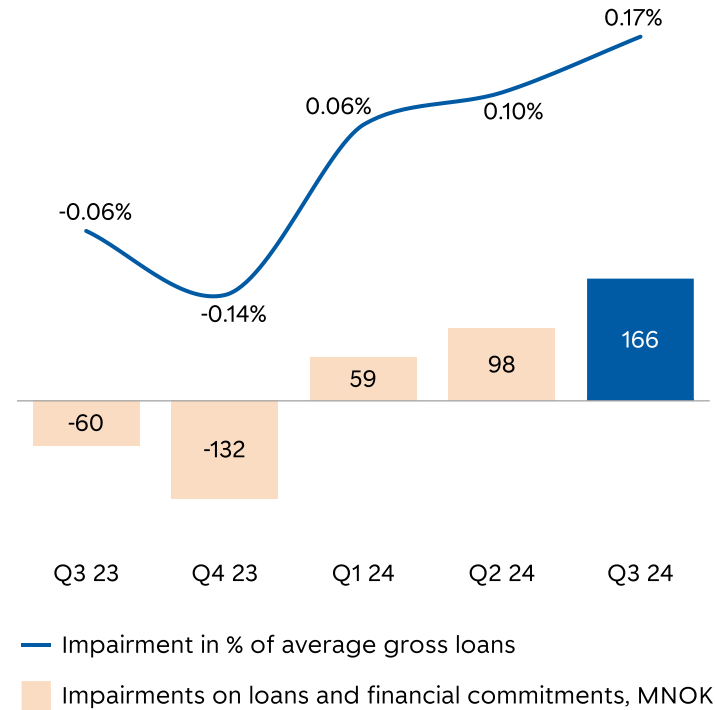
SpareBank 1 Sør-Norge: Loans and financial commitments

Proforma

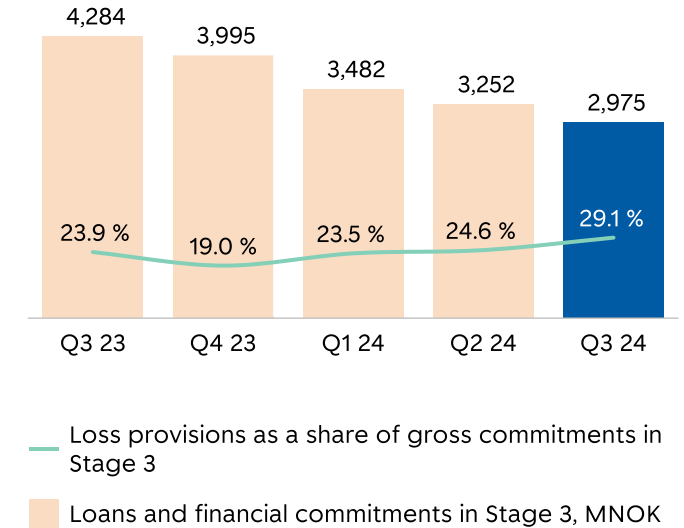
Change in gross loans and financial commitments



Impairments on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3

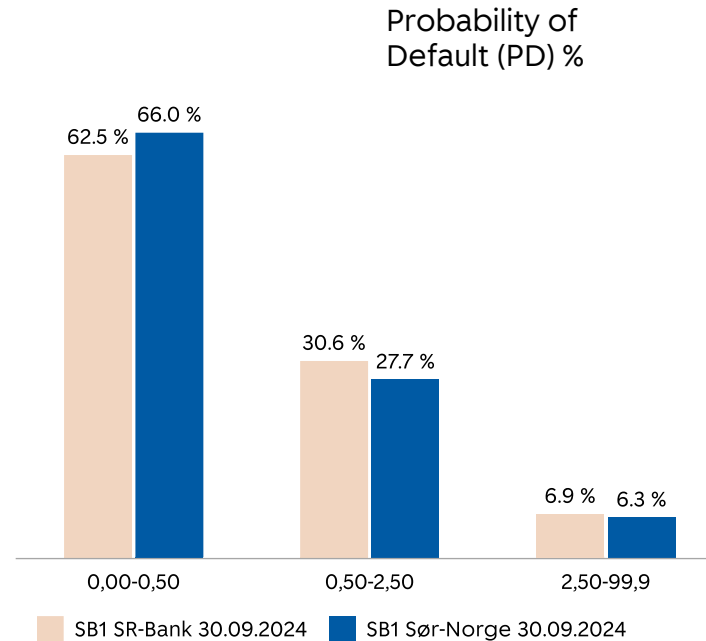


Profile of the loan portfolio

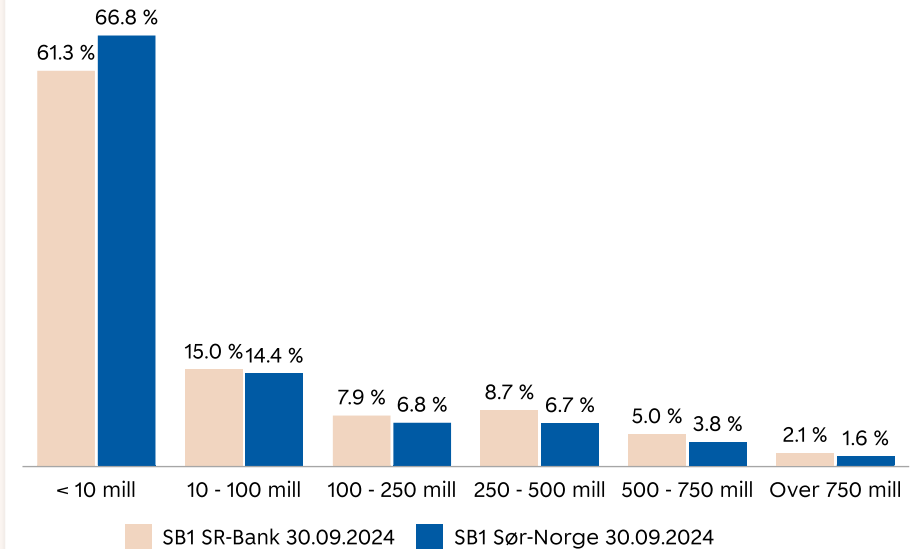
Proforma

- 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



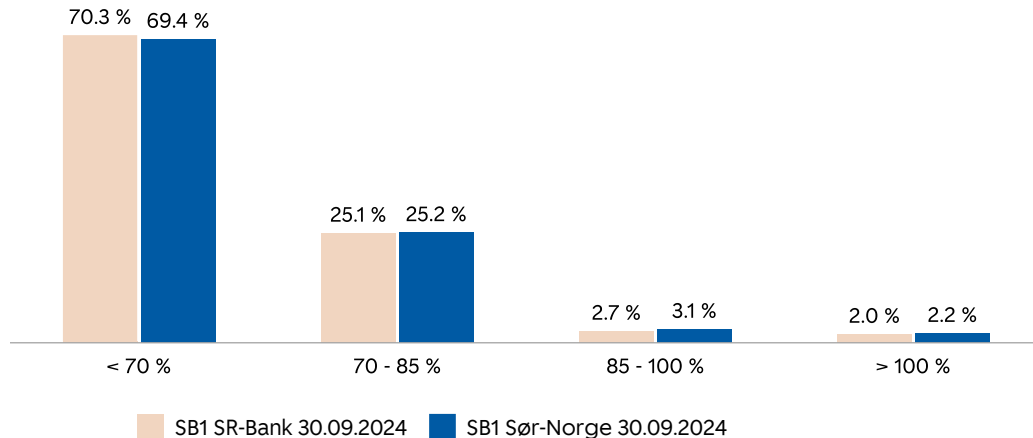
Probability of default (PD) through a full cycle of loss.

Loan to value ratio and RWA on home mortgage loans

Proforma

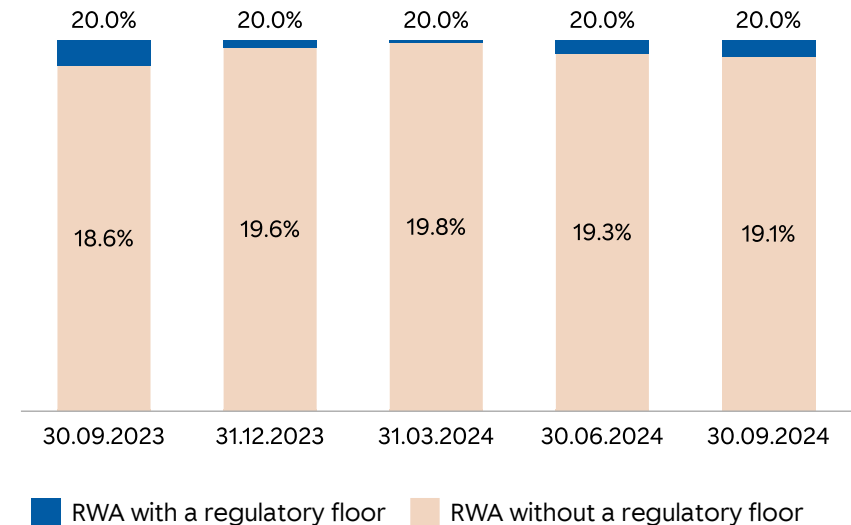
Loan to value ratio on home mortgage loans

- The proforma figures for SpareBank 1 Sør-Norge show that 94.7% of the exposure is within 85% of the assessed value of collateral.



Risk weight home mortgages*

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



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

SpareBank 1 Sør-Norge ASA

Proforma

Fully owned companies

**EiendomsMegler 1
SR-Eiendom**

Real estate broker

**SpareBank 1
SR-Bank
ForretningsPartner**

Accounting and advisory

SR-Boligkreditt

Covered Bond Funding

**EiendomsMegler 1
Sørøst-Norge**

Real estate broker

**SpareBank 1
Regnskapshuset
Sørøst-Norge**

Accounting and advisory

FinStart Nordic

*Investmentportfolio
FinTec*

**EiendomsMegler 1
Telemark (51%)**

Real estate broker

Partly owned companies

BN Bank



42.5%

**SpareBank 1
Markets**



35.1%

**SpareBank 1
Kreditt**



26.8%

**SpareBank 1
Forvaltning**



42.5%

**SpareBank 1
Betaling***



28.0%

**SpareBank 1
Gruppen**



19.5%

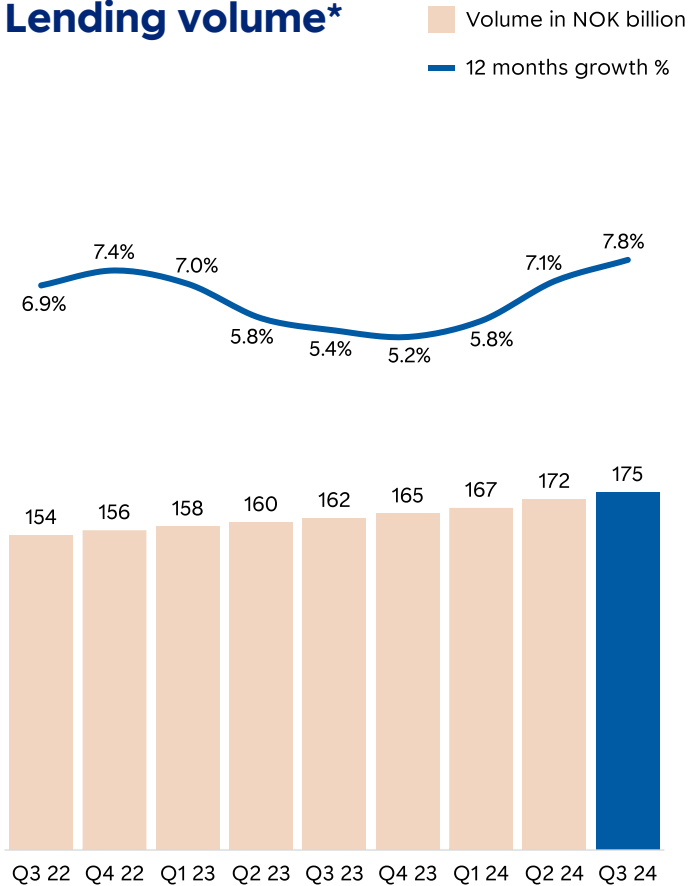
*Owns 23.9% in Vipps AS.

APPENDIX

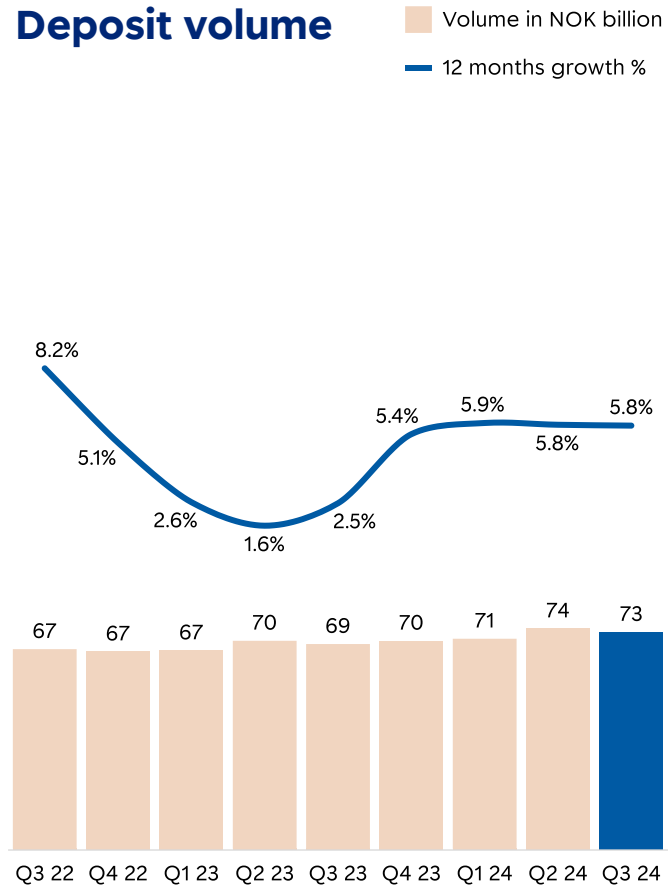
- 1) Macro
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- 3) SpareBank 1 SR-Bank**

Retail market

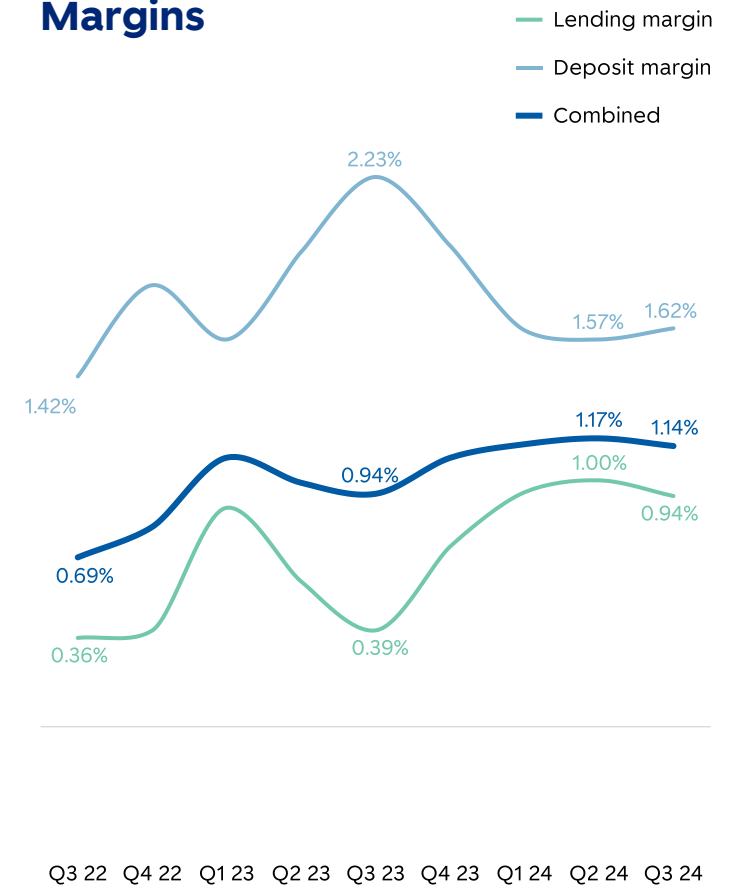
Lending volume*



Deposit volume



Margins

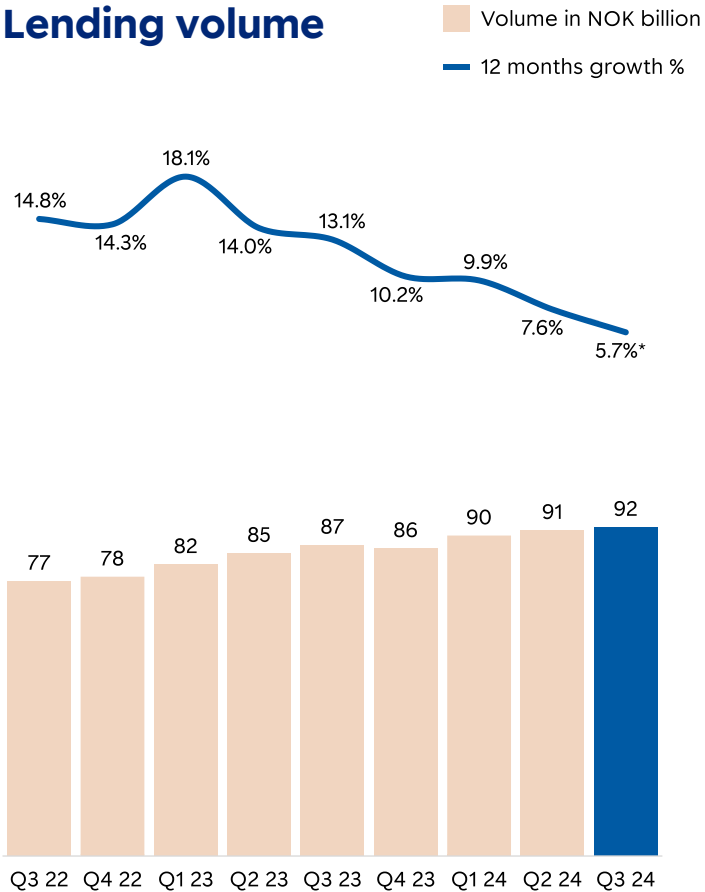


Definition margins: Average customer rate measured against money market rates.

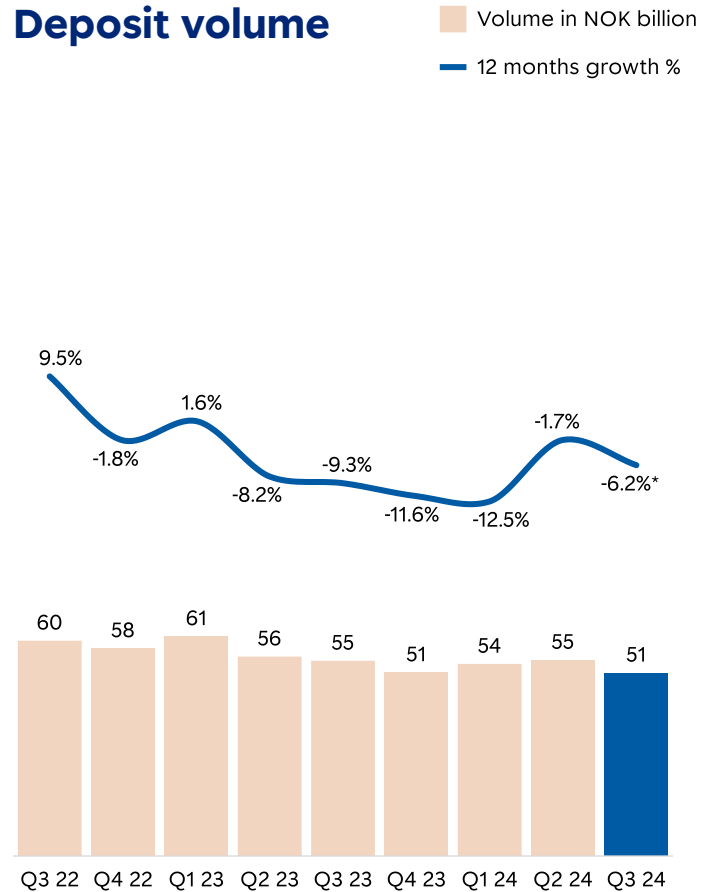
*Including loans to employees.

Corporate market

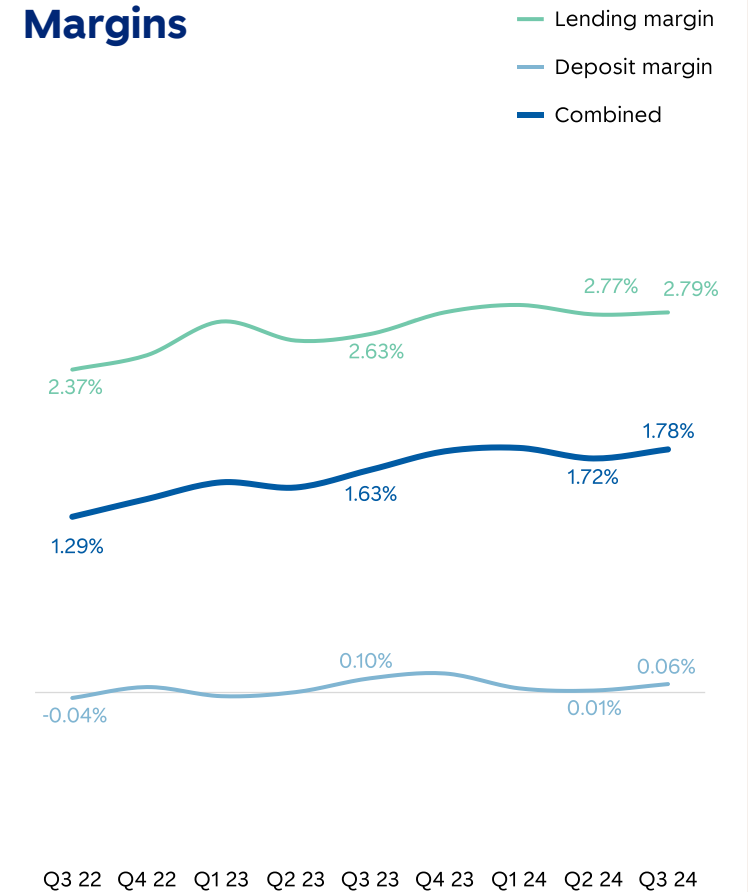
Lending volume



Deposit volume



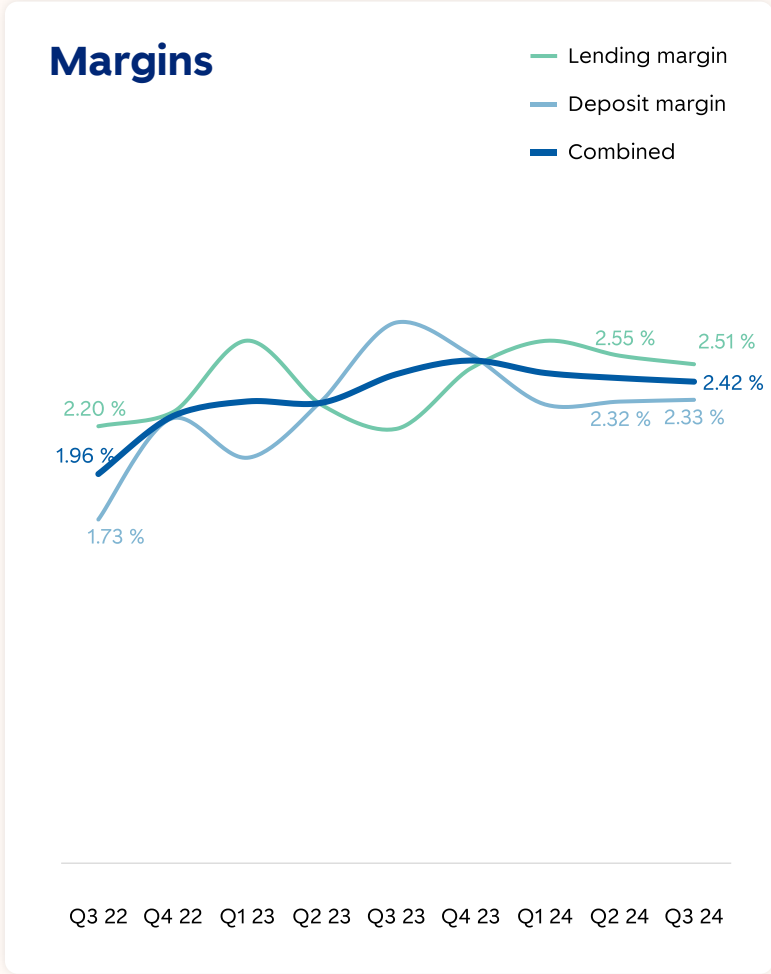
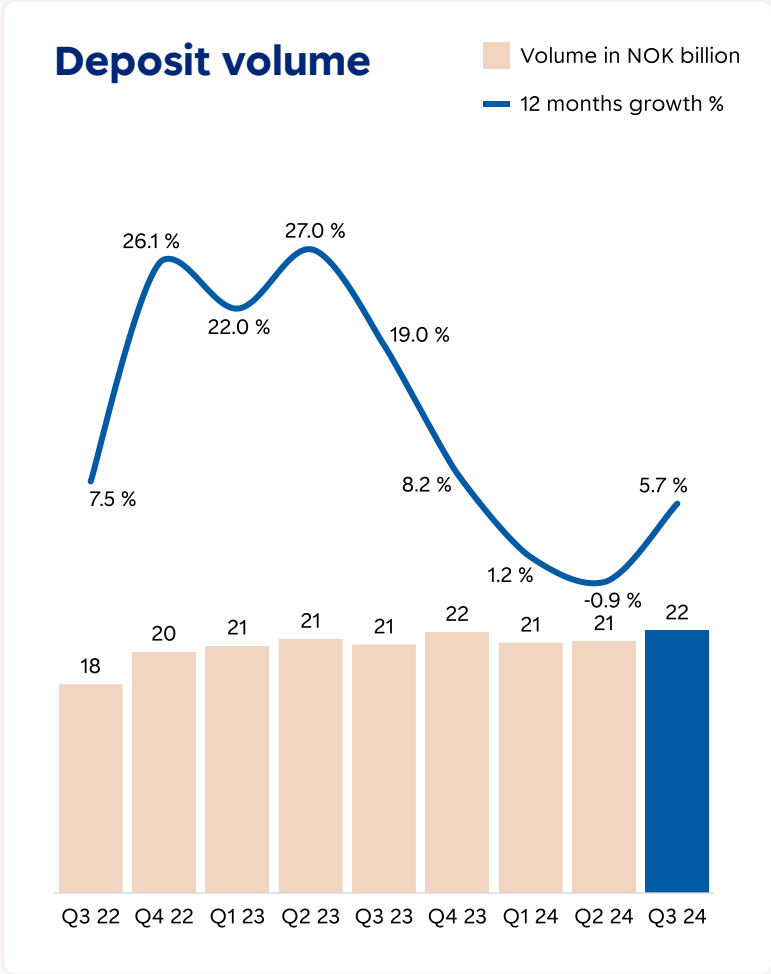
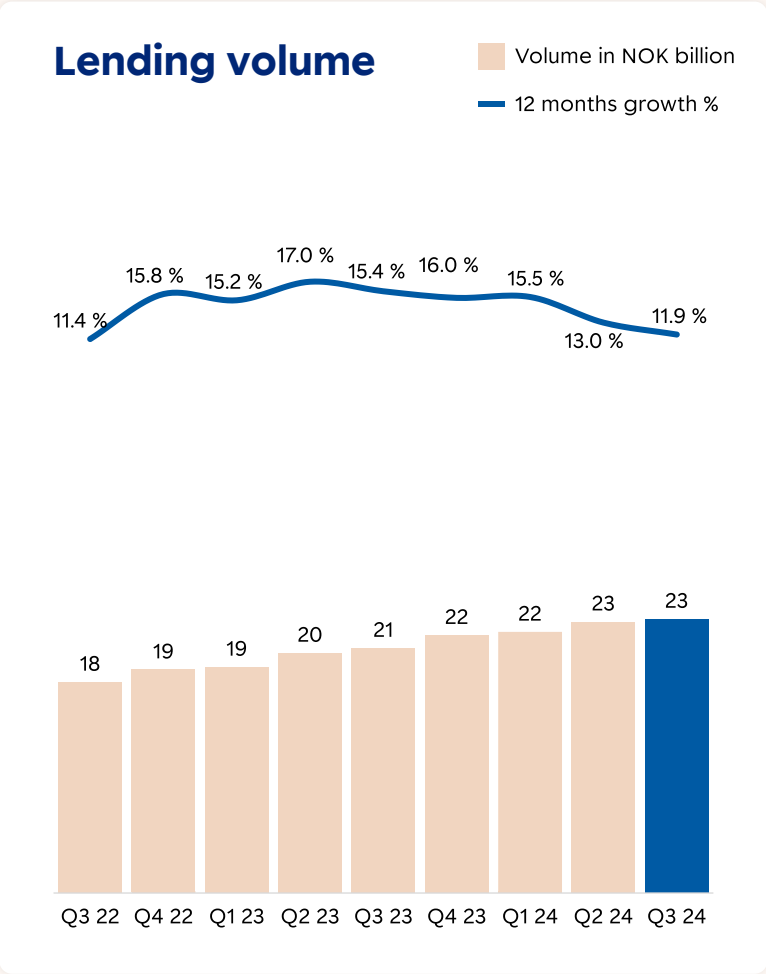
Margins



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

*12 months lending growth in Corporate market excluding currency effect is 5.2%. 12 months deposit growth excluding deposits from customers in the public sector is 2.5%.

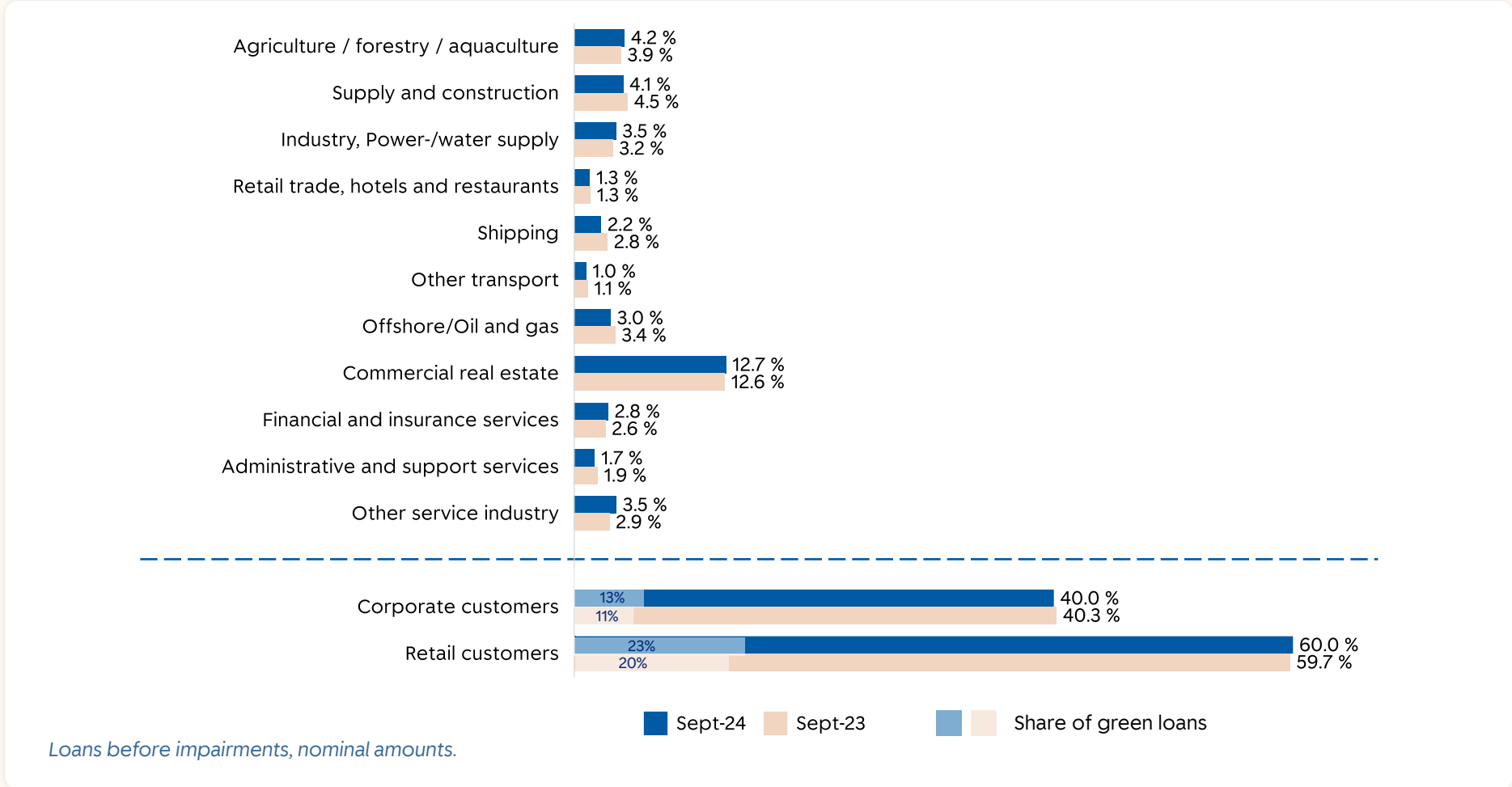
SME and Agriculture



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

Well-diversified lending portfolio

- Gross loans increased to NOK 289 billion from NOK 270 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).

Ownership interests

Company (ownership share), MNOK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
SpareBank 1 Gruppen AS (19,5%)	538	1	40	-51	-13
BN Bank AS (35 %)	77	73	84	73	64
SpareBank 1 Forvaltning AS (35,8%)	22	22	17	21	11
SpareBank 1 Markets AS (33,3%)	17	22	21	51	
SpareBank 1 Kreditt AS (16,8%)	-3	1	-3	-3	-3
SpareBank Betaling AS (19,1%)	-1	-2	-10	-7	-9
Others	4	0	-3	6	1
Total ownership interests	655	117	145	92	51
Finstart Nordic AS*	0	2	-2	1	-3
Total ownership in the group	655	120	143	93	47

Ownership interests

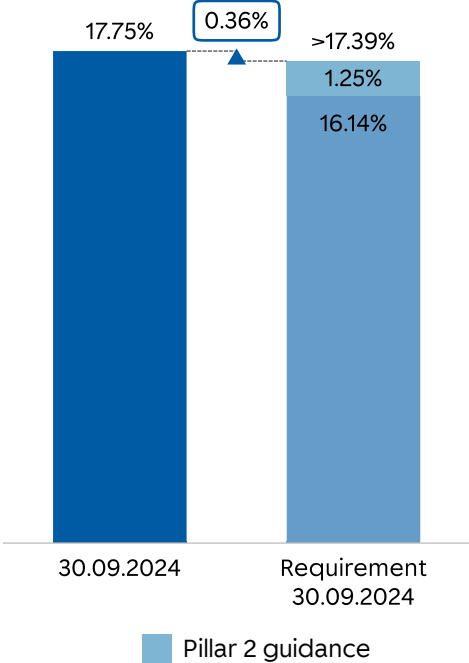


*Companies in which FinStart Nordic AS owns stakes of between 20-50% must, because of accounting rules, be measured as associated companies in the consolidated financial statements. The profit contribution here is included in the company's results on the previous page.

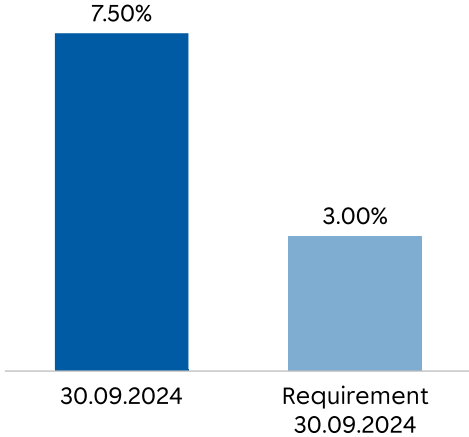
Solid capital ratio

- The minimum requirement for the CET 1 capital ratio is 17.39% including a temporary Pillar 2 requirement of 0.28% and a Pillar 2 guidance requirement of 1.25%
- The leverage ratio is 7.50% as at 30 September 2024, well above the minimum requirement at 3.0%
- 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

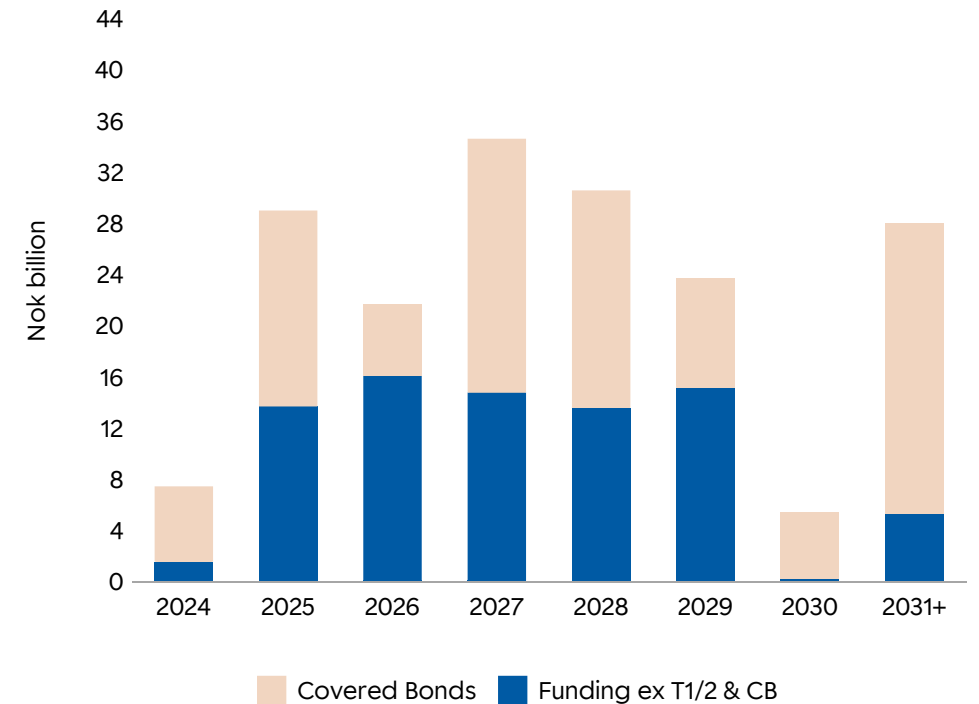


Funding

Strong liquidity

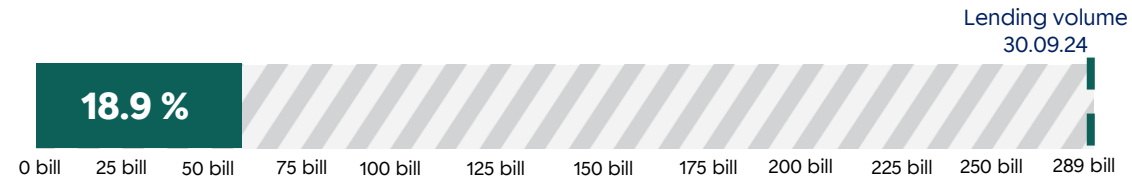
- LCR 172%
- NSFR 134%
- NOK 27.3 billion net refinancing need over the next 12 months
- Deposit to loan ratio 50.6%
- MREL-requirement 38.6%, MREL-subordination requirement 30.7%
 - As of 30 September 2024, SR-Bank has issued NOK 17.8 billion in senior non-preferred. The requirement is approx. NOK 9 billion.

Annual funding maturity



Lending volume and financing sustainable activities

Sustainable lending volume is 18.9% 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



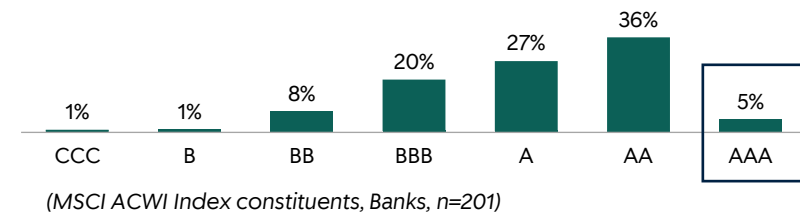
Sustainable activities

- 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.

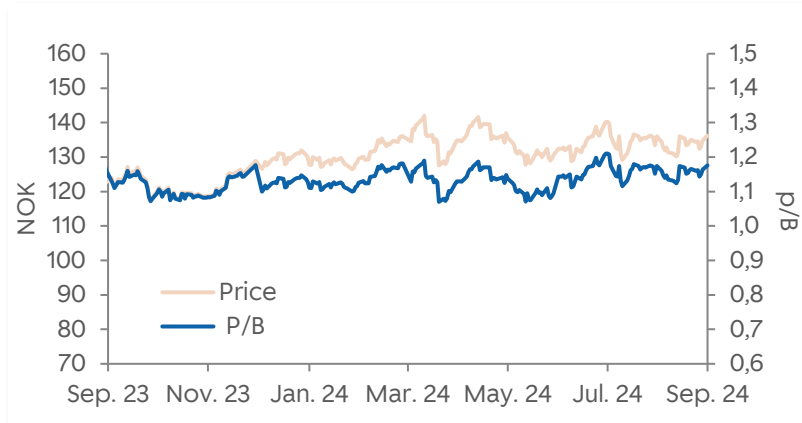


Sustainable lending and activities according to the internal sustainable product framework

SRBNK share

- International ownership is 22.7% per 3. quarter 2024
- Total market value at 3. quarter 2024 is NOK 36 billion

Development in Price/Book



Relative share price development



Trading volume development



SR-Bank as at 30 September 2024

- Number of shares issued 264.27 million
- Trading volume in Q3 2024: 3.5% (2.7%)

SpareBank 1 SR-Bank share	30.09.2024	2023	2022	2021	2020
Share price	136.20	128.90	120.70	133.20	91.00
Stock value (MNOK)	35,993	34,064	30,869	34,066	23,273
Book value per share (incl. Dividends) (group)	120.90	115.07	106.32	99.05	95.97
Earnings per share	13.64	16.27	12.88	12.08	5.87
Dividend per share	-	7.50	7.00	6.00	3.10
P/E	7.48	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 September 2023.

20 largest shareholders as at 30 September 2024

- Ownership interests:
 - From Rogaland, Agder, Vestland, Oslo and Akershus: 60.9% (64.8%)
 - International: 22.7% (21.2%)
 - 10 largest: 50.5% (49.4%)
 - 20 largest: 59.5% (57.7%)
- Number of shareholders: 19.504 (18.810)
- Employees owning 1.8% (1.8%) as at 30 September 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.	5,270	2.0%
Pareto Aksje Norge	4,233	1.6%
J.P.Morgan SE, Luxembourg	4,168	1.6%
JPMorgan Chase Bank NA, U.S.A.	4,087	1.5%
Verdipapirfond Odin Norge	3,736	1.4%
Brown Brothers Harriman & Co, U.S.A.	3,692	1.4%
Swedbank AB	3,403	1.3%
Verdipapirfondet Alfred Berg Gambak	3,302	1.2%
J.P.Morgan SE, Luxembourg	3,244	1.2%
Skandinaviska Enskilda Banken AB	2,657	1.0%
Danske Invest Norske Instit. II	2,434	0.9%
State Street Bank and Trust Co, U.S.A.	2,236	0.8%
AS Clipper	2,234	0.8%
KLP AksjeNorge Indeks	2,137	0.8%
Westco AS	1,957	0.7%
J.P.Morgan SE, Luxembourg	1,926	0.7%
Verdipapirfondet Storebrand Indeks	1,784	0.7%
Top 5	114,278	43.2%
Top 10	133,363	50.5%
Top 20	157,275	59.5%

Figures in parentheses as at 30 September 2023.

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.



Contact Details

Christen Tranes Gate 35
Postboks 250
4068 Stavanger

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



Management



Inge Reinertsen
CEO

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



Roar Snippen
Appointed CFO

+47 976 10 360
Roar.snippen@sb1sorost.no

Investor Relations



Morten Forgaard
Investor Relations

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



Mona Storbrua
IR coordinator

+47 916 39 833
mona.storbrua@sb1sorost.no