

SpareBank 1
SOGN OG FJORDANE

Tonningsgata



Annual Report 2024

SpareBank 1
SOGN OG FJORDANE

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This report is a translation of the official Norwegian report.

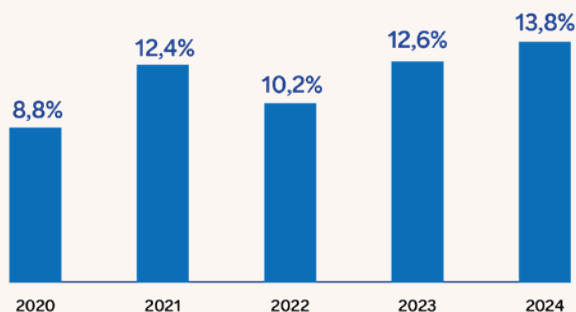
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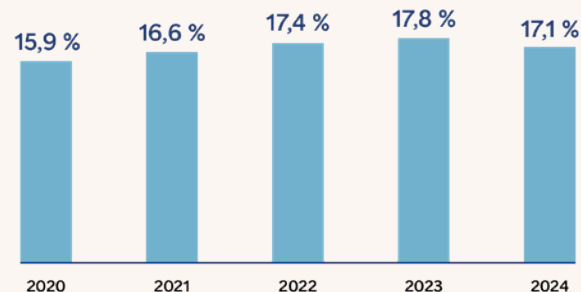
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Selected key figures for 2024

Return on equity after tax



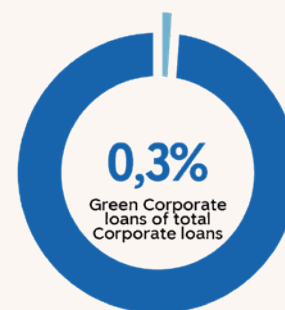
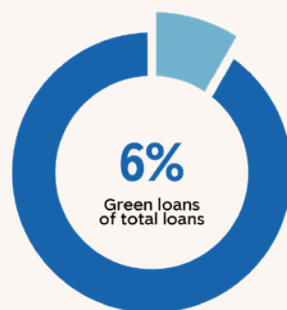
Core Tier 1 capital



Green loans at 31.12.2024



at 31.12.2024



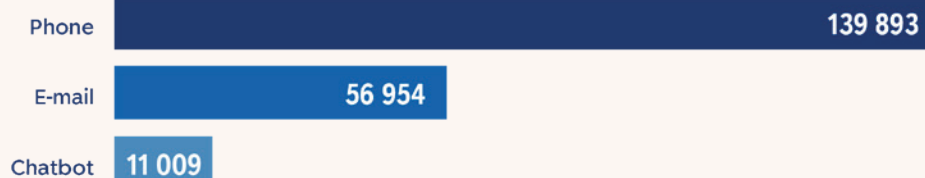
Visits to SSF.no in 2024







Customer service centre use in 2024



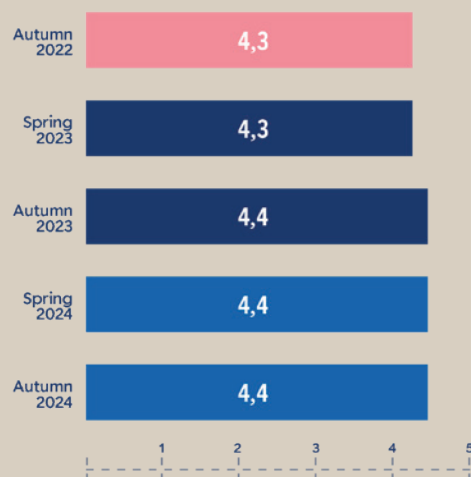
Customer service centre, retail market



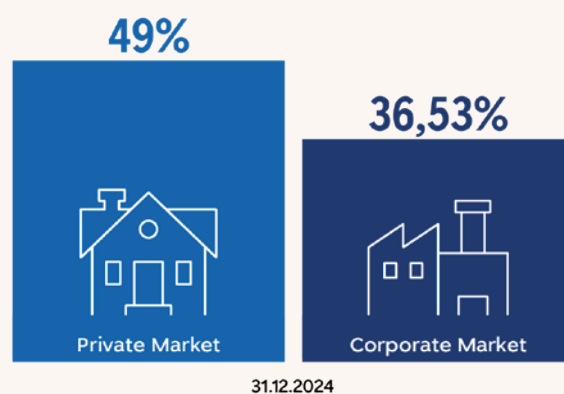
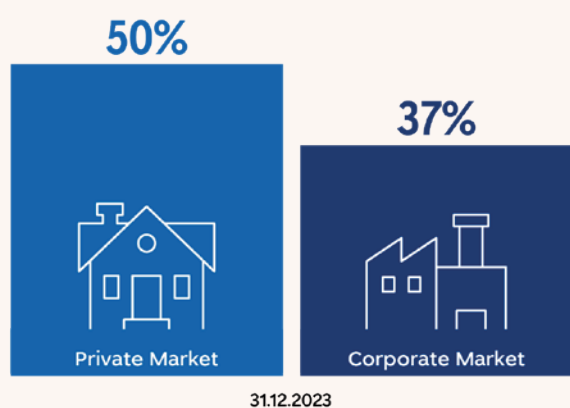
Greenhouse gas emissions

	 Own operations	 Corporate market loan portfolio	 Retail market loan portfolio	 Total emissions
Direct emissions (Scope 1)	5,6 tCO ₂ e	—	—	5,6 tCO ₂ e
Indirect emissions from purchased energy (Scope 2)	23,2 tCO ₂ e	—	—	23,2 tCO ₂ e
Indirect emissions from value chain (Scope 3)	540 tCO ₂ e	258 174 tCO ₂ e	4 100 tCO ₂ e	262 814 tCO ₂ e
Total greenhouse gas emissions	568,8 tCO ₂ e	258 174 tCO ₂ e	4 100 tCO ₂ e	262 843 tCO ₂ e

Employee satisfaction



Market shares for loans to the retail and corporate markets in Sogn og Fjordane



Key figures, consolidated

AMOUNTS IN NOK MILLION

INCOME STATEMENT

	2022	2023	2024
Net interest income	1 148	1 466	1 586
Dividends and gains/losses on financial instruments	0	34	259
Other operating income	166	167	165
Operating expenses	499	546	744
Profit/loss before impairment loss (incl. securities)	815	1 121	1 266
Profit/loss before impairment loss (excl. securities)	815	1 088	1 007
Impairment loss	36	13	19
Profit/loss before taxation	779	1 108	1 246
Tax expense	177	261	255
Profit/loss after taxation	602	847	992
Other comprehensive income	0	0	0
Comprehensive income	602	847	992

BALANCE SHEET

Assets

Gross loans and advances to customers	61 498	64 286	64 693
Gross loans and advances to customers incl. loans transferred to Spb. 1 Boligkreditt AS	61 498	64 286	67 153
Loss allowance	- 314	- 316	- 281
Security investments (shares, fixed income funds, commercial paper and bonds)	8 225	8 361	11 372

Debt and equity

Deposits from and debt to customers	34 846	35 796	38 597
Debt securities and debt to credit institutions	27 673	28 542	28 696
Equity	6 645	7 316	7 628
Total assets	70 824	73 556	77 077
Average total assets	68 515	72 573	75 524

KEY FIGURES

Profitability

Net interest margin	1,67 %	2,02 %	2,10 %
Other operating income (excl. profit/loss on fin. instr.) as a % of average total assets	0,24 %	0,23 %	0,22 %
Operating expenses as a % of average total assets	0,73 %	0,75 %	0,99 %
Profit/loss before impairment loss as a % of average total assets	1,19 %	1,55 %	1,68 %
Profit/loss before tax as a % of average total assets	1,14 %	1,53 %	1,65 %
Profit/loss after tax as a % of average total assets	0,88 %	1,17 %	1,31 %
Comprehensive income as a % of average total assets	0,88 %	1,17 %	1,31 %
Oper. exp. as a % of oper. income excl. gains/losses on fin. instr.	37,99 %	33,41 %	42,49 %
Oper. exp. as a % of oper. income incl. gains/losses on fin. instr.	37,98 %	32,73 %	37,02 %
Impairment loss as a % of gross loans	0,06 %	0,02 %	0,03 %
Return on equity before tax 1)	13,21 %	16,57 %	17,48 %
Return on equity after tax 1)	10,21 %	12,56 %	13,80 %
Pre-tax return on equity (comprehensive income) 1)	10,21 %	12,56 %	13,80 %
Consolidated comprehensive income per equity certificate (weighted), in NOK	26,98	37,79	43,43
Dividend payable per equity certificate, in NOK	12,00	25,00	20,00

1) Return on equity is calculated based on average equity excl. hybrid capital. The calculation method has been changed as of 2024 and figures for 2023 are restated.

Capital and liquidity position

Capital adequacy ratio	20,15 %	21,03 %	20,63 %
Core capital adequacy ratio	18,39 %	19,04 %	18,47 %
Core Tier 1 capital adequacy ratio	17,36 %	17,75 %	17,12 %
Leverage ratio	8,65 %	8,84 %	8,38 %
Liquidity Coverage Ratio (LCR)	165 %	165 %	169 %
NSFR, consolidated	122 %	122 %	124 %
MREL, total			41 %
MREL, subordinated			31 %

Balance sheet history

Growth in total assets (year-on-year)	7,62 %	3,86 %	4,79 %
Growth in gross customer lending (year-on-year)	6,67 %	4,53 %	0,63 %
Growth in gross customer lending (year-on-year) incl. loans transferred to Spb. 1 Boligkreditt	6,67 %	4,53 %	4,46 %
Growth in customer deposits (year-on-year)	7,10 %	2,72 %	7,83 %
Deposits as a % of gross lending	56,66 %	55,68 %	59,66 %

Employees

Full-time equivalent employees as at 31 Dec.	283	286	302
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CEO's review



Now part of the SpareBank 1 Alliance – and looking to the future

On Monday, 4 November we formally and technically became SpareBank 1 Sogn og Fjordane. We had two important goals for 2024. One was to successfully migrate to the SpareBank 1 Alliance through the “Exceptional” project. The second one was equally important: to ensure that the migration project did not have a negative impact on our core business. We had to deliver on our financial targets and ambitions for growth. We had to maintain a strong customer focus, while ensuring high quality standards and compliance throughout our operations.

I am proud to say that we achieved this.

A strong performance in 2024

In 2024, SpareBank 1 Sogn og Fjordane delivered record profits. This was in spite of significant extraordinary expenses, not least due to the migration process.

Our retail and corporate customers have demonstrated their ability to adapt in recent years. The business community is doing well, and the Bank has low delinquencies and few customers with payment problems. This resulted in a low impairment loss in 2024. Our loan book grew by almost NOK 3 billion in 2024, which means that once again we grew faster than the market as a whole.

The combination of a solid, profitable core business, healthy growth and an exceptional contribution from financial items enabled the Bank to achieve record profit for the year. Pre-tax profit was NOK 1.25 billion and profit after taxation was just under NOK 1 billion. That gave us a return on equity of 13.8%, which we are very satisfied with. Over the past four years, we have achieved an average return on equity of 12.3%. That provides a foundation for paying dividends to our shareholders and the capacity to pursue future growth and development.

Exceptional employees in an exceptional year

Our employees have strongly supported the strategic decision taken by the Bank in April 2023 to become part of SpareBank 1. I am impressed by the exceptional work they put in over the course of 2024. It has been a successful team effort. For many years, we have worked hard to create a good working environment that encourages personal development. Our employee satisfaction survey in the autumn of 2024 showed that satisfaction was at a record high. We are delighted with that, particularly after a year of great change that has placed high demands on many people.

In addition, our ability to cooperate effectively with Samspår, SpareBank 1 Utvikling, the many product companies in the alliance, and key suppliers has played a vital role over the past year.

We are looking forward to becoming an active partner in developing SpareBank 1 in cooperation with the other 11 banks in the alliance.

National and international forces are affecting us

Geopolitical tensions have once again taken a turn for the worse. War and conflicts in Europe and the Middle East are causing humanitarian suffering and uncertainty, at the global economic and political level. The change of president in the United States has further increased uncertainty surrounding trade wars and international cooperation, and this could have major knock-on effects.

Both the Board and executive management are maintaining a strong focus on sustainability. The EU's regulatory requirements affect us, and we are preparing for them proactively. As a financial institution and major player in society, SpareBank 1 Sogn og Fjordane has an important role to play in the green transition. Within Norway and our own sector, there has been a heated public debate about the role, nature and future of savings banks this autumn and winter. The report of the Savings Bank Committee has created debate about equity certificates, customer dividends and the nature and position of savings banks going forwards.

Whether we are dealing with global or national challenges, we must develop the Bank for the benefit of our customers and for the society we live in. In practice, SpareBank 1 Sogn og Fjordane is wholly owned by the society from which it emerged, and it is a priority for us to ensure the foundations are in place for a strong savings bank with its head office in Sogn og Fjordane that operates and adds value for the society in which we live - and will remain there in the future.

The savings banks have a unique role in Norwegian society. In our case, in 2024 we gave NOK 125 million kroner of our profit to good causes in the region within culture, sport, business and health. We also sponsor 50 local teams and organisations. It is important to keep the unique feature of the savings bank model, which is that profits go back to society.

Close to our customers

The Bank found that businesses were slightly more willing to invest in 2024. There is still low demand for new homes, which is affecting activity levels in the construction industry. The weak Norwegian krone has been positive for export-oriented businesses and the tourism industry. Retail sales once again grew in 2024, while the primary sector continues to have a stabilising effect – although there have been challenges in the fishing industry with lower quotas and rising costs.

SpareBank 1 Sogn og Fjordane has a strong market position in our core area, with six out of every ten limited companies in the county banking with us, and a market share of almost 50 percent amongst retail customers. At the same time, we are growing across Norway, with over eight out of ten new retail customers coming from outside Sogn og Fjordane. It is important to have a close and trusting relationship with our customers. We strived to ensure that the transition that took place in 2024 was as seamless as possible for our customers, and we will continue to focus on offering the best possible customer experience in 2025.

The same vision – but always looking forward

In 2024, we have laid new, stronger foundations for continuing to develop the Bank. Our vision is still to be a driving force for Sogn og Fjordane. We shall remain the number one bank for people and businesses in Sogn og Fjordane, and we shall continue to have a national growth strategy in the retail market. Together with the foundations that own us, we shall play a strong role in society, actively helping to develop our part of Vestland county.

I would like to thank our shareholders, employees, customers and suppliers for their good cooperation in 2024. The Bank and our employees are looking forward to continuing to develop the Bank and the region in 2025 – now wearing the colours of SpareBank 1.

Trond Teigene
CEO



Quick facts about SpareBank 1 Sogn og Fjordane

Market, total assets and number of employees

SpareBank 1 Sogn og Fjordane is the largest bank in the Sogn og Fjordane region of Norway, with total assets of NOK 77.1 billion and 302 full-time equivalent employees. The Bank has 12 branches in Sogn og Fjordane, as well as one branch in Bergen.

Retail banking market

The Bank is the dominant player in the retail banking market in Sogn og Fjordane. It has NOK 50.9 billion in outstanding loans to people in Sogn og Fjordane and the rest of Norway. In conjunction with the Bank becoming a joint owner of the SpareBank 1 Alliance, some of its residential mortgages have been transferred to SpareBank 1 Boligkreditt AS, which leaves us with NOK 48.5 billion of loans to retail customers on our own balance sheet. This comprises almost 75 percent of the Bank's total loan book. Deposits from retail customers total NOK 22.8 billion, comprising almost 59% of our total deposits. The Bank has regional financial services centres offering financing, investment, estate agency and insurance products. In recent years, an increasing share of our growth has come from outside the Bank's core geographical market. The Bank sells Fremtind Forsikring AS's insurance products and markets leases and secured loans offered by SpareBank 1 Finans Midt-Norge AS. We also sell Norne Securities AS's investment funds, but these will be replaced by SpareBank 1 Forvaltning AS's funds early in 2025. We operate eight cash machines, and 87,373 of our customers have signed up for online banking.

Corporate banking market

The Bank has NOK 16.2 billion of outstanding loans to corporate customers, primarily in Sogn og Fjordane. This comprises 25 percent of the Bank's total loan book. Corporate deposits total NOK 13.1 billion.

Public/financial sector

Many of the municipalities in the region use SpareBank 1 Sogn og Fjordane as their main bank. In total, the public sector has NOK 1.6 billion of deposits held with us. We also have NOK 1.0 billion of deposits from financial institutions.

The Bank as a driving force for Sogn og Fjordane

SpareBank 1 Sogn og Fjordane's vision is to be a driving force for the Sogn og Fjordane region. We aim to fulfil this vision by providing good advice and supplying capital to sound commercial projects and private individuals.

We are involved in a wide range of cultural ventures and recognise the value of culture – in the widest possible sense – to the development of local communities. As part of this, we sponsor most major cultural events in Sogn og Fjordane. Of our profit for 2024, we propose allocating NOK 408 million to dividends and gifts. Some of this goes to support the voluntary sector. Quality of life, diversity and innovation are the keywords that guide the Bank's contributions.

In recent years, we have focused heavily on integrating sustainability into our operations. Our 2024 annual report includes more comprehensive reporting on sustainability. The Bank is aiming high with respect to the green transition, as is evident from the annual report for 2024.

Financial calendar

We expect to publish our 2025 interim reports on 7 May 2025 (Q1), 13 August 2025 (Q2) and 5 November 2025 (Q3).

These reports will be published on our website at www.ssf.no, and will be available in English as well.

Group structure

In addition to the parent company, the Group operates through three subsidiaries:

Bustadkreditt Sogn og Fjordane AS; Eiendomsmegler 1 Sogn og Fjordane AS; and Bankeigedom Sogn og Fjordane AS. The Bank also has ownership interests in several joint ventures through the Sparebank 1 Alliance. These are SpareBank 1 SamSpar AS, Samarbeidende Sparebanker Utvikling DA and Samarbeidende Sparebanker AS. In addition, the Bank has ownership interests in several of the SpareBank 1 Alliance's product suppliers.



2024

in brief

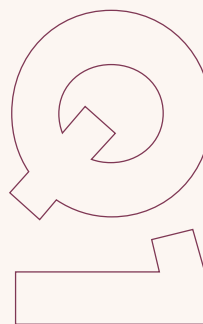
Here are some of the things that have happened over the past year:

January, February, March

We presented our profit for 2023, which was NOK 1,108 million before tax.

In February, the two foundations which own the bank, Sparebankstiftinga Sogn og Fjordane and Sparebankstiftinga Fjaler, reported record numbers of applications from voluntary organisations. 300 people attended our course on writing applications, and the 500 applications submitted before 1 March paved the way for a big year of donations. In 2024, NOK 125 million of the bank's profit was given to good causes in the community.

The first Furore grant of the year went to the biathlete Johan Olav Smørdal Botn from Stårheim. During the year, nine NOK 50,000 grants were awarded to talented young people in the fields of sport and culture, as well as in an open class.



April, May, June

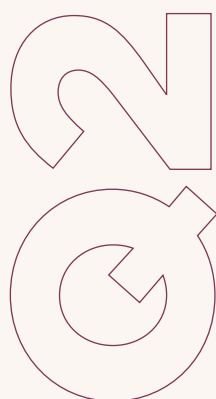
Sparebankstiftinga Fjaler owns around five percent of the Bank, and in the spring it made its regular donations from the Bank's profit. In total, NOK 12.5 million was handed out to good causes in the Fjaler and Holmedal area.

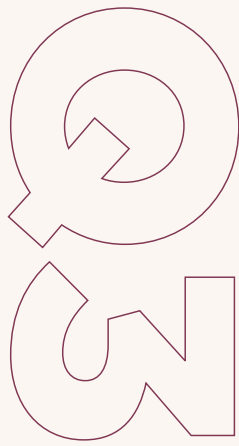
In May the Bank bought a stake in SpareBank 1 SamSpar AS and Samarbeidende Sparebanker Utvikling DA. This was the first stage of the migration to the SpareBank 1 Alliance, which was completed in the autumn.

Vegard Strand, Silje Skaar Sunde and Ole-Hermann Rognsøy were elected onto the Bank's Board of Directors.

Our head office is being refurbished, and in June all our employees in Førde moved into temporary premises at the Altitude centre and Nynorskhuset. The plan is to move back "home" after the summer of 2025.

"Power-efficient sports facilities" was launched by the Vestland confederation of sports clubs. This project enables sports clubs in Sogn og Fjordane which own their own facilities to apply for funding to make their facilities more sustainable – cutting their electricity bills in the process. The confederation received NOK 5 million of the Bank's profit to support the project.





July, August, September

SolundFest, Palmekystfestivalen, Skjærgårdstreffet, the Førde Festival, the Årdal market and Malakoff. These are a few of the events and festivals we supported over the summer.

In September, the Norwegian Trekking Association's Sogn og Fjordane branch launched "I was going for a walk", a project which Sparebankstiftinga Sogn og Fjordane has committed NOK 20 million of the bank's profit to. The project aims to provide people who enjoy hiking with better paths throughout Sogn og Fjordane.

One of our important duties to society is combating fraud. Over the autumn, we travelled around Sogn og Fjordane with the police delivering a talk on "Digital online fraud".

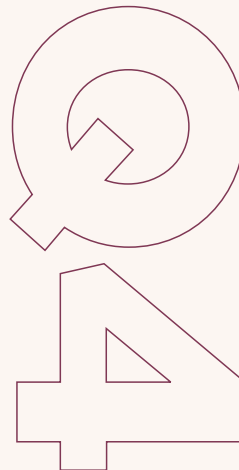
October, November, December

1,000 people of all ages in Stryn, Dale and Florø had a visit from the handball stars Gro and Anja Hammerseng-Edin. As well as receiving an inspiring talk, many young and promising handball players at the various clubs had the opportunity to train with these great players.

On 26 April 2023 it was announced that the bank had bought a stake in the SpareBank 1 Alliance. 18 months later, on 4 November 2024, we officially became SpareBank 1 Sogn og Fjordane. A momentous day in the history of our Bank.

For customers, most things remain the same after the transition, but we do have a new online bank and mobile banking app. In November, SpareBank 1's mobile banking app was rated Norway's best by Cicero Consulting.

16 pre-Christmas film showings for over 2,000 customers, young and old. The Disney film Vaiana 2 was a big hit.



Financial targets for 2024

	MÅLTAL	STATUS 2024
Return on equity	> 11 %	13,8 %
Cost-to-income ratio	< 40 %	37,0 %
Core Tier 1 capital adequacy ratio	> 17 %	17,1 %
Dividend payout ratio	≥ 50 %	51,7 %

RETURN ON EQUITY

The Bank aims to achieve financial results that represent a good, stable return on the Bank's equity. Profit after taxation should give a return on equity of over 11%.

COST-TO-INCOME RATIO

Cost efficiency is a priority for the Bank. As a percentage of total income, costs shall be under 40%.

CORE TIER 1 CAPITAL ADEQUACY RATIO

SpareBank 1 Sogn og Fjordane shall have strong finances. By that we mean that the Bank shall have an adequate buffer in relation to the regulatory capital adequacy requirements. The buffer shall reflect the Bank's activities, risk profile and growth plans. The target for our core Tier 1 capital adequacy ratio is 17.0%, which is reassessed if the capital adequacy requirements change. The core capital adequacy ratio and total capital adequacy ratio shall always satisfy the regulatory requirements.

DIVIDEND PAYOUT RATIO

Profit for the year is split between equity share capital and primary capital in proportion to the ownership ratio between them. Dividends and gifts are adjusted in response to expected profitability, the business environment and the need for core capital. Over the coming years, it appears that the Bank will be in a strong position to pay out dividends, and it aims to disburse at least 50% of its profit each year.

Financial targets for 2025

Return on equity	> 11 %
Cost-to-income ratio	< 40 %
Core Tier 1 capital adequacy ratio	> 16,5 %
Dividend payout ratio	≥ 50 %

RETURN ON EQUITY

Over the long term, SpareBank 1 Sogn og Fjordane should have a return on equity of at least 11%. As well as the 11% target for return on equity, SpareBank 1 Sogn og Fjordane aims to be one of the top three standard banks in Norway measured by return on equity.

COST EFFICIENCY

The cost-to-income ratio excluding income from securities shall be under 40%.

CORE TIER 1 CAPITAL ADEQUACY RATIO

At least 16.5% including interim profit.

DIVIDEND PAYOUT RATIO

Dividend payouts shall be adjusted to reflect the Bank's capital requirements and growth prospects. The Bank aims to disburse at least 50% of its profit in dividends and gifts.

2025 Strategy

SpareBank 1 Sogn og Fjordane's vision is to be a driving force in Sogn og Fjordane.

We are the leading bank in our core geographical market, with a strong market position. For a long time our strategy has also been to grow our presence in the retail market outside the region, and this continues to be the case.

Our most important social responsibility is achieving satisfactory profitability, so that we can provide the financial muscle needed by local businesses. Our profits shall be ploughed back into our region through big and small contributions to business development, education, culture, research, sport and healthcare.

On 26 April 2023, we announced our decision to buy into the SpareBank 1 Alliance. By doing so, we set our strategic direction for the coming years. In 2024, we focused on enabling the Bank to continue operating smoothly and growing during the conversion process, and on ensuring that our entry into the alliance went smoothly.

On 4 November 2024, we became part of the SpareBank 1 Alliance. Our strategy for 2025 is about realising the benefits of being in an alliance, as well as ensuring the best possible experience for our customers over the course of the year. Our customers now have a new online bank, a new mobile banking app and new bank cards, but we must make it clear we are still the same people, with new branding.

Regular surveys, such as EPSI, reveal high and stable levels of customer satisfaction and loyalty, both within and outside Sogn og Fjordane. We believe in sustainable development, and engage in relevant activities at a local and global level. We also keep a constant eye on regulatory matters, to ensure that we have our own house in order.

We are working proactively to maintain high levels of job satisfaction, and to develop a performance culture based around highly skilled employees. That will be especially important in a year when our employees will need to get to know new systems used jointly by the alliance.



Sustainability at SpareBank 1 Sogn og Fjordane

SpareBank 1 Sogn og Fjordane has the fundamental goal of helping to bring about a sustainable net zero society by 2050. We are a bank with deep roots in Sogn og Fjordane, and our social mission is to support the economy and viability of the region, at the same time as working to reduce both our own and our customers' emissions. In line with our sustainability strategy for 2022-2024, our goal is to help Norway achieve its national target of cutting emissions by at least 55 percent by 2030, and it is important to us for our strategy to reflect our values as a local savings bank that will assist its customers through this transition.

The road to net zero requires us to understand both the positive and negative footprints left by the Bank in society. We must understand how our business impacts the environment and how changes in the global climate will affect both the Bank and local communities. This underpins our transition plan for climate change mitigation, which is our tool for reducing the climate impacts of the most emissions-intensive industries in our portfolio. This plan aims to promote green competitiveness in our region, so that we can meet our obligations and be a reliable partner that offers forward-looking products and services to our customers, investors and business partners.

Sustainability is an integral part of the Bank's strategy. We must actively promote a sustainable transition in Sogn og Fjordane, and we have undertaken to work systematically to direct capital towards sustainable projects that facilitate the transition to a low-emission society.

SpareBank 1 Sogn og Fjordane's main ambitions with respect to sustainability:

- **To integrate sustainability into all areas of the Bank's operations**, so that sustainability targets and climate risk become part of day-to-day operations. This also means having a systematic focus on ESG in credit underwriting and discussions with customers.
- **To support customers through the transition** by offering greener financial products tailored to their needs. These include green mortgages, green home improvement loans and green business loans to help customers reduce their carbon footprint.
- **To build up the Bank's expertise on sustainability**, so that all of our customer advisers have the knowledge they need to provide good advice. We shall be a resource for local businesses and improve our customers' understanding of sustainability.

Governance and management of work on sustainability

Our work on sustainability is handled by a dedicated sustainability section. The sustainability section, which has three members of staff, has day-to-day responsibility for managing and implementing work on sustainability. The Board of Directors of SpareBank 1 Sogn og Fjordane has overall responsibility for the Bank's work on sustainability and delegates operational responsibility to the Senior Management Team.

The sustainability group, with representatives from various departments, meets every three weeks and acts as an advisory body. Together with the sustainability section, they develop the sustainability strategy and monitor its implementation. Twice a year, the Senior Management Team receives a report on the status of work on sustainability in order to ensure that sustainability is incorporated into the Bank's strategic goals.

Corporate social responsibility

SpareBank 1 Sogn og Fjordane's biggest responsibility to society is to achieve satisfactory profitability. This is what allows it to promote growth and development in Sogn og Fjordane. The Bank's profit benefits Sogn og Fjordane. The bank shall provide capital to businesses and ordinary people to finance sound projects, enabling us to be a driving force for Sogn og Fjordane. Our good local knowledge and proximity to our customers shall be used for the benefit of the local business community. Some of our profit is donated and used to generate activity in our local communities.

Good credit scoring models are one of our most important tools for ensuring responsible lending. The models estimate the ability and willingness of customers to repay their loans. We must offer the right credit limits to the right customers. Our advisers must be transparent when they explain our products, terms and conditions, interest rates and fees.

Through our lending activities, we can help to promote sustainable development. We shall demonstrate corporate social responsibility and help customers to take sustainable decisions. One way to do this is to offer products that promote sustainability on favourable terms.

As part of its sustainability strategy, the Bank has developed a green framework for issuing green bonds. This is a joint framework for SpareBank 1 Sogn og Fjordane and Bustadkreditt Sogn og Fjordane. The Bank's sustainability strategy establishes that it is a priority to finance green assets. Each year, the Bank produces a report that shows changes in the volume of green assets. You can find out more about our green framework at ssf.no/berekraft.

How we report on sustainability

To help guide our work on sustainability, we have signed up to the following Norwegian and global initiatives which support implementation of the Paris Agreement and global sustainable development goals, and/or we report in line with their guidelines:

- UN Global Compact (withdrew December 2024*)
- UNEP Finance Initiative (withdrew December 2024*)
- GRI
- Women in Finance Charter

* The Bank withdrew from UNGP and UNEPFI in 2024 on account of changes to the focus of its annual reporting. In 2024 and 2025, the Bank will prepare to report in accordance with ESRS and CSRD.

The following initiatives also guide our efforts to reduce emissions and the associated reporting:

- Science Based Targets Initiative (the Bank's transition plan for climate change mitigation is based on the SBTi methodology)
- Task Force on Climate-Related Financial Disclosures (for the third year in a row, the Bank is publishing a TCFD report on climate risk)

As an Eco-Lighthouse certified organisation, we report our own emissions in the appendix "Energy and GHG accounts 2024" and estimate our financed greenhouse gas emissions using the method established by the Partnership for Carbon Accounting Financials (PCAF) and Finance Norway's guidelines on estimating financed emissions:



As of the financial year 2025, the Bank will have to report in line with the EU's Corporate Sustainability Reporting Directive (CSRD). In preparation for this, we will refer to the European Sustainability Reporting Standards (ESRS) in the annual report. Even if we refer to an ESRS standard in a section of the report, it does not mean that we meet all of that standard's reporting requirements.

The Bank must also adhere to a variety of legislation, with the following ones being particularly important to its work on sustainability:

Norwegian Accounting Act, Section 3-3 a-c, Transparency Act, Climate Change Act, Sustainable Finance Act (regulation on sustainability-related disclosures and the EU Taxonomy), Equality and Anti-Discrimination Act.

Double materiality assessment and stakeholder engagement

SpareBank 1 Sogn og Fjordane's work on sustainability shall reflect what its customers, employees and shareholders expect of the Bank within the three areas of sustainability, namely Environment (E), Social (S) and Governance (G).

In 2022, SpareBank 1 Sogn og Fjordane performed its first materiality assessment to identify which sustainability topics were important to our stakeholders. This assessment was updated in 2023 and 2024 in order to meet the requirement for a double materiality assessment established by the EU's new Corporate Sustainability Reporting Directive (CSRD). The Bank is required to report in accordance with the CSRD reporting standards (ESRS) as of the financial year 2025.

In preparation for the implementation of the CSRD, the Bank has used the double materiality principle to assess which of its own activities impact the environment and people, as well as which external factors are financially material in terms of the risks and opportunities affecting the Bank's financial performance. The assessment follows the ESRS guidelines and includes internal and external stakeholders, a value chain assessment and risks and opportunities by topic over the short, medium and long term.

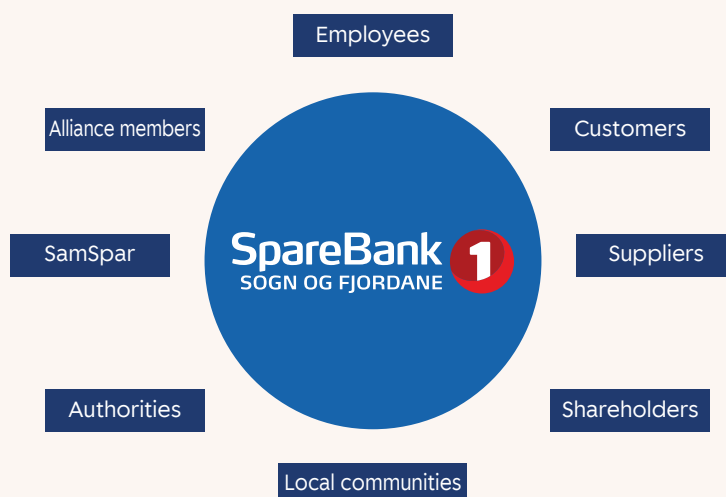
The results of the double materiality assessment show which sustainability topics the Bank has most influence on. Drawing on wide-ranging consultation with internal and external stakeholders, the Bank has performed a thorough assessment that has established which material topics it should report on. Based on the assessment, the Bank has identified five material topics that all underpin its role as a responsible player in society, and which will form the basis for the Bank's future work on sustainability.

Stakeholder engagement

At SpareBank 1 Sogn og Fjordane, we are convinced that engaging and cooperating with a variety of stakeholders is vital if the Bank is to achieve its ambitions, maintain trust and have a good reputation in society. In order to successfully respond to the interests of a wide range of stakeholders, continuous stakeholder engagement is required.

Stakeholder engagement and stakeholder analysis are important elements of our work to ensure a holistic and long-term approach to how the Bank creates value for its customers, employees, shareholders and local communities. In order to ensure productive stakeholder engagement, we surveyed our customers and employees, held internal workshops and consulted with our biggest shareholders, suppliers and other business partners.

This engagement has provided a tool for validating the material topics identified and has ensured that the results of the double materiality assessment reflect both their impact and financial materiality. The table below shows groups we have defined as our stakeholders. It is not exhaustive.



Identifying and prioritising material topics

Through its stakeholder engagement, the Bank identified the most important sustainability topics that the various stakeholder groups considered material to the Bank. In order to look more closely at which topics were material, a weighting was performed based on the Bank's impact, as well as on risks and opportunities associated with the sustainability topics using the ESRS methodology.

Several of the identified topics were judged to have both a positive and negative impact, depending on the approach used. The impact was calculated from the probability that the Bank would have an actual or potential impact on the topic in question, as well as by weighting the scale (severity) and extent. Financial materiality was assessed in terms of the financial impact on the Bank.

Our material topics

The Bank has identified five material topics. The subsections below will explain why these topics are material to the Bank, the impacts, risks and opportunities they represent, and how the Bank manages these topics.

Material topics 2024		
E	ESRS E1 Climate change	Climate change adaptation
		Climate change mitigation
		Energy/financed emissions
S	ESRS S1 Own workforce	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
	ESRS S3 Affected communities	Communities' economic, social and cultural rights
	ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
G	ESRS G1 Business conduct	Corporate culture
		Protection of whistle-blowers
		Avoiding corruption, bribery and money-laundering

Material topic: Climate change

Climate change is one of the biggest challenges of our time. As a regional savings bank, SpareBank 1 Sogn og Fjordane plays an important role in the transition to a net zero society in 2050. The Bank's social mission of supporting the economy and viability of Sogn og Fjordane is deeply rooted in the organisation. Working with the business community in the region, the Bank has a responsibility to reduce greenhouse gas emissions and exposure to climate risk.

Why climate change is a material topic

Climate change has been identified as a material topic for SpareBank 1 Sogn og Fjordane because the Bank's activities are closely associated with greenhouse gas (GHG) emissions, which affect the climate directly and indirectly. The ESRS E1 standard requires us to report our GHG emissions, climate change adaptation actions and energy consumption in order to promote transparency and provide a basis for comparing climate-related data. The Bank has identified both positive and negative impacts in its own operations and financing activities. Positive impacts include financing e.g. energy-efficiency measures, green loans and climate adaptation measures at our own buildings. Conversely, loans to industries with high GHG emissions, such as agriculture, have a negative impact. From a financial point of view, there are both risks, such as stranded assets, and opportunities, such as rising demand for greener financing.

Governance documents for climate change

The Bank's strategy refers to the need to achieve and implement measures in the sustainability strategy. The sustainability strategy refers to goals and actions for work on sustainability within several specialist areas at the Bank, and refers to meeting the goals in the Bank's transition plan for climate change mitigation. The Bank's transition plan for climate change mitigation defines how the Bank shall reduce its emissions in line with the net zero target. The Bank's credit strategy and CSR and sustainability policy for the corporate market provide guidelines for financing the business community, including which industries the Bank stipulates extra expectations and requirements for.

Climate-related risks and opportunities

The climate-related risks facing SpareBank 1 Sogn og Fjordane include both physical risks and transition risks, but the Bank also sees opportunities arising from the green transition. Physical risks include climate-related events such as floods, avalanches, landslides and extreme weather events, which can cause financial losses and reduce the value of properties and infrastructure. The Bank systematically reviews risks to properties and customers, which provides a basis for taking targeted actions.

Transition risk is particularly related to stricter regulations, carbon pricing and energy-efficiency requirements. This can affect costs in sectors such as agriculture, property development and the construction industry. At the same time, it provides an opportunity for the Bank to support the green transition by financing sustainable activities and investments.

On the positive side, climate risks create a number of opportunities. The Bank can play an active role in the transition by offering green products, such as green loans and energy efficiency financing, thereby helping to reduce the region's GHG emissions. In addition, there is a growing need for advice on climate change adaptation and sustainable solutions, which will strengthen the Bank's value proposition to and relationship with its customers.

For a more detailed assessment of climate-related risks and opportunities, please see the Bank's TCFD report, which is included as a sustainability appendix to the annual report.

What did we achieve in 2024?

In 2024, the Bank has taken a number of actions to systematically analyse and reduce its own and its financed emissions. The actions taken include:

- More comprehensive reporting of indirect emissions (Scope 3) by including more categories.
- Starting to renovate the Bank's headquarters in Førde, which will obtain BREEAM In-Use certification and an energy performance rating of B, increasing energy efficiency.
- Replacing the Bank's fossil fuel company vehicles.
- Introducing a new ESG model which provides insight into the climate risks facing our corporate customers.
- Drawing up the Bank's first transition plan for climate change mitigation with emission reduction pathways for the most emission-intensive industries in our loan portfolio.
- Increasing the volume of green products to finance sustainable investments by the business community.

Eco-Lighthouse

We are certified as an Eco-Lighthouse. This requires the Bank to demand that our suppliers and partners have a conscious policy on sustainability. In order to demand that of others, we must put our own house in order. We are proud of the fact that all of our branches are certified as Eco-Lighthouses. We wish to continuously reduce the environmental impact of our own operations. In order to monitor progress on this, we have started reporting our annual greenhouse gas (GHG) accounts. They are based on the GHG Protocol, which is the most widely used standard for reporting the greenhouse gas emissions of companies.



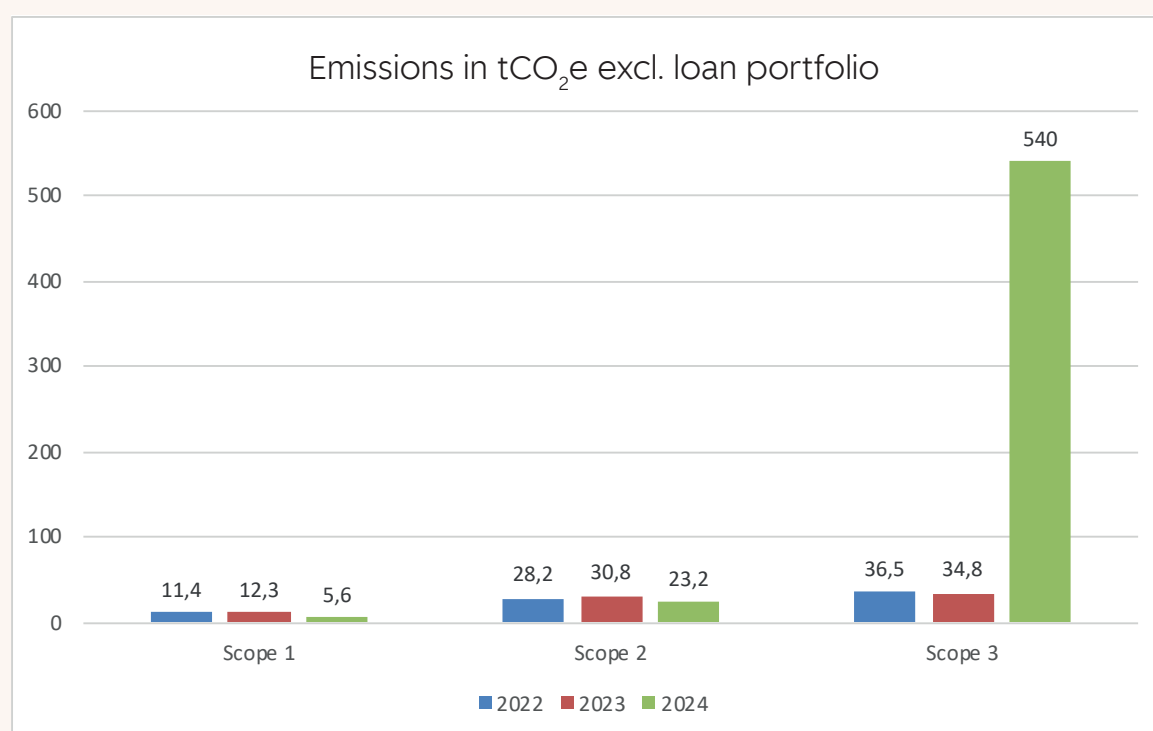
Eco-Lighthouse®

GHG accounts 2024

Our greenhouse gas emissions in 2024 were distributed as follows:

	tCO ₂ e	Distribution excluding loans to customers	Distribution including loans to customers
Scope 1	5,6	1,0 %	0,002 %
Scope 2	23,2	4,1 %	0,009 %
Scope 3 (Categories 1–14)	540	94,9 %	0,21 %
Scope 3 (Category 15 loans)	262 274		99,78 %

Emissions in tCO₂e excluding loan portfolio:



Comments on the GHG accounts

In 2024, the Bank's total greenhouse gas emissions amounted to 262,843 tonnes of CO₂ equivalents. That was higher than in 2023. Emissions primarily rose because of an increase in Scope 3, Category 15 emissions due to a change in the methodology since 2023. To calculate the financed emissions in our loan portfolio, we used estimated values from Eiendomsverdi for residential properties, Finans Norge's methodology for agriculture and the PCAF emission factors for other industries. You can find more information about the methodology used to calculate financed emissions in the TCFD report in the sustainability appendix. Scope 1 and Scope 2 emissions fell in 2024. This was on account of a reduction in fossil fuel consumption in our own vehicles (scope 1), and a reduction in energy consumption as a result of the Bank's headquarters not being used since before the summer of 2024, due to a major renovation and conversion project. If you consider Scope 3 emissions excl. loans, there was a big increase in 2023 and 2024, which was above all due to the Bank adding more categories to its GHG accounts to make them more comprehensive. This particularly applies to business travel (air travel and hotel accommodation), fixed assets and employees' commuting to and from work. In 2024, air travel and hotel accommodation almost doubled, mainly because the process of joining the SpareBank 1 Alliance led to more business travel and meetings.

Material topic: Own workforce

SpareBank 1 Sogn og Fjordane is a knowledge enterprise that aims to build up the expertise needed to help its customers and local communities to develop and create value. The Bank recognises its own workforce as one of the most important factors for successfully developing the Bank as a sustainable organisation.

The Bank wishes to be an attractive place to work in Sogn og Fjordane, and its own workforce plays an important role in maintaining and strengthening the Bank's position and reputation in the market. Our workforce communicates with our customers every single day, in person, digitally and over the phone, helping to create value for our customers. Our workforce and our internal business culture can provide a competitive advantage.

Work-related risks and opportunities

The Bank is an attractive place to work. Our own workforce together with its expertise has a high financial value to the Bank. By taking strategic, long-term actions, the Bank can have a positive impact on its employees by fostering commitment, trust and a sense of security at the workplace.

The materiality assessment clearly identified our own workforce as a material topic for the Bank, particularly in relation to working conditions. By investing in its own workforce, the Bank will have a positive impact on motivation, loyalty and internal job satisfaction.

Terms of employment, salary, working hours and work-life balance are areas where the Bank has a big impact. There is a risk that high workloads and stress can have a negative impact on the workforce and potentially lead to recruitment challenges. Good working conditions and equal treatment at the workplace are key factors in terms of ensuring a stable workforce and strengthening the Bank's ability to recruit new employees and its reputation as an employer.

How we manage our own workforce

Overall responsibility for the Bank's workforce lies with the HR department. The Bank performs a number of activities to support its own workforce. They are described in greater detail in the section "Our proficient team".

Material topic: Affected communities

SpareBank 1 Sogn og Fjordane's desire to be a driving force for the Sogn og Fjordane region plays a defining role in how the Bank works with the local community. By supporting regional initiatives in Sogn og Fjordane, the Bank has a significant impact on the local community through its financing, gifts and sponsorships.

The Bank is conscious that it and the local community are mutually dependent upon one another. Sogn og Fjordane is the Bank's main market and the success of the region is closely intertwined with the Bank's success. The Bank has a material impact on the local community by helping to create knock-on benefits in the local area.

Risks and opportunities

Through its financing and gifts, SpareBank 1 Sogn og Fjordane shall ensure that Sogn og Fjordane is an attractive region in which to live and work. The Bank promotes economic and social development by financing sound projects and supporting local initiatives in the fields of education, culture and healthcare. Loans to retail and corporate customers help local communities to thrive by financing homes, jobs, commercial buildings and other activities, particularly in rural areas. By providing gifts and sponsorships to sports clubs, voluntary organisations and local events, the Bank promotes social and cultural development in the region.

The Bank's corporate social responsibility and local knowledge shall ensure that both the Bank's financing and its profits foster sustainable development in the region. The financial opportunities for the Bank lie in strengthening trust in the Bank as a force for local development. At the same time, some loans and gifts can lead to unintended or unwanted consequences that may have a negative impact on nature, the environment or fundamental resources in local communities.

Own impact on local communities

The Bank believes that our sense of social responsibility helps to make the Sogn og Fjordane region stronger, and that our financing, support and gifts enable more projects that benefit our local communities to be realised. Over recent years, the Bank has provided funding to projects that develop local communities in the Bank's core geographic market. A more detailed description of the activities and projects supported by the Bank is presented in the chapters on Corporate Social Responsibility and News from the local community in 2024, and in the CSR section of the Directors' Report.

Material topic: Consumers and end-users

Information-related impacts and personal safety are material topics for SpareBank 1 Sogn og Fjordane. In its core geographic market of Sogn og Fjordane, the Bank has a market share equivalent to half of all retail customers and over a third of all business customers. Providing financing to local businesses is one of the Bank's most important social missions, and this is important to providing a foundation for population growth in the region.

As a Bank, we are dependent on the trust of consumers and end-users in order to remain competitive in the market. The Bank processes a large volume of financial and personal data. We must prevent unauthorised access to the personal data and sensitive information we process, which necessitates strict data protection and security procedures for processing and storing data.

Risks and opportunities

The Bank is in the possession of information about financial matters that customers and end-users consider sensitive, which means that it must be handled with a level of security that prevents unauthorised access. Our stakeholder engagement reveals that it is important to customers that we take digital security and data protection seriously. They have high expectations of how the Bank manages information. Data protection for customers is dealt with in accordance with the applicable laws and regulations.

In view of threats to information security and data protection becoming increasingly widespread in society, the Bank takes a systematic approach to securing its platforms in order to prevent its customers from being defrauded or customer information being abused. Compliance with data protection rules is one aspect of the Bank's compliance activities. The Bank has the opportunity to have a positive impact on the information flows and personal safety of its own customers by meeting their quality expectations and protecting their data. This helps to build trust and a sense of security amongst the Bank's stakeholder groups.

Failure to adequately handle information-related impacts and the personal safety of customers may lead to regulators imposing sanctions on the Bank. In a worst case scenario, incidents involving data protection breaches can cause business-critical damage if the loss of trust and reputation has financial impacts on the Bank.

Actions

The Bank is subject to laws and regulations to protect personal data and financial information. Information about how the Bank handles information security is presented in the section on Digital security and data protection.

Material topic: Business conduct

One of SpareBank 1 Sogn og Fjordane's most important tasks is to ensure that its stakeholder groups trust that the Bank at all times adheres to laws and regulations, as well as that it meets high ethical standards. Business conduct has been defined as a material topic for the Bank, including corporate culture, protection of whistle-blowers, and avoiding corruption, bribery and money-laundering.

The financial sector, including the Bank, has a special role to play in preventing and combating financial crime. The Bank's digital platforms and key infrastructure can be used as tools for financial crime. Our task as a bank is to ensure that our retail and corporate customers are not exploited for illegal activities through our products and services.

Risks and opportunities

As a provider of banking services and digital platforms, there is a risk of the Bank's infrastructure being used for financial crime. The double materiality assessment identified the topic of avoiding corruption, bribery and money laundering as the area where the Bank has the biggest material impact on the outside world. The Bank strives proactively to prevent, uncover and report financial transactions related to criminal activities. The Bank's corporate culture will impact internal cooperation and decision-making processes. The Bank has a strong impact on its own workforce and strives to ensure that its employees have adequate training on, and knowledge of, business ethics.

The banking sector is strictly regulated by the Financial Supervisory Authority of Norway. Failure to comply with regulatory requirements will be of significant financial materiality to the Bank, possibly leading to financial losses, sanctions and reputation risk, which is associated with costs and potentially the loss of opportunities for future business development.

Actions

SpareBank 1 Sogn og Fjordane shall be a trustworthy financial service provider and it gives high priority to making a systematic effort to stop financial crime. The Bank is subject to laws and regulations to protect personal data and financial information. Information about how the Bank handles information security is presented in the section on Financial crime.

Initiatives we support

SpareBank 1 Sogn og Fjordane shall make a global contribution by being a driving force locally. We have signed up to both local and international initiatives that are relevant to our industry and our work on sustainability. It is important for us to commit to meeting external goals, in order to ensure progress and so we can help to reach joint goals that have been set across national boundaries.



Klimapartnere Vestland

The Bank is a member of Klimapartnere Vestland, which helps the public and private sectors to build networks and provides a platform for exercising corporate social responsibility in the region. As the biggest bank in Sogn og Fjordane, we have a responsibility to promote the green transition in the local region. We are proud to be involved in this partnership.



Women in finance

In 2022, we signed the Women in Finance Charter. The Women in Finance Charter aims to help increase the number of women in senior roles in the Norwegian finance industry. Equality and diversity are important elements of the transition to a more sustainable society

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

The Women's Empowerment Principles

The Bank has also signed up to the Women's Empowerment Principles (WEPs), which consist of seven guiding principles on action to promote equality and increase women's rights in the workplace and in society. The WEPs were drawn up jointly by the UN Global Compact and UN Women.



Partnership for Carbon Accounting Financials

In December 2023 the Bank joined the PCAF, which is an international partnership focusing on measuring financed emissions. This initiative enables us to analyse our carbon footprint using a harmonized approach, and supports efforts to reduce emissions associated with our loans and investments. By participating in the PCAF, we undertake to promote greater transparency and to work systematically for a sustainable future.

Retail banking market

During 2024, interest rates stabilised at a relatively high level that helped to cool down the Norwegian economy. Inflation fell slowly but surely towards Norges Bank's target, and towards the end of the year, interest rate cuts signalled for 2025 increased people's optimism about their personal finances. Low unemployment, strong wage growth and lower inflation meant that many Norwegians experienced a better balance between their income and expenses. Nevertheless, a lot of people still have tight finances and continue to face challenges.

Over the course of 2024, we met many customers who wanted financial advice. Some want advice on buying their first home or on moving, while others are dreaming of a cabin or want to downsize in order to protect themselves against future economic volatility. Our proficient advisers provide valuable advice that makes a difference to our customers' personal finances.

Payment defaults remain stable at a low level, and most of our retail customers have their finances under control. It is clear that our customers have adapted well to some challenging years, managing to cope with both higher interest rates and prices. We consider credit risk in the retail market to be low.

We are proud of our proficient employees, who together with our straightforward digital solutions and strong sense of social responsibility create good customer experiences whenever customers need us. SpareBank 1 Sogn og Fjordane is here to give our customers financial advice – both when times are tough and when the economy is strong. That can also be seen in our financial performance, with loans growing by 4.5% and deposits by 5.3%.

One major change for our customers was the move to a new mobile banking app and online bank in November, when we officially became SpareBank 1 Sogn og Fjordane. The transition was carefully planned, and our customers received good information about what they had to do to start using the new systems. Many people contacted us after the transition, both by phone and at our branches. Thanks to the hard work of our dedicated employees, we provided good support to customers, even if the high demand led to slightly longer waiting times than normal.

SpareBank 1 Sogn og Fjordane is the leading provider of savings and investment products in Sogn og Fjordane. Just like 2023, 2024 was a very good year for our investment fund customers. In spite of great geopolitical uncertainty marked by big and growing tensions, particularly in Europe and the Middle East, as well as the presidential election in the United States, global markets, led by the United States, generated very good returns. The belief that interest rates have peaked and the hope that they will start to fall, both globally and in Norway, meant that our investment

fund customers achieved an average return of just over 25%. The majority of our customers' investments are in global funds, and the continuing weakness of the krone gave an extra return on these investments in 2024.

In spite of people's personal finances being tighter, we achieved record new sales in 2024, but we are noticing that some of our customers are reducing the amount they save each month, and a few are discontinuing their savings agreements.

The total capital invested in funds through SSF rose roughly 34% in 2024 to approximately NOK 7.3 billion. A combination of high returns and net purchases was the reason we ended the year with record high assets in investment funds. Our impression is also that customers have become more experienced and are aware that markets fluctuate, sometimes a lot. The great majority stick to their original savings plan and ride out both the ups and downs. Our strategy of encouraging customers to gradually build up capital in equity funds through savings agreements remains in place in 2025 and is perhaps more important than ever before.

Business was slow for SpareBank 1 Sogn og Fjordane's subsidiary Eiendomsmegler 1 Sogn og Fjordane in the first half of the year, but house sales picked up in the second half of the year. Eiendomsmegler 1 Sogn og Fjordane has, with the help of its competent and knowledgeable employees, maintained its position as the leading estate agency in Sogn og Fjordane. Converting the business into Eiendomsmegler 1 Sogn og Fjordane meant the company made a loss in 2024.



PROMOTING SUSTAINABILITY IN THE RETAIL MARKET

Responsible lending is an important part of the Bank's social mission. That includes being a responsible credit provider with good credit-scoring models. SpareBank 1 Sogn og Fjordane wishes to encourage its customers to make sustainable choices by offering them eco-friendly products on more favourable terms. That way, we can help customers to choose more sustainable options. As part of our work on sustainability, we have also set goals for the retail banking market.

SOME OF THE GOALS WE WORKED TOWARDS IN 2024

- To improve knowledge about sustainability amongst our customers and the Bank's advisers, with a particular focus on energy efficiency
- To have NOK 5 billion of green mortgages by the end of 2024
- To increase the proportion of homes in our mortgage portfolio with an energy performance rating

GREEN PRODUCTS

SpareBank 1 Sogn og Fjordane offers a range of eco-friendly products to retail customers.

Through SpareBank 1 Finans Midt-Norge, we offer EV loans on favourable terms to customers who choose an EV rather than a car powered by fossil fuels. We also offer green mortgages that give favourable terms to customers who buy an energy efficient home with an energy performance rating of A or B, or who upgrade their home to that energy performance level.

Another product is green loans, where we offer lower interest rates to customers who make their homes more energy-efficient. This could include replacing windows, installing a heat pump or a wet central heating system, retrofitting insulation or fitting solar panels.

Through SpareBank 1 Forvaltning, we also offer a wide range of sustainable investment funds. In addition, for a number of years we have been working to reduce our environmental footprint in other areas. In 2022, we introduced new payment cards that are 82% bioplastic, and in 2024 even more of our customers started using these cards. This has reduced the emissions associated with producing the cards.

GREEN MORTGAGES

As part of our strategy, we have set a target of having net zero emissions by 2050. In order to help achieve this, we aimed to provide NOK 5 billion of green mortgages to retail customers by the end of 2024. The aim is to increase the proportion of green homes in our portfolio. Energy-efficient homes do not just mean lower energy consumption and lower emissions, they also ensure customers have more robust homes that need fewer upgrades in the future. In addition, these homes will be more attractive on the market.

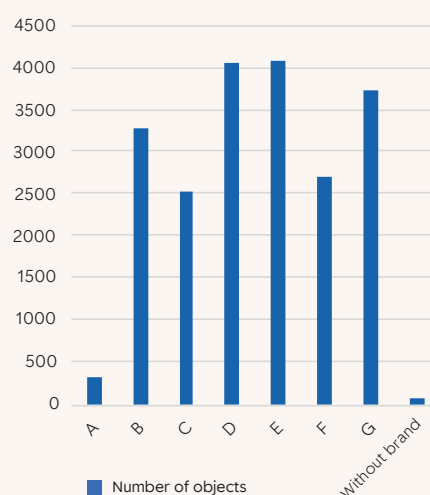
In 2024, we ascertained the energy performance ratings of the homes in our mortgage portfolio. In addition, we analysed the properties' exposure to physical climate risks such as landslides, avalanches, flooding, sea level rise and surface runoff. We also estimated the total greenhouse gas emissions and carbon intensity per square metre and per million NOK of lending in our residential mortgage portfolio.

There is more information about this in the TCFD report in the sustainability appendix to this annual report.

Energy performance rating (official valid + expired and estimated)	Number of properties	Share of portfolio
A	313	1,51 %
B	3266	15,74 %
C	2529	12,19 %
D	4058	19,56 %
E	4068	19,61 %
F	2695	12,99 %
G	3736	18,01 %
Unrated	68	0,33 %

Eco-friendly products	Volume at 31.12.2024
Green mortgages	NOK 3,713 million
Green loans	NOK 7 million
Total	NOK 3,720 million
Goal by end of 2024	NOK 5,000 million
Achievement rate	74 percent

Distribution of energy performance ratings
(official valid + expired and estimated)

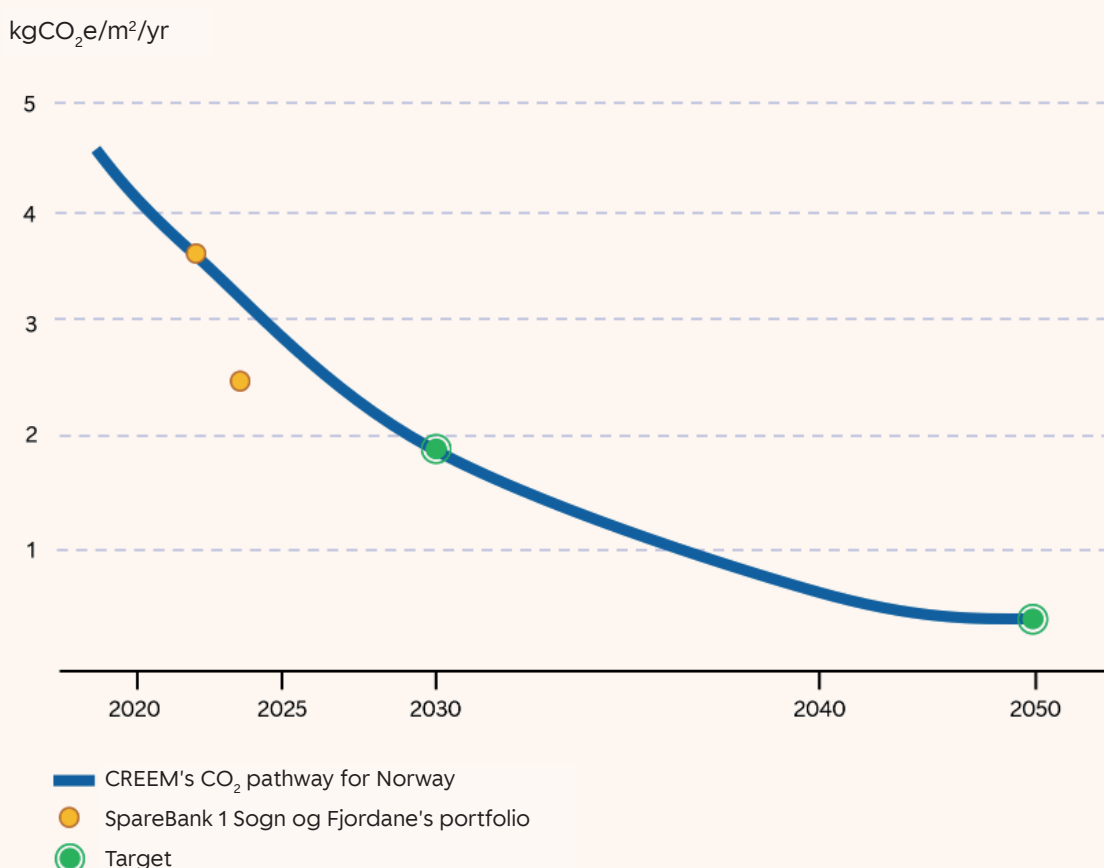


NET ZERO BY 2050

In 2024 we calculated the emissions from our retail market loan portfolio, which has given us a better picture of how we as a bank can help to reduce emissions. To work out the emissions, we calculate how much energy the homes use based on their energy performance ratings or estimated energy performance ratings. You can find out more about how the emissions are calculated in the TCFD report in the sustainability appendix to this annual report. The table below shows our financed emissions and the emission intensity of our mortgage portfolio at 31.12.2024.

	Residential properties
GHG emissions, location-based (tCO ₂ e)	7 434
Financed emissions, location-based (tCO ₂ e)	4 100
Emission intensity (kgCO ₂ e/m ²)	2,42
Emission intensity (tCO ₂ e/MNOK of lending)	0,15

The emission reduction pathway for residential properties between now and 2050 is presented below:



The reduction in the emission intensity is almost entirely due to changes in the emission intensity of the electricity in the Norwegian energy mix. In 2023, the emission intensity per kWh was 19 grammes of CO₂ equivalents. In 2024, it was 15 grammes.

FOCUSING ON SUSTAINABILITY ACROSS THE BOARD

In 2024, as in previous years, we worked to build up the expertise of our organisation on sustainability. All advisers have attended a course on climate risk, giving them an insight into what this risk means both to customers and to the Bank. We have analysed the emissions associated with our loan portfolio, which has given us a better idea of how we can reach our goal of net zero by 2050. We will continue with this work in 2025. We shall improve the quality of data on our loan portfolio by obtaining more energy performance ratings. We shall improve the understanding of our advisers and customers by providing training on energy efficiency and better information about energy efficiency on the Bank's website and through our mobile banking app and online bank.

Corporate banking market

Stable interest rate levels and lower inflation than the previous year had a stabilising influence on businesses in Sogn og Fjordane in 2024. The region's business community is robust, and companies that have suffered a loss of business have managed to adapt. A big fall in the sale of new homes and cabins is affecting the construction industry, and we also saw lower demand for other big-ticket items such as cars and boats. Projects that were started or planned before interest rates started rising meant demand was stronger than feared in 2024. Unlike in other parts of Norway, we have not seen a rise in bankruptcies in the construction industry, but there is a need for new work in 2025.

The large number of companies in the primary sector has a stabilising influence on the region, and we are seeing a healthy willingness to invest in some segments of these industries. The manufacturing sector in Sogn og Fjordane had a busy year, but suppliers to the construction industry struggled with low demand. General inflation and a weaker krone increased the price of inputs for large segments of the manufacturing sector and squeezed margins. The weak krone was beneficial to many companies in the tourism industry and led to a big increase in international visitors, with growth in cruise passengers making an important contribution. The industry also noticed growing demand for high-end and activity-based products. The Bank has increased its lending to the property industry in 2024. The industry is exposed to rising interest rates, but many companies have used interest rate hedging, which has been beneficial in recent years.

The fact that the economy performed better than feared and companies managed to adapt to the changing macroeconomic environment is reflected in the Bank's lending to businesses, which rose by 4.2% in 2024, compared with 2.3% in 2023. The Bank saw strong growth in deposits from business customers, which rose by 11.7%, compared with an increase of 0.1% in 2023. In 2024, there was also record high demand for savings products, leading to a big increase in the volume of sales of fixed income and equity funds.

The Bank has industry experts covering 12 different industries, which gives it the knowledge it needs to manage credit risk against a turbulent macroeconomic backdrop. Industry knowledge is also vital to making our advisers constructive partners, who are aware of both the threats and opportunities in the various industries, meaning that together with our customers we can come up with good, balanced solutions. In turbulent times with economic uncertainty, customers appreciate local decision-making and continuity in our team of advisers.

For a long time, the Bank has prioritised being able to supply a complete range of products to our customers. Joining the SpareBank 1 Alliance gives our customers access to an even wider range of products, which has been positively received.

In 2024 we reinforced the capacity of the Bank's corporate banking centre, to ensure that we were available to our customers and able to respond efficiently to them in close cooperation with the Bank's account managers. Much of the increase in capacity is related to preventing and uncovering money laundering and terrorism financing.



PROMOTING SUSTAINABILITY IN THE CORPORATE MARKET

SpareBank 1 Sogn og Fjordane shall help ensure that profitable projects and investments receive financing, and by doing so promote economic growth in Sogn og Fjordane and the rest of Norway. We offer green business loans to companies and are facilitating the green transition in our region.

SOME OF THE GOALS WE WORKED TOWARDS IN 2024

- We shall have the necessary expertise to advise our corporate customers on sustainability
- ESG shall form part of our conversations with, and advice to, customers
- We shall help to build up local businesses' expertise on sustainability

GREEN PRODUCTS

By joining the SpareBank 1 Alliance, we have improved our range of sustainable products. We have a wide range of products that promote sustainable investments, which builds on our sustainability strategy. We want to facilitate a positive transition in the region and we now offer three different eco-friendly financing products to business customers:

Green business loans

We offer green business loans to companies that want to make sustainable investments, or who need financing to prepare their operations for the green transition.

Volume of green business loans at 31.12.24:

	TARGET VOLUME BY 31.12.24	ACTUAL VOLUME AT 31.12.24	ACHIEVEMENT RATE
Green business loans	NOK 300 million	NOK 104 million	35 percent

In spite of us not achieving our original target, we have seen a considerable increase in 2024, from a total of NOK 43.4 million of green business loans at 31.12.2023. We will maintain the goal of reaching NOK 300 million of green business loans in our next strategic planning period.

Green agricultural loans

Green agricultural loans are for customers in the farming industry who need financing to adapt to the future. This includes measures like improving energy efficiency, replacing machinery, installing biogas plants, etc.

Green equipment financing

Through the SpareBank 1 Alliance, we now offer green equipment financing. This product provides financing on more favourable terms to companies that want to choose more eco-friendly solutions. We offer financing e.g. electric equipment and vehicles, and solar panel leasing.

In addition, the Bank continues to offer sustainable investment funds, so that customers can invest in a greener future.

SUSTAINABILITY IN CREDIT CHECKS

Sustainability is a key aspect of credit checks on corporate customers. On joining the SpareBank 1 Alliance, we have moved from using our own ESG and climate risk module to using a joint ESG model. This model is based on the same principles, and we assess customers to whom we have advanced over NOK 3 million. The transition to the new model was implemented recently, so we have not yet had the opportunity to use it on a large scale.

However, with the previous model we experienced an improvement in the volume and quality of our climate risk assessments, providing a better foundation for our work on sustainability. This gives us valuable insight into how we can support our customers on their journey towards sustainability.

In 2024, we also continued our efforts to build up the expertise of our advisers. All of our customer advisers to the corporate market attended updated courses on climate risk and other sustainability-related topics that affect the business community. This is helping to make sustainability a natural part of our interaction with customers, and we are working closely with our customers to adapt to the changes that lie ahead.

In addition, we have held several breakfast seminars and events for the business community focusing on sustainability. There we have explained the new reporting requirements coming into force, and which steps businesses can take to comply with them.

ESTIMATED CLIMATE RISK AT 31.12.2024

The table below gives an overview of the distribution of the loans in our portfolio by climate risk level, taken from the 2024 TCFD report (the sustainability appendix):

Estimated climate risk	Loans at 31.12.24	ESG score as % of loans at 31.12.24	ESG score as % of loans at 31.12.23	Change from 2023 to 2024
Very low risk	3,073	16.83%	11.70%	5.13%
Low risk	9,876	54.08%	46.40%	7.68%
Moderate risk	1,847	10.12%	11.40%	– 1.28%
High risk	65	0.36%	0.10%	0.26%
Very high risk	10	0.05%	0.00%	0.05%
Unclassified	3,391	18.57%	30.40%	– 11.83%
Total	18,262	100%	100%	

NET ZERO BY 2050

In 2024, SpareBank 1 Sogn og Fjordane took an important step towards achieving net zero emissions by drawing up its first transition plan for climate change mitigation, based on ESRS principles. This plan, which has been adopted by the Board, lays the foundations for how we as a bank shall ensure that we meet our goal of net zero by 2050. For the corporate market, this means sharpening our focus on selected industries that are most relevant to the emissions in our loan portfolio: agriculture, aquaculture, fishing, construction, shipping and commercial property.

You can read the transition plan for climate change mitigation in the Bank's sustainability library at ssf.no/berekraft.

Greenhouse gas emissions of our loan portfolio

The greenhouse gas emissions of our loan portfolio represent around 99 percent of the Bank's total emissions, making this one of the most important topics for us. It is absolutely vital that we reduce these emissions in order to minimise our carbon footprint. The Bank has set itself an ambitious goal of cutting emissions by 2.5 percent per year from now to 2030, in line with the science-based targets.

Focus on priority industries

The agriculture, aquaculture, fishing and transport industries are responsible for around 87 percent of Scope 1 and Scope 2 emissions in the Bank's portfolio of loans to the corporate market. The transition plan therefore gives priority to these industries. Amongst other things, we aim to:

- Give customers greater support with investing in green technology and sustainable solutions
- Prioritise developing products and services that promote the green transition
- Build up the expertise of our CM advisers to ensure good ESG analysis in our interaction with customers
- Obtain reliable data from customers to help improve estimates of financed emissions and develop more effective mitigating actions

Progress in 2024

Over the year, the Bank continued its efforts to improve the quality of the data used to estimate financed greenhouse gas emissions. Membership of the Partnership for Carbon Accounting Financials (PCAF), which the Bank joined in December 2023, has given us access to information about emission factors, which gives us a basis for comparing estimates of financed emissions.

Emissions from the corporate market

The table below gives an overview of emissions from the various industries in the corporate market, based on our estimates for 2024:

Financed emissions (in tCO ₂ e)	Lending in NOK millions	Scope 1+2	Weighted data quality	Emission intensity (tCO ₂ e per MNOK of lending)	Scope
Fisheries/fishing industry	2.014	78.988	4,13	39,2	36.992
Aquaculture	623	36.568	4,03	58,7	16.607
Hotel and tourism industry	515	808	4,12	1,6	4.405
Industry and mining	2.095	15.755	4,04	7,5	33.663
Culture, entertainment and leisure	128	534	4,20	4,2	1.023
Services	133	41	4,05	0,3	234
Transport	656	12.737	4,12	19,4	7.098
Commerce/retail	475	2.367	4,17	5,0	12.895
Energy/Electrical power	555	6.851	4,35	12,3	2.614
Property development	6.142	1.946	4,49	0,3	22.851
Building and construction	475	2.400	4,18	5,1	28.176
Road vehicles	172	806	4,09	4,7	4.391
Other	613	964	4,21	1,6	3.057
Agriculture	1.782	95.192	3,00	53,4	146.043
Commercial property		2.217	3,00		2.415
Total for corporate market	16.378	258.174		15,8	322.465

You can find out more about our work on sustainability directed at the corporate market in the Bank's GHG accounts and in the TCFD report in the sustainability appendix.



Financial crime

Most important steering documents

Money laundering and terrorism financing strategy, Risk assessment for money laundering and terrorism financing and Financial crime strategy

Related to the UN Sustainable Development Goals



Who is responsible at the Bank?

The financial crime department within the Technology division

WHY IS THIS MATERIAL TO US?

Financial crime, such as fraud, corruption, occupational crime, money laundering and tax evasion, represents a big problem to society and is a threat to the welfare state, as well as undermining a sustainable business community based on free competition on equal terms. Combating financial crime, such as laundering money obtained from criminal activities, is an important task. It is part of our social mission to ensure that the financial industry is not used to facilitate criminal actions through our services and products.

HOW IS THE SITUATION EVOLVING, AND HOW ARE WE RESPONDING?

Financial crime is often complex. Money laundering and fraud are just two aspects of the criminal activities. The perpetrators are often professional criminals with both legal and illegal operations who exploit technology, structures and networks to conceal the illegal part. The Bank has zero tolerance for being used for money laundering or terrorism financing, and combating financial crime is a high priority. By understanding the risks associated with our operations, customers and products, we seek to reduce risks through targeted risk-reduction measures.

ACTIONS TAKEN IN 2024

During 2024, we focused on building up our expertise within this area through targeted training for both employees and Board members. The Bank has developed its existing systems and started using new technology to improve its ability to uncover suspicious circumstances. We have worked hard to make our efforts to combat money laundering more effective and risk-based. The Board has received monthly updates on changing risk levels surrounding money laundering, terrorism financing, sanctions and fraud, and during the year it specifically asked for certain areas to be monitored.

PLANS FOR 2025

The Bank will continue to build up knowledge about financial crime both in its own organisation and amongst our customers. We will seek to engage more closely with the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, the police and other banks in order to make life more difficult for the criminals. If society is to succeed in reducing financial crime, cooperation between entities obliged to report and the authorities will be a key factor. The Bank will strive to make greater use of technology to enhance the efficiency of its work on financial crime, and it will prioritise allocating resources to this.



RISKS RELATED TO MONEY LAUNDERING, TERRORISM FINANCING AND SANCTIONS

Banking and finance are industries where there is a high risk of being used for money laundering. The Board of SSF has adopted a moderate risk tolerance with respect to money laundering and terrorism financing, but with a goal of minimising risk as much as possible. All customer checks and activities to reduce risk at the Bank are risk-based, to ensure that resources are used as efficiently as possible. A prerequisite for this risk-based approach is carrying out a company-specific risk-assessment in which the Bank identifies and assesses its own risk with respect to money laundering and terrorism financing. If the residual risk exceeds the risk tolerance adopted by SSF's Board, additional risk-reduction measures are implemented.

COMMUNICATION AND TRAINING

All of the Bank's employees and Board members receive information and are required to complete training on anti-money laundering, terrorism financing and rules on sanctions. The training is tailored to the individual's role, but as a minimum it shall ensure that they are familiar with the Bank's risk exposure and its duties pursuant to money laundering regulations, and that they are able to recognise indications of money laundering and terrorism financing.

The Bank also actively seeks to share information with its customers and the local community through articles, press releases and talks, in order to prevent criminal activities. During 2024, the Bank had a particular focus on informing people about the methods used by fraudsters, in order to prevent customers from becoming the victims of fraud.

ACTUAL CASES AND COUNTERMEASURES	2024	2023
Total number of cases		
Cases relating to internal fraud	0	0
Cases relating to external fraud	791	1 055

COMMENTS:

In 2024, the Bank recorded 791 incidents of external fraud. This is an increase in attempted fraud, but most of the attempts were stopped by our systems or by the customers themselves. The Bank has further enhanced its efforts in this area and it hired a new member of staff in 2024. There were no confirmed cases of corruption or of internal fraud in 2024.

Responsible procurement

At SpareBank 1 Sogn og Fjordane, we impose ethical and environmental requirements on our suppliers. By setting these requirements, we help to ensure that our suppliers follow international labour conventions and reduce their carbon footprints.

Through contractual conditions and ISO certification, we are working to ensure that our suppliers follow national laws and regulations, as well as international UN and ILO conventions, requirements relating to carbon neutrality and environmental standards. The Bank has around 280 suppliers and business partners.

In accordance with its duties under the Transparency Act, SpareBank 1 Sogn og Fjordane performs due diligence assessments of its suppliers and other business partners in order to confirm that they are guaranteeing fundamental human rights and providing decent working conditions, and it reviews suppliers with identified risks. You can read more about this work in the Bank's report on due diligence in the Sustainability appendix.

Responsible marketing

The marketing activities of the Bank shall ensure that products and services are communicated and marketed in a way that is consistent with the UN Sustainable Development Goals, gives it a competitive edge and reduces ESG risk. This involves being responsible in how we communicate with our various customer groups through our advisers and various digital channels.

The Bank has drawn up a separate marketing policy with a focus on sustainability. We want to avoid greenwashing, and we ensure that all marketing is honest and transparent, so that our customers can trust that our products and services genuinely promote sustainable solutions. The marketing policy is available in our sustainability library at ssf.no/berekraft.

Digital security and data protection

As a bank, we process the personal data and financial information of our customers, and information security is therefore vital to us. SpareBank 1 Sogn og Fjordane must ensure that all kinds of data are protected against unauthorised lookups, alteration, destruction, disclosure or loss. We maintain high levels of expertise on information security in order to ensure that our solutions are secure and robust.

The Bank is subject to rules on confidentiality and information security, including the Regulations on the Use of Information and Communication Technology, the Personal Data Act, the General Data Protection Regulation (GDPR) and our banking licence. We also have our own steering documents covering information security and data protection. We take a proactive stance to raising awareness of security issues amongst our own employees, which in 2024 included all employees doing a compulsory e-learning course on digital security and data protection.

In 2024, the Group did not receive any fines or sanctions for any reported data protection non-conformities or information security breaches. SpareBank 1 Sogn og Fjordane reported 7 data protection breaches to the Norwegian Data Protection Authority, and SpareBank 1 Utvikling reported one breach on behalf of the Bank in 2024. SpareBank 1 Sogn og Fjordane reported 8 breaches of the Regulations on the Use of Information and Communication Technology to the Financial Supervisory Authority of Norway, and SpareBank 1 Utvikling reported one breach on behalf of the Bank in 2024.

Our proficient team

Most important steering documents:

Annual report, strategy, remuneration policy, employee handbook.

Who is responsible at the Bank

HR Director Eirik Rostad Ness and the HR department

WORKING CONDITIONS

We want to be an attractive place to work, where both our employees and our organisational culture represent important competitive advantages. We are working proactively to further improve our organisational culture, by cooperating closely with employee representatives, consulting on working conditions, taking measures to increase job satisfaction and providing training. Our employees are the most important resource we have to maintain and strengthen our market position. We must therefore continuously monitor competition in the labour market. When setting employees' terms of employment, we must also comply with the stipulations of relevant legislation, collective bargaining agreements and the Bank's remuneration policy. Compliance with the remuneration policy is reported to the Board and reviewed each year by the Bank's internal auditor. All recruitment decisions that do not fall under the company agreement's definition of senior management are handled by the Bank's recruitment committee, which also has employee representatives. In conjunction with the annual wage review, there are discussions with employee representatives regarding the level and focus of the local pay settlement.

Pursuant to various laws, the Bank has an obligation to carry out self-assessments of certain employee representatives and employees. In its circular 3/2023, the Financial Supervisory Authority has given a more detailed explanation of the rules and of how they should be put into practice. The Bank must ensure that it complies with the rules on self-assessments in accordance with the abovementioned circular, and with any subsequent revised versions of it. A self-assessment shall be carried out in the event of any changes to the Board, the CEO and other managers and key personnel. The head of the HR department is responsible for ensuring compliance with the statutory requirements at any given time. This includes ensuring that the AGM's election committee performs a self-assessment of the candidates they propose, and that the necessary self-assessments are carried out in the event of changes to the organisational structure.

The regular corporate governance reporting to the Board includes reporting on key targets and measures relating to HR. Various steering documents have also been developed, including the ethical guidelines, remuneration policy, Board's statement on establishing the salaries and other benefits of senior managers and procedures for self-assessment. The ethical guidelines make it clear that we have zero tolerance for bullying and all forms of harassment. Our managers have a particular responsibility to ensure that they and their subordinates comply with the ethical guidelines, taking the necessary account of the balance of power between the involved parties, for example in terms of differences in age, status and position.

We take steps to ensure that employees are familiar with and adhere to our ethical guidelines and fraud prevention guidelines. This is followed up through training programmes for new employees and by raising the issue at staff meetings. No cases of internal fraud were reported in 2024.



ORGANISATIONAL DEVELOPMENT AND TRAINING

SpareBank 1 Sogn og Fjordane constantly adapts its organisational structure in response to changes in the banking industry, regulations and customer behaviour. We have thorough procedures in place for continuous work on organisational development and on making changes to adapt to new needs and requirements. Our strategy states that having a highly qualified and motivated organisation is one of our competitive advantages. Our organisation must have a corporate culture based on our ability to learn, develop, cooperate and communicate openly.

The Bank has taken on a variety of challenging tasks in recent years, and 2024 was no different in that respect. In 2023, the Bank decided to invest in, and become a joint owner of, the SpareBank 1 Alliance, and in 2024 it completed a successful transformation, for both its customers and employees, into SpareBank 1 Sogn og Fjordane. The Bank has made adjustments to its organisation as a result of joining the alliance, and this work will continue in 2025. Many employees have been given new roles and areas of responsibility, and they have become part of new networks in the alliance.

We have put a lot of resources into internal courses and training activities. The main goal of all training activities is to ensure that the Bank's employees gain the skills needed to achieve the bank's commercial goals, meet industry requirements and safeguard the Bank's reputation. Professional development and career planning are important tools for recruiting and retaining the best employees and key personnel. Skills development goals are described in the bank's overall strategy and in a number of area-specific strategies drawn up by the Bank. The Bank performs skill surveys to identify skills gaps. This is also an important consideration in the HR department's annual risk assessments. Individual employees have a responsibility for their own professional and personal development. Managers at all levels are responsible for ensuring that employees receive the necessary training.

Since 2023, the Bank has had a minimum level of common practice with respect to employee development at the Bank. At the start of the year, each department draws up its objectives, in which the overall strategy is broken down into specific goals and action plans for the department. In order to ensure that individual employees properly understand the strategy and to promote systematic skills develop-

ment, the strategy is also set out in goals and areas of development for individual employees, which are reviewed in conjunction with employee development reviews during the year. All employees have regular career development reviews, and their role descriptions are updated each year.

The e-learning tool Motimate plays an important role in the Bank's training programme. Since the autumn of 2024, the Bank has also started using SpareBank 1's e-learning tool Utsikt. In 2024, all of our staff took five hours of obligatory training in Motimate and Utsikt covering anti-money laundering, IT security, data protection, competition law and the annual confirmation of the Bank's ethical guidelines. In addition, time is spent on obtaining authorisations and annual refreshers relating to them. In 2024, employees also received a lot of training in conjunction with joining the SpareBank 1 Alliance. Motimate is also used during the onboarding process so that all new members of staff get the same basic training. In addition to training in Motimate, all employees get supplementary technical training in their specialist area, and we have established expert groups for various areas of expertise, which provide regular input into the Bank's training activities. The Bank offers grants for taking courses and further education. The further education must reflect the Bank's needs and form a part of the individual employee's development plan. The Bank ensures and documents the knowledge of its staff through courses, surveys, training and testing.

As a member of the Finance Industry's Authorisation schemes (FinAut), the Bank has undertaken that its advisers shall have the relevant authorisations and adhere to the finance industry's own rules ("God Skikk"). These authorisation schemes are designed to ensure that advisers have the necessary attitudes, skills and knowledge in the fields of savings and investment, credit provision, non-life and life insurance, corporate non-life insurance and corporate life insurance. In 2024, the Bank also signed up to FinAut's authorisation scheme for information providers. The financial industry's own rules regulate the practice of authorised financial advisers in ten separate areas. Advisers must take annual refresher courses, and in 2024 some of the important topics covered were finance and mental health, continuing powers of attorney, natural disasters, insurance fraud, good practice and ethics.

SPECIALIST AREAS	NUMBER OF AUTHORISED ADVISERS AT 31.12.2024
Savings and investment	87
Credit provision	68
Life insurance	66
Non-life insurance	59
Corporate non-life insurance	4
Corporate life insurance	4
Information providers	1

The Bank believes in age-friendly employment, which takes into account the different stages of life and personal situations of staff. This includes a seniors policy, which is based on the fundamental belief that older workers are a resource in possession of valuable expertise needed by the Bank. In order to encourage as many people as possible to continue working for as long as possible, at the age of 60 we have a conversation with staff which aims to make the future more predictable for both parties.

For us to succeed in adapting to the changing times, our managers must also develop their skills. In 2019–20, we implemented a big management development programme for middle managers and management talent. We saw good, tangible benefits from our investment in management training and are building on the programme with further activities. The management forum has been a regular meeting place for managers at the Bank, providing an opportunity for the exchange of ideas, skills development and information sharing. In 2024, the Bank implemented a management development programme focusing on change management in order to ensure a successful transformation into SpareBank 1 Sogn og Fjordane.

The Bank has introduced the option of hybrid working including some working from home, and written agreements have been signed with employees who make use of the arrangement. Our offices shall remain the main place of work, so a project has been initiated to look at how office design can help to ensure that offices are inspiring working environments that build trust, and make the office people's preferred place of work. If people work more from home, it can undermine the Bank's corporate culture, so the Bank has worked on digital and physical activities to strengthen our organisational culture. We have worked proactively and systematically to organise digital events that generate good cooperation, inspiration and good experiences for the Bank's employees. In 2024, we also organised a successful event for all employees to celebrate us joining the SpareBank 1 Alliance.

The Bank evaluates its work on organisational development and training through skill surveys, internal controls, compliance, internal auditing, recording incidents in the incident database, dealing with customer complaints, status reports from FinAut, benchmarking and Finance Norway's annual skills survey.

WORKING ENVIRONMENT

SpareBank 1 Sogn og Fjordane carries out annual surveys to find out how satisfied employees are with their work. Last year, two surveys were carried out: one major employee satisfaction survey and a shorter so-called pulse survey. The surveys measure employee satisfaction and engagement, and allow employees to provide feedback on their experience in terms of information flow, communication and support. The surveys show that we have a good working environment, in comparison to the industry and workplaces in general. Both employee satisfaction and engagement improved during 2024. In areas for improvement and development, action is taken both at the Group level and in individual departments, to improve the working environment and ensure good future performance.

Since 2003, we have been signed up to the IA programme for inclusive working life. This means that we have undertaken to work on minimising sickness absence, and on making it possible for employees who develop partial incapacities to continue working.

The Bank has a collective bargaining agreement with the Finance Sector Union of Norway at SpareBank 1 Sogn og Fjordane. There is good cooperation between the management and the employee representatives. A joint cooperation and working environment committee has been set up, where the Finance Sector Union and internal safety service are represented. The Bank's working environment was high up the agenda in 2024. Our working environment committee held four meetings in 2024, and dealt with five working environment cases. We regularly provide basic working environment training for managers and safety representatives, most recently in spring 2023.

Average sickness absence was 4.64% in 2024, up from 3.84% in 2023. Both self-certified and short-term sickness absence were stable. It is long-term sickness absence that has risen, and the Bank provides close support to people on sick leave and tries to make adaptations to help them return to work as soon as possible. As of the 2024 annual report, the Bank has changed the way in which it calculates sickness absence. The figures for 2023 have been restated to allow accurate comparison. In line with NAV and Statistics Norway's guidelines on reporting sickness absence, holidays no longer reduce the number of possible working days in the report. Sickness absence is calculated as a percentage of the number of possible working days, so the change makes the sickness absence figure lower than previously reported (4.21% in 2023).

There were no reported occupational lost time injuries in 2024.

RECRUITMENT AND EMPLOYEE TURNOVER

In 2024, we hired 43 women and 38 men through internal and external recruitment processes, for both permanent and temporary positions. Employee turnover fell to 4.97% in 2024, from 6.83% in 2023. 29 permanent employees changed job within the Group, moving either to a new location or a new role. Of the 46 people taken on for permanent roles in 2024, 61% were women and 39% were men.

NUMBER OF NEW EMPLOYEES AND STAFF TURNOVER		2023	2024
Age distribution of new employees (permanent staff)			
Under-30s		8	24
Aged 30–50		18	20
Over-50s		2	2
New female employees		15	28
New male employees		13	18
Employees by region	We only have one region		
Total staff turnover		6,83 %	5,03 %
Turnover of women		5,28 %	3,58 %
Turnover of men		8,70 %	6,90 %
Turnover by region	We only have one region		

Turnover for women is calculated based on the number of permanently employed women, and turnover for men is calculated based on the total number of permanently employed men in the bank.

PAY, EQUALITY AND DIVERSITY

The Bank's vision is to be a driving force for Sogn og Fjordane. It is important for us to have in-house expertise on dealing with the risks that we face. The Bank's pay policy shall stimulate and motivate current and future employees. Pay shall be competitive with comparable enterprises in the market and region. The qualifications and areas of responsibility of individual employees are also taken into account. In addition, our pay policy should foster personal development and a team spirit.

We are working proactively to ensure that employees receive equal pay for work of equal value. We have created assessment tools that make it easier to eliminate gender wage gaps at the Bank, and gender wage gap assessments are now a compulsory part of annual salary reviews.

The tables below show the average salary for a full-time position, by grade and gender. Grade 1 – CEO is not included when calculating overall average pay at the Bank.

AVERAGE PAY

Organisational level	2023	2024	YoY increase	YOY increase last year without one-off allocation of equity certificates
Grade 1 – CEO	3.351.792	3.734.752	11,43 %	10,08 %
Grade 2 – Senior management team	1.451.410	1.618.022	11,48 %	8,38 %
Grade 3 – Other line managers	955.105	1.096.921	14,85 %	10,14 %
Grade 4 – Technical managers	792.426	923.171	16,50 %	10,82 %
Grade 5 – Advisers/consultants	672.570	759.009	12,85 %	6,16 %
Temporary staff	460.961	459.946	– 0,22 %	– 0,22 %
Total at the bank	718.879	803.968	11,84 %	6,00 %

AVERAGE PAY

Gender	2023	2024	YoY increase	YOY increase last year without one-off allocation of equity certificates
Women	681.670	765.403	12,28 %	6,01 %
Men	786.306	873.764	11,12 %	5,92 %
Total at the bank	718.879	803.968	11,84 %	6,00 %

On 10 December 2024, there was a one-off allocation of equity certificates to our permanent employees. The number of equity certificates awarded was 100 per employee plus a cash consideration NOK 15,000. The total value per employee was around NOK 45,000. Excluding this one-off allocation, the total increase in the average salary at the Bank was 6%.

The table below shows women's pay as a % of men's pay, in full-time positions, broken down by grade.

WAGE GAP

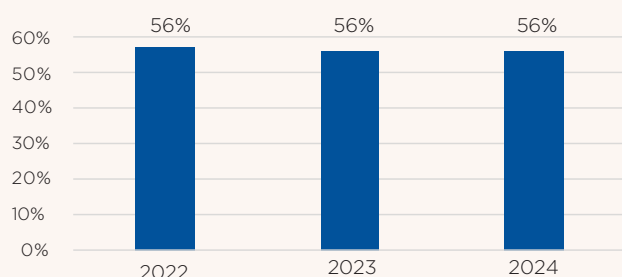
Organisational level	2023	2024
Grade 2 – Senior management team	82 %	82 %
Grade 3 – Other line managers	98 %	97 %
Grade 4 – Technical managers	84 %	88 %
Grade 5 – Advisers/consultants	94 %	92 %
Temporary staff	108 %	95 %
Total at the bank	89 %	90 %

The average pay of both women and men rose from 2023 to 2024, and the increase was higher for women. Women's pay as a % of men's pay increased to 90% in 2024 from 89% in 2023. The Bank has worked systematically on equal pay during both recruitment processes and pay reviews, and has taken measures to iron out wage gaps that cannot be explained by factors other than gender. In the past, a large part of the wage gap between women and men was due to there being more men in management positions, and the Bank is working systematically to increase the proportion of managers who are women. Other differences are related to historical issues. The Bank has not been informed of, or uncovered, any cases of wage discrimination. The Bank will continue to work proactively to reduce the wage gap.

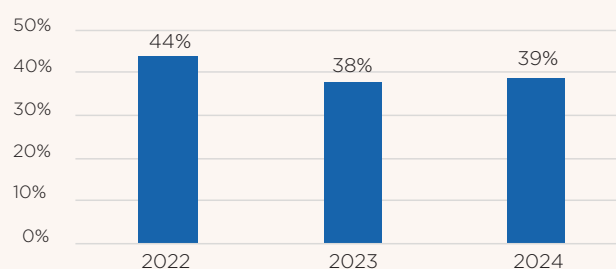
When calculating the wage gap and average salary, we have included basic pay at 31 December and various supplements such as overtime pay and benefits in kind received during the financial year. Benefits in kind includes equity certificates, fixed car allowance, company car, staff insurance policies, taxable benefits from preferential interest rates and taxable gifts. The grades are based on existing categories of positions at the Bank, and on an assessment of which positions are classified in the various grades. We have also considered the question of equal work of equal value when defining the grades.

We aim to have a system that allows women to take up management positions. Four of our eight Board members are women. The senior management team comprises three women and six men, including the CEO. 56 percent of employees are women and 44 percent are men, unchanged from in 2023. The proportion of line management positions held by women rose to 39% in 2024 from 38% in 2023.

Share of all employees who are women

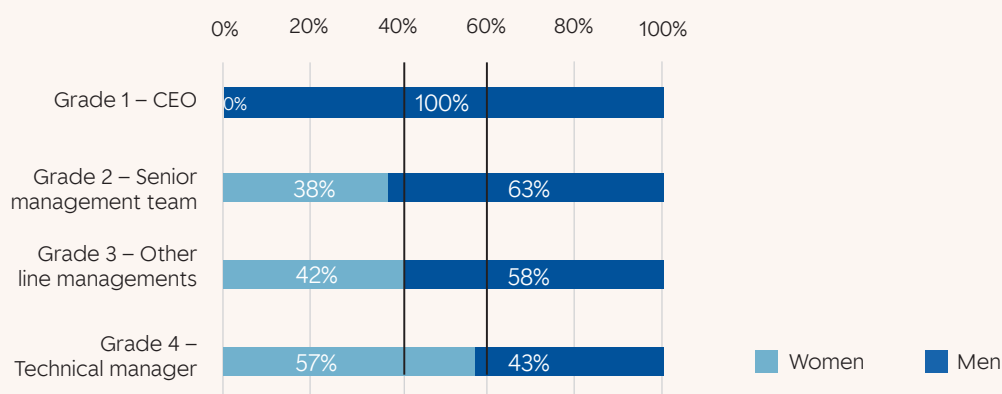


Share of managers who are women



The long-term goal is to have a reasonably even gender balance at all levels and in all business areas, and the Bank's goal is for the proportion of management positions held by women to be between 40 and 60 percent. The Bank achieved this goal in both 2021 and 2022, but in 2023 the proportion of line management positions held by women fell to 38%. In 2024 there was a slight increase to 39%. This is an area that requires continuous focus, and going forwards the Bank will look at measures to increase the proportion of female managers. The proportion of female technical managers was 57%, unchanged from 2023.

Gender balance in management positions



GENDER BALANCE

Proportion of women	2023	2024
Grade 1 – CEO	0 %	0 %
Grade 2 – Senior management team	38 %	38 %
Grade 3 – Other line managers	40 %	42 %
Grade 4 – Technical managers	57 %	57 %
Grade 5 – Advisers/consultants	58 %	60 %
Temporary staff	60 %	41 %
Total at the bank	56 %	56 %

In 2024, Reiel Haugland stepped aside from his position as Technology Director in order to act as the project manager for joining the SpareBank 1 Alliance, and in his absence Jill Aasen Hole was acting Technology Director. Both of them are included in Grade 2 – Senior Management Team.

The equal opportunity company SHE has joined up with the auditors EY to launch a national index to measure the performance of Norwegian companies in the area of equal opportunity. SpareBank 1 Sogn og Fjordane scored 83 out of a possible 100 in 2024. The Bank is signed up to the Women in Finance Charter, which commits it to setting internal goals for gender balance in senior roles, and to having one senior executive with dedicated responsibility for gender diversity and equality at the Bank. Figures show that financial institutions who have signed up to the organisation on average have a better gender balance than other companies in the industry.

32 of our 323 employees work part time. 19 of them are women and 13 are men. The part-time staff generally work 80 or 90 percent of a full-time job, with the exception of students working part time at the Student Centre, Customer Service Centre or Corporate Banking Centre. We are not aware of there being any involuntary part-time workers at the Bank.

PART-TIME STAFF

Gender	2023		2024	
	Percentage	Number	Percentage	Number
Women	68 %	15	59 %	19
Men	32 %	7	41 %	13
Total at the bank		22		32

In 2024, the Bank had 22 temporary members of staff. 9 of them were women and 13 were men.

TEMPORARY MEMBERS OF STAFF

Gender	2023		2024	
	Percentage	Number	Percentage	Number
Women	60 %	9	41 %	9
Men	40 %	6	59 %	13
Total at the bank		15		22

All employees have a right to parental leave. 17 employees took parental leave in 2024. 11 of them were women and 6 were men. 6 of the women (55%) have returned to work after their period of leave and continue to work for us, while 5 are still on leave. 5 of the men (83%) have returned to work after their period of leave and continue to work for us. The women took a combined 692 days of leave, while the men took 333 days. This shows that men who work at the Bank make use of their minimum father's quota.

PARENTAL LEAVE

Gender	2023			2024		
	Number	Number of working days	Weeks	Number	Number of working days	Weeks
Women	15	1.647	329	11	692	138
Men	7	548	110	6	333	67
Total at the bank	22	2.195	439	17	1.025	205

PROMOTING EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION, AND COMBATING DISCRIMINATION

We aim to be one of the best places to work in Sogn og Fjordane. This includes providing equal opportunity and promoting diversity. The Bank's goal is to recruit staff who reflect the society that we belong to. Our strategy, recruitment policy and remuneration policy include specific goals relating to equal treatment. There is also research documenting that in many contexts diversity has a positive impact on the working environment, development and value creation. Both the day-to-day running of our business and our recruitment activities aim to maintain and increase diversity. We believe that employing different kinds of people is important to the future development of the bank.

DIVERSITY

Age distribution of employees	2023	2024
Under -30s	12 %	18 %
Aged 30–50	51 %	50 %
Over-50s	38 %	33 %
Age distribution of governing body (Board)	2023	2024
Under-30s	0 %	0 %
Aged 30–50	63 %	63 %
Over-50s	38 %	38 %

The Bank is dependent on the trust of its customers, the authorities, the equity certificate owners, its lenders and wider society. It is therefore important for our organisation to maintain high ethical standards. The Bank's decisions shall be based on ethical principles that are in line with society's view of what is right and wrong and reflect the Bank's role in society. It is important to work consciously and proactively to prevent discrimination, in order to reinforce our reputation as an attractive employer, and to meet our strategic goals and obligations with respect to sustainability.

The Bank is one of the key businesses in Sogn og Fjordane, and we believe that expressing our views clearly helps to influence the society that we are a part of. The Bank wishes to create a positive working environment that enables personal development and provides challenges. That requires mutual trust, cooperation, inclusiveness, engagement and transparency. All employees have a responsibility for creating a good working environment, and we expect all employees to be polite and to treat each other with consideration and respect. By doing so, they help to facilitate good cooperation.

There shall be no discrimination. We shall provide equal opportunities and equal rights to everyone, and prevent any discrimination on the grounds of ethnicity, sex, age, religion or beliefs, sexual orientation, disability, pregnancy or family plans. No employees shall engage in the harassment, including sexual harassment, of other people. Harassment refers to actions, omissions or words that are intended or perceived to be offensive, frightening, hostile, demeaning or humiliating. Sexual harassment refers to any form of unwanted sexual attention that is intended or perceived to be offensive, frightening, hostile, demeaning, humiliating or annoying. This prohibition includes harassment based on an existing, possible, past or future relationship.

No cases of discrimination or harassment were reported in 2024.

PRINCIPLES, PROCEDURES AND STANDARDS RELATING TO EQUALITY AND DISCRIMINATION

Our most important steering documents are our strategy, remuneration policy, pay policy, policy for equality, diversity and inclusion, ethical guidelines and whistleblowing procedures. Processes are managed and monitored by the HR department. In addition, all employees must confirm annually that they have read and familiarised themselves with the Bank's ethical guidelines.

Employees have both a right and a duty to report censurable conditions. The Bank has procedures in place for how this should be done. The Bank makes sure that the necessary measures are implemented to end the relevant conditions, including eliminating risks, stopping harassment or discrimination, and preventing work- and workplace-related illness. Rules shall also be in place to protect employees who report censurable conditions, to promote transparency and to encourage a good speak-up culture at the Bank.

- Our policy on equal opportunity is incorporated into the Bank's strategy, tools and guidelines.
- The Board of Directors, senior management team, elected representatives and employees all play a role in our work on equal opportunity.
- Equal opportunity measures are discussed with members of the Bank's work council, which meets at least four times a year.
- A recruitment committee has been established, in accordance with the basic agreement between Finance Norway and the Finance Sector Union of Norway. The committee shall ensure that the principles of equal opportunity and non-discrimination are respected when setting pay and conditions.
- Shaping attitudes through internal and external communication. The Bank is one of the largest, most important businesses in Sogn og Fjordane, and we strive to raise awareness of work on equal opportunity and diversity.
- The Bank makes adaptations for employees with disabilities and with special requirements.

ENSURING EQUAL OPPORTUNITY AND NON-DISCRIMINATION IN PRACTICE

Working with the employee representatives, the employer has used the Norwegian Directorate for Children, Youth and Family Affairs' risk assessment tool to map risks, analysed their causes and then drawn up measures for implementation in 2024.

- Equal opportunity and diversity is a priority during recruitment. We have zero tolerance for harassment and discrimination, and aim for equal treatment and opportunity in recruitment and staff development processes.
- We have revised the recruitment committee's procedures so they cover equal opportunity in the widest sense during recruitment processes, in order to prevent discrimination.
- We have signed an agreement with Ernst & Young on running the Bank's external whistleblowing channel.
- Equal opportunity is an important consideration in pay negotiation and local wage bargaining. Wage differentials are assessed, and each year we set aside an amount for equal pay, which is used to reduce the wage gaps that have no other explanation than gender.
- Women on maternity leave have a pay review in the same way as other employees.
- The pay policy is a tool to avoid unjustified and arbitrary wage gaps and pay settlements.
- The Bank has implemented new templates and a new practice for its pay and employee development reviews, with personal development being an important topic.
- The Bank helps staff to achieve a good work-life balance. We permit flexible working hours and working from home where the circumstances allow it. Overall, the Bank wants to minimise overtime.
- We have clear guidelines to prevent harassment, sexual harassment and gender-based violence, including a whistleblowing system.
- All employees shall read and commit to the Bank's ethical guidelines each year.
- The topics of equal opportunity and non-discrimination are also covered by our HR policy.
- The Bank performs annual employee satisfaction surveys where we ask if employees have experienced harassment or bullying at their workplace.

ACTIONS PLANNED FOR THE COMING YEAR:

- The Bank is working hard to achieve a reasonably even gender balance at all levels and in all business areas, and that will remain a priority.
- Increase the pool of talent of women at all levels, by focusing on management talents and women managers at all levels of the organisation.
- Review recruitment processes and procedures, especially for management positions.
- When recruiting managers, we will aim to invite both women and men for interviews.
- Continue analysing discrimination risks and barriers to equal opportunity. This includes reviewing recruitment procedures and practices, as well as the physical design of offices.

The Bank evaluates its work on equality, diversity and inclusion by reviewing the gender balance and gender pay equality for various pay grades each year and reporting the results in its annual report. The bank also reports its gender balance and gender pay equality to the national SHE Index and to the Women in Finance Charter. In addition, we encourage staff to rate the Bank's work on diversity and equality through the portal "Equality Check". Diversity and gender pay equality is regularly discussed with the employee representatives in the Works Council and with the Board of Directors. The Bank evaluates its pay policy annually, partly in order to avoid unjustified and arbitrary wage gaps and pay settlements.

The Bank evaluates its work on non-discrimination by having a separate section on ethics, discrimination and equality in its annual report. The HR department is responsible for ensuring compliance with the prohibition against discrimination within the organisation. The HR department ensures that all employees confirm that they are familiar with the ethical guidelines. Any whistleblower cases are normally described in the risk report that is presented to the Board of Directors each year.

News from the local community in 2024

We are SpareBank 1 Sogn og Fjordane

4 November 2024 was a momentous day in the history of our bank. That is when Sparebanken Sogn og Fjordane became SpareBank 1 Sogn og Fjordane. We have a new name, but the people behind the name and the new logo remain the same. Our customers have got new cards, a new online bank and a new mobile banking app. Apart from that, little has changed from when we were Sparebanken Sogn og Fjordane.

We have the same customer advisers working at the same branches, and we are still owned by the same local foundations which share our profits with the local community.



Our branch in Stryn was first to get the new logo on the wall.

Creating the future together



The municipal council hall in Skei has been converted into a youth club, and the young people can decide what it should look like. Thea, Jardar, Odin and the other youngsters received NOK 250,000 of the Bank's profit for this project.

Every single day, all year round, lots of great work is done in our local communities. In 2024 we distributed NOK 125 million of our profit across Sogn og Fjordane in gifts and sponsorships. Some gifts are big, others are small, but what they all have in common is that they make a difference for the many and promote quality of life and make it more desirable to live here.

The gifts are provided through the foundations that own the Bank, Sparebankstiftinga Sogn og Fjordane and Sparebankstiftinga Fjaler, as well as through direct gifts and sponsorships from the Bank.

For a full list of gifts made in 2024, go to www.sparebankstiftinga.no and www.ifjaler.no.



Here for our customers

During 2024, we were contacted over 200,000 times by our retail and corporate customers – by phone, e-mail or chat. In addition, we held hundreds of meetings with customers, hosted webinars and were available for our customers at our counters.

Mats Solheim in Stryn is one of our many proficient advisers.



Roy Stian Farsund (left) is our Corporate Banking Director, and in May he handed out a large gift to Tore Frimannslund and the Western Norway University of Applied Sciences. The money went towards a new Master's course that will support the local business community.

Working closely with the business community

In 2024 we granted loans and guarantees worth over NOK 7 billion to businesses, and gained over 600 new business customers.

Six out of every ten limited companies in Sogn og Fjordane are our customers, which makes us the leading bank to the corporate market in the local region. We have over 40 members of staff working with corporate customers, and we place great importance on having a good understanding of their industries. We have 12 industry experts with many years' experience covering all of the key industries for our customers. It is important to identify risks and to be a good sparring partner for our customers. Together, we find good solutions for our customers. Joining the SpareBank 1 Alliance has given us access to an even wider range of products, which has been positively received by our customers.

We have a robust business community in Sogn og Fjordane. Stable interest rate levels and lower inflation than the previous year had a stabilising influence on businesses in 2024. The fact that companies managed to adapt to the changing macroeconomic environment is reflected in the Bank's lending to businesses, which rose by 4.5% in 2024. It is also encouraging to see that there was record high demand for savings products in 2024, leading to a big increase in the volume of sales of fixed income and equity funds.

It is important for us to have a visible presence amongst our business customers, and during the year we both held a number of breakfast meetings ourselves, and participated at various external events and conferences.

Over the course of the year, almost NOK 40 million of our profit was donated to various projects involving business development, training, education and research.



The Norwegian Trekking Association's Sogn og Fjordane branch received NOK 20 million of the Bank's profit for the project "I was going for a walk". Left to right: Trond Teigene (SpareBank 1 Sogn og Fjordane), Yngve Thorsen (Sparebankstiftinga Sogn og Fjordane), Siv Merethe Stadheim (Norwegian Trekking Association, Sogn og Fjordane) and Gry Thyrrestrup (Norwegian Trekking Association, Sogn og Fjordane).

A gift to all of Sogn og Fjordane

"I was going for a walk" was launched in 2024. The project aims to support the creation of footpaths throughout Sogn og Fjordane.

The foundation Sparebankstiftinga Sogn og Fjordane had the idea for the project, and they have promised NOK 20 million to the Norwegian Trekking Association's Sogn og Fjordane branch over a four-year period. This money comes from the profit of SpareBank 1 Sogn og Fjordane.

"This funding gives us a unique opportunity to create something positive and lasting together! We must work together, across municipalities, voluntary organisations and other bodies," said Siv Merete Stadheim, who chairs the Norwegian Trekking Association's Sogn og Fjordane branch, when she was handed the gift by Trond Teigene, the CEO of SpareBank 1 Sogn og Fjordane.

"Sogn og Fjordane has fantastic countryside, and this project will give even more people access to it. That is great news! This is a good, carefully thought out project, so it is gratifying and well-deserved that money from our profit is helping to make it a reality. We hope that it will have knock-on effects, and the goal is for the project to create NOK 60 million of added value", said Trond Teigene.

The first footpaths had already been awarded funding before Christmas, and the process of awarding funding will continue full steam ahead in 2025.

Our sponsorship agreements

We sponsor around 50 clubs and organisations throughout Sogn og Fjordane, with a focus on young people, sport and culture.

Askvoll og Holmedal sports club	Gloppen handball club
Balestrand sports club	Hornindal sports club's football team
Breimsbygda sports club	Hyllestad sports club's football team
Bremanger sports club	Syril sports club
Dale sports club's football team	Høyang sports club
Dale sports club's handball team	Jotun sports club
Eid sports club's handball team	Leikanger shooting club
Eikefjord sports club	Malakoff Rock Festival
Farnes shooting club	Markane sports club
Fjæra football club	Masfjord football club
Florø E-sport	Football Association of Norway, Sogn og Fjordane
Florø football club	Sandane gymnastics and sports club
Florø sailing club	Skavøypoll sports club's gymnastics group
Florø sports club's handball group	Sogn og Fjordane skiing association
Florø gymnastics and sports club	Stryn gymnastics and sports club
Førde sports club	Stryn gymnastics and sports club's handball team
Førde sports club's football team	Stryn gymnastics and sports club's gymnastics group
Førde sports club's cross-country skiing group	Sunnfjord golf club
Førde sports club's gymnastics group	Svelgen gymnastics and sports club
Førde students' sports club	Tambarskjelvar sports club
The Førde Festival	Ungt Entreprenørskap Vestland
Førde volleyball club	Våt Moro watersports festival
Gaular sports club	Øvre Årdal concert band
Gloppen athletics club	



Sunnfjord golf club is one of many teams we back. In June we organised a family event together.)

The Board of Directors of SpareBank 1 Sogn og Fjordane at 31.12.2024

LISE MARI HAUGEN

Chair



Lise Mari Haugen (1979) lives in Førde and is the Deputy Chief Executive of Sunnfjord Municipality. She has been Deputy Chief Executive of Førde since 2010. Haugen was previously Chief Executive of both Askvoll and Hornindal municipalities. From 2008 to 2009 she worked as a Senior Associate at PWC. Haugen has a BA in Finance and Business Administration and an MBA in Public Sector Auditing from the Norwegian School of Economics. Since 2010 Haugen has sat on the board of Sparebankstiftinga Sogn og Fjordane, and she was its Chair from 2015 to 2023.

Haugen has sat on the Bank's Board since 2016, and has been its Chair since March 2023. Attended 16 out of 16 Board meetings held in 2024.

MAGNY ØVREBØ

Deputy Chair



Magny Øvrebø (1970) lives in Os and is the CEO of Holberg Fondene. She has over 20 years' experience from the world of finance at Skandia, Tryg and Nordea. Øvrebø has sat on the boards of a number of companies, particularly in the property and private equity sectors. She holds an MA in Economics from the Norwegian School of Economics and is authorised as a financial analyst and portfolio manager by the Norwegian Society of Financial Analysts. Øvrebø has also taken an MBA specialising in finance at the Norwegian School of Economics.

Øvrebø has sat on the Board since March 2019.

Attended 16 out of 16 Board meetings held in 2024.

JOHNNY HAUGSBAKK

Board member



Johnny Haugsbakk (1969) lives in Flekke, and he is currently the CEO of the technology company Metzsum, which he co-founded in 2020. Haugsbakk has over 25 years' experience from various positions in the electricity and energy sector, with his core expertise lying in management, sales and commercialisation. In 1999, Haugsbakk joined the technology company Elis AS (subsequently Enoro AS). For 18 years he helped to build up this company into a group with over 300 employees in five countries. Haugsbakk has extensive boardroom experience from various companies in the local area and across Norway.

Haugsbakk has sat on the Board since March 2019.

Attended 15 out of 16 Board meetings held in 2024.

KRISTIAN SKIBENES

Board member



Kristian Skibenes (1978) lives in Måløy and works as the CFO of Fjord Shipping AS. His role there involves finance and development, and he also has a number of outside directorships. Skibenes has extensive professional experience, having previously worked as CFO at Lefdal Mine Datacenter, Managing Director at Fjord Shipping and supervisor at BDO AS Oslo. He obtained an Economics degree from the Norwegian Business School BI in 2004 and has an MA in Accounting and Auditing.

He has been a Board member since March 2023.

Attended 14 out of 16 Board meetings held in 2024.

SILJE SKAAR SUNDE

Board member



Silje Skaar Sunde (1984) is currently in charge of management and development at the energy company BKK AS, where she is part of the senior management team. Sunde has previously worked as a senior consultant and head of the strategy and sustainability department at Eviny AS, as well as having several years' experience as CFO at Sunnfjord AS. Sunde has sat on the boards of a number of companies, including Sparebankstiftinga Sogn og Fjordane. Sunde has an MA in auditing and accounting and a Master's degree in Economics and Business Administration from the Norwegian School of Economics.

She has been a Board member since March 2024.

Attended 11 out of 16 Board meetings in 2024 (new member in 2024).

Board of Directors



VEGARD STRAND

Board member

Vegard Strand (1971) lives in Dale and is the Managing Director of Åsen & Øvreliid Utvikling AS. Prior to that, he has over 25 years' experience from a variety of roles in the construction and property industries and business development. Amongst other things he has been Managing Director of Fjaler Næringsutvikling, Gravidalkonsernet and Eiendomsmegling 1 Sogn og Fjordane. Strand chairs the Board of Sparebankstiftinga Sogn og Fjordane. Strand's educational background is technical and financial, and he qualified as a government-authorised estate agent in 1997.

He has been a Board member since March 2024.

Attended 12 out of 16 Board meetings in 2024 (new member in 2024).



OLE-HERMANN ROGNSØY

Board member

Ole-Hermann Rognsøy (1977) lives in Førde and works at SpareBank 1 Sogn og Fjordane, where he has been employed since 2011. He is currently head of data-driven customer engagement, but his previous experience at the Bank includes working as an adviser to the corporate market and in business development. Before joining the bank, he had been involved in a start-up and most recently worked as the controller at Lantmännen Cerealia Norge. Rognsøy has a BA in Finance and Business Administration from the Norwegian Business School BI.

He has been a Board member since March 2024.

Attended 12 out of 16 Board meetings in 2024 (new member in 2024).



HELENE GÅSEMYR

Deputy entitled to attend Board meetings

Helene Gåsemyr (1991) lives in Sogndal and has been employed at the Bank since 2015. She currently works as a customer adviser to corporate customers, and she has previous experience as a product manager. Gåsemyr has an MA in Finance and Business Administration from NTNU Business School. She was elected as a deputy in 2023, and she has been entitled to attend all Board meetings since the autumn of 2024.

Attended 4 out of 16 Board meetings in 2024 (entitled to attend all meetings since autumn 2024).



TROND TEIGENE

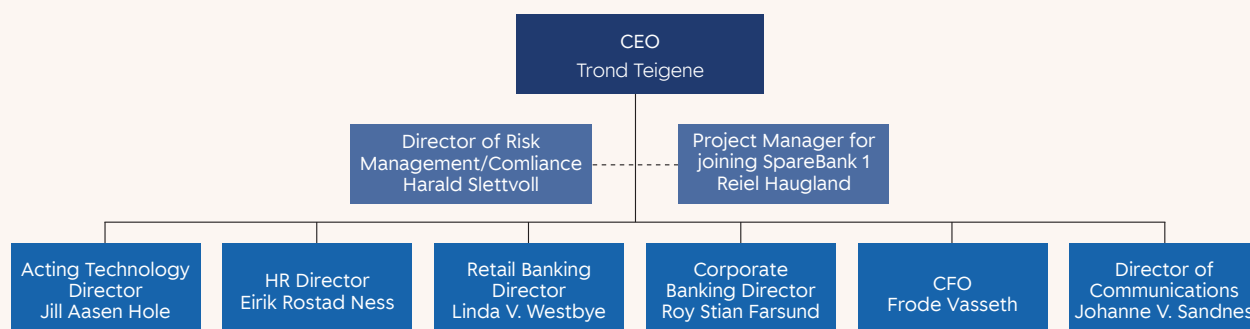
CEO

Trond Teigene (1968) is the CEO of SpareBank 1 Sogn og Fjordane. He has occupied that position since the spring of 2016. He had previously been the bank's Director of Strategy and Business Development. Teigene has worked at Sparebanken Sogn og Fjordane since 2000. He sits on the boards of SpareBank 1 SamSpar AS, Samarbeidende Sparebanker AS and Samarbeidende Sparebanker Utvikling DA. Teigene has an MA in Strategic Management from the Norwegian Business School BI.

Attended 16 out of 16 Board meetings held in 2024.

Organisational chart

at 31 December 2024



Senior Management Team at 31.12.2024



TROND TEIGENE
CEO

Trond Teigene (1968) is the CEO of SpareBank 1 Sogn og Fjordane. He has occupied that position since the spring of 2016, having previously been the Director of Strategy and Business Development. Teigene has worked at the Bank since 2000. He sits on the boards of SpareBank 1 SamSpar AS, Samarbeidende Sparebanker AS and Samarbeidende Sparebanker Utvikling DA. Teigene has an MA in Strategic Management from the Norwegian Business School BI.



FRODE VASSETH
CFO

Frode Vasseth (1977) has been CFO since 2013. Before that, he was Director of Business Support. Vasseth has worked at SpareBank 1 Sogn og Fjordane since 2002. Vasseth sits on the boards of Bustadkreditt Sogn og Fjordane AS and Eiendoms kreditt AS. He has a degree in Economics and an MBA from the Norwegian School of Economics.



LINDA VØLLESTAD WESTBYE
Retail Banking Director

Linda Vøllestad Westbye (1979) has been Retail Banking Director since May 2018. She was previously a department manager at the Norwegian Gambling Authority. Before that, she had worked at the Norwegian Road Victims Association and University of Bergen. Westbye sits on the boards of EiendomsMegler 1 Sogn og Fjordane AS, Bustadkreditt Sogn og Fjordane AS and Norsk Tipping AS. She holds an MA in social anthropology from the University of Bergen.



ROY STIAN FARSUND
Corporate Banking Director

Roy Stian Farsund (1975) has been Corporate Banking Director since January 2021. He previously had responsibility for the corporate banking market in Sunnfjord. Farsund joined Sparebanken Sogn og Fjordane in 2008, and before that he worked at Nordea. He has an MA in Strategic Management from the Norwegian Business School BI, and he sits on the board of SpareBank 1 Finans Midt-Norge AS.



JOHANNE VIKEN SANDNES

Director of Communications

Johanne Viken Sandnes (1983) has been Director of Communications since July 2022. Prior to that, she was the head of marketing and communications. Sandnes joined the Bank in November 2017, before which she worked as a communications adviser at TV 2 and Knowit Experience. Sandnes is on the board of Framtidsfylket. She holds a BA from Volda University College and has started studying for BI's Executive Master of Management.



EIRIK ROSTAD NESS

HR Director

Eirik Rostad Ness (1969) has been HR Director since 2017. He was previously the chief union representative at the Bank, having worked here since 2009. Before that, he worked as the national secretary of the Norwegian Red Cross and as an advisor at the Ministry of Children and Families and Norwegian Gambling Authority. He sits on the board of EiendomsMegler 1 Sogn og Fjordane AS. He has an MA in Social Geography from the University of Oslo.



JILL AASEN HOLE

Acting Technology Director

Jill Aasen Hole (1993) was Acting Technology Director from November 2023 until the end of 2024. This was while Technology Director Reiel Haugland was managing the Bank's project to join SpareBank 1. Jill joined the Bank in 2019, and for her first four years she was a project manager and business developer. Since 1 January 2025 she has returned to her role as a business developer. Before joining the Bank, she worked as the administrative assistant to the CEO at Coast Seafood in Måløy. She has a Master's degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology.



HARALD SLETTVOLL

Director of Risk Management and Compliance

Harald Slettvoll (1974) has been Director of Risk Management and Compliance since 2017. Over the period 2008-2016 he was also involved in risk management at the Bank, as well as being the CEO of our subsidiary Bustadkreditt Sogn og Fjordane AS for six of those years. Before joining the Bank, he worked as a lecturer at Sogn og Fjordane University College. Slettvoll holds an MA in Economics from the University of Bergen.



REIEL HAUGLAND

Project Manager for joining SpareBank 1

Reiel Haugland has been Technology Director since 2016, but in 2023 he took on the role of managing the project to integrate the Bank into the SpareBank 1 Alliance. He continued doing that job until the end of 2024, and he is now back as the Technology Director. He started out as a trainee in 2007, and since then his roles have included being technical manager for business development. Haugland chairs the board of the Førde Festival and sits on the board of Sunnfjord Utvikling AS. He has a BA from Volda University College and a Master's degree in Technology and Innovation from the Norwegian School of Economics.

Corporate governance

Here SpareBank 1 Sogn og Fjordane (SSF) sets out its principles and practices for corporate governance, in accordance with the Norwegian Accounting Act and the Code of Practice of the Norwegian Corporate Governance Board – NUES. In general we adhere to the NUES Code of Practice, but where there are nonconformities we justify them and explain our approach.

The Norwegian Accounting Act, Section 2-9 (2)

Below we have set out how we comply with Section 2-9 (2) of the Norwegian Accounting Act.

1. **Details of recommendations and rules relating to corporate governance that the entity is bound by or chooses to adhere to.**
SpareBank 1 Sogn og Fjordane adheres to Norwegian legislation, including the current Accounting Act. The Group also follows most of NUES Code of Practice, as described below. Also see our comment in Section 1 under the NUES Code of Practice below.
2. **Information about where the recommendations and rules described in 1 are publicly available.**
NUES' Code of Practice is available on nues.no. SSF's adherence to the Code is described here and will be included in the Group's annual report.
3. **Reasons for any nonconformities with the recommendations and rules described in 1.**
Nonconformities with the recommendations are set out point by point below.
4. **A description of the main elements of the entity's, and if consolidated financial statements are produced also the group's, internal control and risk management systems covering the financial reporting process.**
See Section 10 of the information about NUES below.
5. **Articles of association which in full or in part expand on, or deviate from, the Public Limited Liability Companies Act, Chapter 5.**
See Section 6 of the information about NUES below.
6. **Composition of the Board of Directors, Corporate Assembly, Supervisory Board and Audit Committee; any working groups reporting to these bodies as well as a description of the main elements of the instructions and guidelines for the work of the bodies and any working groups.**
See sections 6, 7 and 8 of the information about NUES below.
7. **Articles of association that govern the nomination and replacement of Board members.**
See Section 8 of the information about NUES below.
8. **Articles of association and authorisations that enable the Board of Directors to decide that the entity shall buy back or issue shares or equity certificates in the entity.**
See Section 3 of the information about NUES below.
9. **A description of the entity's guidelines on equal opportunity and diversity, based on gender and other factors such as age, disability and educational and professional backgrounds, with respect to the composition of the Board and the management and supervisory bodies and any sub-committees.**
Covered in a separate section of the annual report.

Norwegian Code of Practice for Corporate Governance (NUES)

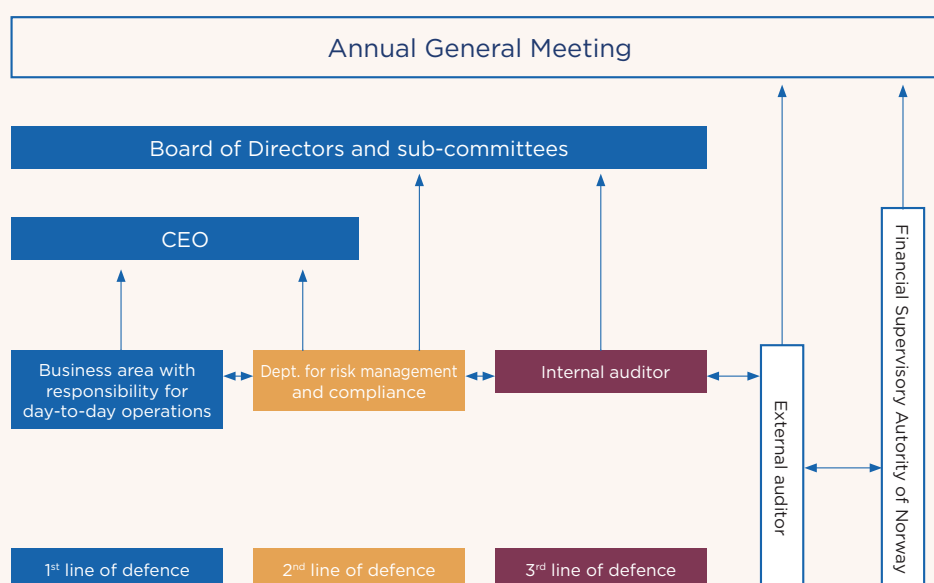
Below we have set out how SpareBank 1 Sogn og Fjordane (SSF) implements the 15 recommendations of the Norwegian Corporate Governance Board – NUES. This is based on the Code of Practice as of 14 October 2021.

Section 1: Corporate governance

SpareBank 1 Sogn og Fjordane adheres to the recommendations of NUES in so far as they apply to savings banks with equity certificates. Nonconformities with the Code of Practice are commented on point by point below.

SSF is a savings bank and a financial institution. As a bank, we are dependent on licences from the authorities and the trust of our customers, investors and other stakeholders. In order to maintain those things, the Bank must comply with extensive regulations, and it has developed a corporate governance structure designed to achieve this.

The Bank's corporate governance principles are incorporated into various steering documents for its operations. This includes the articles of association, vision and values, Board instructions, strategies, guidelines and risk frameworks. The figure below shows the governing and supervisory bodies that play a key role in corporate governance. A more detailed description of the individual bodies and their tasks is provided below.



In order to deliver in relation to its targets and values, the Bank must deal with customers and stakeholders in a proper and professional manner, and one that meets high ethical standards. All of SSF's employees confirm, on an annual basis, that they are familiar with and adhere to the Bank's ethical guidelines.

Nonconformities with recommendations: None.

Section 2: Business

The nature of SpareBank 1 Sogn og Fjordane's operations is described in the Bank's articles of association. The Bank shall promote saving by accepting deposits and managing the funds held by the Bank in a way that is secure. In addition, the Bank shall perform banking activities and provide banking services in accordance with the Financial Institutions Act, and offer investment services in accordance with the Securities Trading Act. The articles of association are available on the Bank's website.

Each year, the Board of Directors adopts financial goals for the business. The Bank's overall goals and strategies, which are set out in the Bank's annual report, inform its risk frameworks and budgets. Assessments of risk and capital requirements are integrated into the Bank's corporate governance processes and strategy.

SSF wishes to promote sustainable development, and it has incorporated sustainability into its overall strategy, as well as establishing a separate strategy for sustainability. The Bank has added a sustainability portal to its website, which brings together its sustainability goals and strategies, as well as other relevant information.

Nonconformities with recommendations: None.

Section 3: Equity and dividends

The Board of Directors assesses the Bank's capital position over the course of the year, and particularly in conjunction with ICAAP, strategic planning and proposals for how profit shall be allocated. The capital position is assessed against the Bank's goals, strategy and risk profile, as well as expectations and statutory requirements established by the Financial Supervisory Authority of Norway and other supervisory authorities.

The Board of Directors considers that SSF is well capitalised in relation to existing and expected regulatory requirements, as well as to the Bank's risk profile and current goals and strategies.

Dividends

SpareBank 1 Sogn og Fjordane aims to achieve a profit that represents a good and stable return on the Bank's equity. The profit shall provide the owners with a competitive long-term return consisting of dividends and increases in the value of the Bank's equity.

Profit for the year is distributed between the equity share capital and primary capital in accordance with their proportionate shares of the Bank's equity.

Dividends and gifts reflect expected profitability, the external business environment and the need for capital. It is the Bank's AGM that adopts the annual dividend based on the proposals of the Board of Directors.

SSF does not have any listed equity certificates and in so far as possible it must build up its equity from its own profit. The Board of Directors considers that the Bank is in a strong position to pay dividends over the coming years and aims to distribute a minimum of 50% of annual profit between dividends and gifts.

SSF has a high proportion of equity certificates (around 85% ownership share), and it is considering the possibility of distributing proportionately more of the profit attributable to its equity share capital than of the profit attributable to its primary capital, in order to strengthen the Bank's primary capital position.

Equity certificate buy-backs

The Board of Directors is authorised to buy up to 10% of the Bank's own equity certificates. The equity certificates may be bought for a price per certificate of between NOK 50 and NOK 400. The equity certificates can be sold through a private placement or allocated to employees in the Group and to members and deputy members of the Board. The authorisation remains in force until the next Annual General Meeting.

Capital increase

The Board of Directors is authorised to issue hybrid debt, subordinated debt and non-preferred bonds, but it is not currently authorised to issue new equity certificates.

Nonconformities with recommendations: None.

Section 4: Equal treatment of shareholders (equity certificate holders)

SpareBank 1 Sogn og Fjordane has one class of equity certificates. All equity certificates have equal voting rights and all equity certificate holders shall be treated equally and have the same opportunity to influence decisions. The Bank adheres to the Financial Institutions Act's rules covering restrictions on ownership and voting rights in so far as they apply to a savings bank with equity certificates. The equity certificate holders elect 40% of the delegates to the AGM, which is the maximum proportion permitted by the Financial Institutions Act. In matters specifically relating to the equity share capital, the equity certificate holders have additional rights, with cases of the kind specified in Section 8-1 of the articles of association also requiring a two thirds majority amongst the delegates elected by the equity certificate holders.

In the event of an equity share capital increase, existing owners shall have pre-emptive rights unless there is a specific reason to deviate from this principle. Any such deviation from the pre-emptive rights shall be justified.

SSF has established a savings programme for employees and Board members using its own equity certificates. Since SSF's equity certificates are not listed on a stock exchange, the Bank buys the equity certificates directly from their current owners. An agreement on these purchases has been entered into with Sparebankstiftinga Sogn og Fjordane as the biggest owner. The agreement entails that all owners shall have the opportunity to sell certificates on the same terms as Sparebankstiftinga and that the other owners shall have a pre-emptive right to sell up to 5,000 equity certificates per year in order to ensure the liquidity of the equity certificates for owners of smaller holdings. Under the savings programme, employees and members and deputy members of the Board can buy up to 1,000 equity certificates per year. For the first 50 equity certificates that an employee buys each year, SSF gives the employee one

additional certificate for each equity certificate bought. For the next 100 equity certificates an employee buys, they receive one additional certificate for every four equity certificates bought. As such, employees can receive up to 75 equity certificates per year they participate in the programme. These “extra certificates” are distributed two years after the purchase is made, on the condition that the employee still owns the equity certificates they originally bought and is still employed at the Group, or has retired. All employees have also been allocated equity certificates worth NOK 13,000 plus tax (worth NOK 20,000 in total) at the start of the programme or when they were hired.

Nonconformities with recommendations: None.

Section 5: Shares and negotiability

The Bank’s equity certificates are freely negotiable. For more information about voting shares and participation at the Annual General Meeting, see sections 4 and 6.

Nonconformities with recommendations: None.

Section 6: Annual General Meeting

The General Meeting is the Bank’s highest authority and it shall ensure that the company operates in accordance with its purpose and in compliance with legislation, the articles of association and the decisions adopted by the General Meeting. The General Meeting’s roles and authority are set out in Section 3-9 of the articles of association.

The composition of, and election of members to, the General Meeting is different from limited companies and public limited companies. The Financial Institutions Act regulates the composition of the Bank’s General Meeting, as well as its roles and tasks. The Bank’s articles of association state that SpareBank 1 Sogn og Fjordane’s General Meeting has 25 members. 10 members and 4 deputies are elected amongst the equity certificate holders. 9 members and 4 deputies are elected amongst the depositors, and 6 members and 2 deputies are elected amongst the employees.

In the event of a member being unable to attend the General Meeting, a deputy is called up. It is not possible to participate through a proxy or with an adviser.

The notice and agenda, as well as relevant documentation, are published on the Bank’s website, and sent to the General Meeting’s members and deputies, 21 days before ordinary General Meetings. The Bank has not set a deadline for issuing notice in the articles of association and it does not have any listed securities. The statutory limit is therefore 14 days pursuant to the Public Limited Liability Companies Act and in the case of extraordinary General Meetings the Board may consider providing shorter notice than 21 days. The minutes of General Meetings are made available on the Bank’s website.

Board members, the CEO and the auditor are also invited to attend meetings, but they are not entitled to vote. The Chair of the General Meeting leads its meetings.

Equity certificate holders’ election meeting

The representatives of the equity certificate holders select their own nomination committee to organise the election of new delegates to the General Meeting. The nomination committee makes its recommendations at an annual meeting where all holders of equity certificates can stand and vote on behalf of their equity certificates. Each equity certificate has one vote.

Sparebankstiftinga Sogn og Fjordane currently owns around 92% of the Bank’s equity certificates, which enables it to control the election of the equity certificate holders’ delegates to the General Meeting. Sparebankstiftinga has published its ownership strategy (www.sparebankstiftinga.no), which includes a commitment to reduce the foundation’s ownership interest and facilitate changes to the representation on the General Meeting in the event of the Bank being listed.

Nonconformities with recommendations: SpareBank 1 Sogn og Fjordane adheres to the laws and regulations governing the organisation of the General Meeting at savings banks, which results in a nonconformity with the recommendations, as the equity certificate holders cannot participate directly in the General Meeting, but must instead do so through the delegates elected by the equity certificate holders. Beyond this there are no nonconformities with the recommendations.

Section 7: Nomination committee

SpareBank 1 Sogn og Fjordane’s articles of association state that the Bank shall have one nomination committee for the elections held by the depositors and the General Meeting, and one for the elections held by the equity certificate holders. In addition, the employees have their own nomination committee for electing their delegates to the General Meeting.

The General Meeting has adopted instructions for carrying out elections, which include expertise requirements for the Board, diversity requirements and a requirement for individual Board members and the Board as a whole to be able to perform their roles effectively.

Nomination committee for the elections of the depositors, Board of Directors and General Meeting

The General Meeting elects a nomination committee with 3 members and 3 deputies. The nomination committee shall comprise one representative each for: the members elected by the depositors; the members elected by the employees; and the members elected by the equity certificate holders.

The nomination committee shall prepare the elections of: members of the General Meeting elected by the depositors; the Chair of the General Meeting; the Chair, Deputy Chair and other members and deputies of the Board, with the exception of employee representatives; and members and deputies of the nomination committee.

The nomination committee's recommendations to the General Meeting shall be justified and they shall be circulated together with the notice for the General Meeting 21 days in advance of the meeting.

Nomination committee for equity certificate holders

Members of the General Meeting elected by the equity certificate holders have their own nomination committee. The nomination committee shall have 3 members and 3 deputies.

The nomination committee prepares the equity certificate holders' election of members and deputies to the General Meeting, as well as the election of members and deputies to the equity certificate holders' nomination committee. The nomination committee's recommendations shall be justified. The election is held at the equity certificate holders' own election meeting.

Nonconformities with recommendations: Members and deputies are elected to the nomination committees from the members of the General Meeting, in accordance with the articles of association. Members are independent of the Board of Directors and senior management team, but they are not independent with respect to elections to the General Meeting.

Section 8: Board of Directors: composition and independence

According to the articles of association, the Board of Directors of SpareBank 1 Sogn og Fjordane shall have 7 to 9 members, including 2 members elected by and from the employees.

The Board of Directors is elected by the General Meeting on the basis of the nomination committee's recommendations, with the exception of the employee representatives, who are elected by the employees. Members are elected for up to two years at a time, and they may serve for a maximum of 12 years in total (16 years if they combine two roles, e.g. 4 years as a deputy and 12 years as a Board member). The Chair and Deputy Chair of the Board of Directors are elected by the General Meeting in separate elections.

The General Meeting has adopted instructions for the nomination committee which specify requirements relating to the composition of the Board of Directors. Both women and men shall occupy at least 40% of the seats on the Board of Directors. The composition of the Board shall safeguard the interests of the equity certificate holders and depositors, help the Bank fulfil its social function, protect employees' interests and meet the Bank's need for expertise and diversity. Attention should be paid to ensuring that the board can function effectively as a collegiate body, and Board members should be independent of the senior management team and have sufficient time to fulfil their role.

The nomination committee shall prioritise ensuring both that individual Board members have the necessary expertise, experience and capacity, and that the Board collectively meets the necessary and statutory requirements for expertise. There is a requirement for at least one Board member to have qualifications and experience relating to the securities markets, one independent member with qualifications in accounting or auditing, who can sit on the audit committee, two independent members who are qualified to sit on the risk management committee and three members who can sit on the remuneration committee.

The CEO shall not sit on the Board of Directors. No other members of the Bank's senior management team sit on the Board either. With the exception of the employee representatives, the rest of the Board is considered independent of the Bank's management. As the biggest equity certificate holder, Sparebankstiftinga Sogn og Fjordane has in its ownership strategy expressed a desire to have one representative on the Board ([Ownership Strategy of Sparebankstiftinga Sogn og Fjordane](#)).

The ages and backgrounds of the Board members are presented on our website and in the annual report, and their attendance at Board meetings is stated in the annual report. The Board of Directors may buy equity certificates through the Bank's savings programme for employees and Board members. The Board does not receive a discount on these purchases. Board member's ownership interests are disclosed in a note to the annual financial statements.

Nonconformities with recommendations: None.

Section 9: The work of the Board of Directors

The Board of Directors has issued instructions setting out the Board's administrative and supervisory responsibilities, the types of items that shall be dealt with by the Board, which committees the Board shall have, how items shall be notified, prepared, dealt with and recorded in the minutes, as well as the CEO's tasks and duties to the Board. The Board of Directors carries out an annual evaluation of its own work and expertise.

Conflicts of interest, agreements with related parties and work for the savings bank

The Board's instructions set out how the Board and Board members shall deal with any conflicts of interest. A Board member shall not take part in discussions or decisions that are of particular importance to themselves, or their related parties, whether that be on account of personal, financial or other particular interests. Board members shall themselves report anything that could constitute a conflict of interest. The Board of Directors decides whether there is a conflict of interest without the involvement of the Board member in question.

The Board of Directors shall approve any agreements between the Bank and a Board member, the CEO or an equity certificate holder. Agreements reached in conjunction with the Bank's day-to-day operations at prices and on terms that are normal for such operations do not need to be presented to the Board. In the case of non-trivial agreements that are not reached as part of the Bank's day-to-day operations, or that are not agreed on normal terms, the Board should obtain a valuation from an independent third party. If the Bank's outlays under the agreement exceed one twentieth of the Bank's equity, the agreement shall be presented to the General Meeting for its approval.

Board members, or companies to which they are affiliated, should not take on special tasks for the Bank or for companies in the Group. If they nevertheless do so, the whole Board of Directors shall be informed and the fees payable for the work shall be approved by the Board.

Board sub-committees

The Board has three sub-committees: risk management committee, audit committee and remuneration committee. All three committees are regulated by the articles of association and have their own instructions adopted by the Board of Directors setting out what type of matters the committee is responsible for preparing for the Board. All of the committees have three members chosen from the Board.

Audit committee

The audit committee shall carry out preparations for the Board of Directors' oversight of the financial reporting process, monitor the systems in place for internal control, risk management and internal auditing in relation to accounting and financial reporting, communicate with the auditor about the audit and inform the Board of the results of the statutory audit, assess and oversee the auditor's independence and prepare for the selection of the auditor. The audit committee shall also do the preparations for the Board's oversight of sustainability reporting.

Risk management committee

The risk management committee makes preparations for the Board's oversight of individual risks and overall risk at all times, assesses whether the Bank has sufficient equity and subordinated debt based on its risk profile and the scale of its operations, and assesses whether the Bank's governance and control measures are adequate for its risk profile and the scale of its operations.

Remuneration committee

The remuneration committee shall prepare all matters that relate to the Bank's pay policy, including the CEO's terms of employment. Also see Section 12 of this document.

Nonconformities with recommendations: None.

Section 10: Risk management and internal control

The Bank's risk management procedures and internal control procedures shall help it to reach its strategic goals by correctly measuring, monitoring and pricing risk, operating efficiently and managing risk appropriately. The Bank's Pillar 3 report provides information about risk and capital management at SpareBank 1 Sogn og Fjordane. The document is available on the Bank's website.

The Bank aims to have a moderately low risk profile. The risk profile informs the strategy and risk frameworks within the Bank's various areas of risk.

The risk management and compliance department is independent of the business areas and is responsible for ensuring that risk management and internal control at the operational departments is consistent with legislation, rules and internal frameworks and guidelines. The risk management and compliance department reports on a quarterly basis to the Board, and each quarter the Board reviews the Bank's position with respect to the most important areas of risk and performs an annual review of internal control at the Bank.

Internal control of financial reporting

The CFO is responsible for the Bank's accounting and finance function and consequently responsible for ensuring that financial reporting adheres to relevant legislation, accounting standards and the Bank's accounting principles, as well as that the Bank has good, effective internal control procedures in place for this purpose.

Processes and internal control procedures have been established to quality assure financial reporting. These include rules on authorisations, the allocation of responsibilities, reconciliation, IT controls, etc. Internal control procedures covering all important line items in the financial statements have been described and classified, and the internal control system is regularly discussed with the Board's audit committee.

As part of the audit process, the external auditor also assesses the Bank's internal control over financial reporting, and includes any weaknesses and defects found in his annual summary report of the financial audit. This report is distributed to the Bank's management, audit committee and Board of Directors.

Internal auditing

The internal audit function is the Board of Directors' tool for overseeing that risk management processes are targeted, effective and work as intended. The internal auditor shall confirm that internal control procedures work and that risk management measures are adequate in relation to the Bank's risk profile.

The internal auditor draws up an annual plan that is discussed with the senior management team, reviewed by the risk management committee and adopted by the Board of Directors. The prioritisations in this annual plan are based on the internal auditor's own risk assessments. Separate audit reports are drawn up for each project and any findings and weakness are reviewed with the project manager. The risk management committee and Board receive an annual report summarising the internal auditor's work and most important findings.

SpareBank 1 Sogn og Fjordane has outsourced the internal audit function to an external firm of auditors and consultants. This company may also provide consulting services in addition to the internal audit function. This work is performed in accordance with the standards and guidelines that apply to internal auditors.

Nonconformities with recommendations: None.

Section 11: Remuneration of the Board of Directors

The General Meeting sets the remuneration of the Board of Directors following the recommendations of the nomination committee. The remuneration is not performance-related and the Board does not have any options or other incentive schemes. The Chair and Deputy Chair have separate remuneration agreements. Board members who sit on Board sub-committees receive fees for doing so. No Board members work for the Bank other than by sitting on the Board, with the exception of the employee representatives. The fees they are paid are detailed in the minutes of the General Meeting, which are published on the Bank's website, and the Board's overall remuneration is set out in a note to the financial statements.

Nonconformities with recommendations: None.

Section 12: Salary and other remuneration for executive personnel

The Bank has established a pay policy that has been reviewed by the remuneration committee, approved by the Board and presented to the General Meeting. A report on the salary and other remuneration for executive personnel is published together with the documents relating to the General Meeting and is made available on the Bank's website.

The Bank's pay policy shall reflect the Bank's overall goals, risk tolerance and long-term interests. Remuneration shall help to promote good management and control of the Bank's risks and help to avoid conflicts of interest.

The pay policy is simple and predictable. The Bank makes little use of variable remuneration and executive personnel have no special agreements involving performance-related pay, options or allocations of equity certificates, etc. The Bank has a joint savings programme based on equity certificates in which executive personnel may participate in the same way as other employees.

Nonconformities with recommendations: None.

Section 13: Information and communications

The Bank shall have guidelines for reporting financial and other information that adhere to the recommendations of Oslo Børs in so far as they apply to a bank that is not listed on a stock exchange. The guidelines shall ensure that investors and other stakeholders in so far as possible receive accurate, clear, relevant and simultaneous information.

The Bank has an investor relations page on its website where it publishes its financial calendar, annual and quarterly reports, investor presentations and company announcements. The Board's guidelines for communication with investors are also available on the Bank's website.

Nonconformities with recommendations: None.

Section 14: Take-overs

SpareBank 1 Sogn og Fjordane is a partially self-owning institution that cannot be taken over by another entity without the approval of the Bank's General Meeting. The ownership structure of a savings bank is regulated by statute and the Financial Supervisory Authority of Norway must give permission for any ownership interest exceeding 10%. Sparebankstiftinga Sogn og Fjordane currently owns around 93% of the equity certificates in SpareBank 1 Sogn og Fjordane and its articles of association state that it shall have a minimum ownership interest of 67%. In its ownership strategy, Sparebankstiftinga Sogn og Fjordane has announced that the foundation will reduce its ownership interest and propose changes to the articles of association in the event of the Bank's equity certificates being listed on a stock exchange.

Details of the biggest equity certificate holders can be found in the notes to quarterly and annual reports.

Nonconformities with recommendations: Statutory limits on ownership.

Section 15: Auditor

Each year, the external auditor presents a plan for the auditing activities of the audit committee. The external auditor attends audit committee meetings, Board meetings and the General Meeting that deals with the annual financial statements. At the meetings with the audit committee, the auditor goes through his supplementary report focusing on materiality, risk assessments, key aspects of the audit, suggestions and comments relating to internal control over financial reporting and communication with the senior management team including any areas of disagreement between them and the auditor. The auditor also holds meetings with the Board of Directors that are not attended by the senior management team.

The Board of Directors has established guidelines for using the auditor for services other than auditing and the audit committee supervises how this is implemented. The audit committee also oversees the independence of the auditor.

Nonconformities with recommendations: None.

BOARD OF DIRECTORS 2024

Members

Lise Mari Haugen, Førde (Chair)
Magny Øvrebø, Os (Deputy Chair)
Silje Skaar Sunde, Førde
Johnny Ivar Haugsbakk, Flekke
Kristian Skibenes, Måløy
Vegard Strand, Dale
Ole Hermann Rognsøy, Førde (employee)
Fast møtande vara: Helene Gåsemyr,
Sogndal (employee)

Deputy members

1st deputy: Jan Nikolai Hvidsten, Førde
2nd deputy: Hanne Katrine Mundal, Bygstad

Deputy to Ole Hermann Rognsøy: Bjørn Egil Holmøyvik, Førde

2024 ANNUAL GENERAL MEETING

Members representing Nordfjord

Ole Henrik Mølmann, Sandane
Ranveig Årskog, Lote

Deputy members for Nordfjord

Espen Walter Gulliksen, Rugsund

Members representing Sunnfjord

Brigt Samdal, Eikefjord
Irene Bjørndal, Førde
Christine Nikøy Rogne, Fjaler
Jakob Andre Sandal, Skei i Jølster (Chair)

Deputy members for Sunnfjord

1st deputy: Dagrun Kyrkjebø, Førde
2nd deputy: Tor Einar Erikstad, Holmedal

Members representing Sogn incl. Bergen

Anita Nordheim, Høyanger
Tore Thorsnes, Leikanger
Toril Rysjedal Bygnes, Leirvik

Deputy members for Sogn and Bergen

Anne Kristin Aarskog, Leikanger

Employee representatives

Harald Slettvoll, Førde
Rune Vosseteig, Førde
Roger Svarstad, Måløy
Marie Heieren, Førde
Ragnhild Helgheim, Byrkjelo
Arne Sæterbakken, Førde

Deputy employee representatives

1st deputy: Julie Vårdal Heggøy, Dale
2nd deputy: Tor Ulsten, Florø

Representatives of equity certificate owners

Falk Tewes, Vassenden
Ingunn Sognnes, Leirvik
Randi Engen, Guddal
Margunn Selvik Grytten, Kvammen
Marit Lofnes Mellingen, Leikanger
Katrine Myklebust, Måløy
Helge Holm Marøy, Sogndal
Kjartan Habbestad, Flekke
Monika Refvik, Måløy
Jon Rune Heimlid, Stryn

Deputies for representatives of equity certificate owners

1st deputy: Arne Håkon Laberg, Årdal
2nd deputy: Geir Ståle Støfring, Vassenden
3rd deputy: Ingvild Rutledal, Måløy
4th deputy: Harald Kvame, Naustdal

NOMINATION COMMITTEE FOR DEPOSITORS' REPRESENTATIVES AND BOARD OF DIRECTORS

Members

Marit Lofnes Mellingen, Leikanger (Chair)
Tore Thorsnes, Leikanger
Roger Svarstad, Måløy

Deputy members

Christine Nikøy Rogne, Dale
Randi Engen, Guddal
Marie Heieren, Førde

NOMINATION COMMITTEE FOR ELECTION OF EQUITY CERTIFICATE HOLDER REPRESENTATIVES

Members

Monika Refvik, Måløy, (Chair)
Helge Holm Marøy, Sogndal
Randi Engen, Guddal

Deputy members

1st deputy: Marit Lofnes Mellingen, Leikanger
2nd deputy: Ingunn Sognnes, Leirvik
3rd deputy: Jon Rune Heimlid, Stryn

Directors' report 2024

Introduction

The SpareBank 1 Sogn og Fjordane Group's profit after taxation was NOK 1,246 in 2024, which is NOK 138 million higher than in 2023. That is the highest profit the Bank has ever achieved. A strong contribution from financial items and solid growth in net interest income are two of the factors behind the improvement.

The highlights in 2024 were:

- Solid growth in deposits from and loans to customers
- Strong growth in net interest income
- Low impairment losses
- Higher expenses as a result of migrating and adapting to the SpareBank 1 Alliance
- Strong contribution from financial instruments
- Good capital and liquidity position
- Successful migration to the SpareBank 1 Alliance
- Record profit for the year

The Board of Directors is very satisfied with the profit and growth achieved in 2024. In April 2023, the Bank took the very important strategic decision to become a joint owner of the SpareBank 1 Alliance. This project created a lot of additional work in 2024. Nevertheless, we managed to stay focused on our day-to-day operations and create even more value at the Bank.

The Bank has worked hard to achieve growth for a number of years, and this is reflected in higher net interest income. The Bank saw strong growth in a year when credit growth fell and competition was fierce. Norges Bank kept the key policy rate unchanged at 4.5% throughout 2024, whereas the previous year the rate was raised on a number of occasions. Higher interest rates, combined with strong growth, meant that the Bank's net interest income rose by NOK 120 million from 2023 to 2024. Other income rose by NOK 223 million, mainly due to an improvement in financial items.

In 2024, operating expenses rose sharply due to project-related activities, many one-off costs and general wage and price inflation. The Bank's expenses rose by NOK 198 million. Higher prices and interest rates were expected to create challenges for some businesses and households, but there was only a relatively small increase in the number of our customers who defaulted or experienced payment problems in 2024. Consequently, our impairment loss remained low in 2024.

In 2024, we implemented a major migration project as a result of the Bank becoming a joint owner of the SpareBank 1 Alliance. The technical transition to the SpareBank 1 Alliance's systems was completed at the end of 2024. We managed to do this while maintaining a strong focus on our customers and operations.

In 2025 it will be important to realise the benefits and synergies from our cooperation with the SpareBank 1 Alliance. Customers will notice the change through the Bank starting to offer the SpareBank 1 Alliance's products in areas such as insurance, credit cards, investment funds and share trading. The Board of Directors believes that SpareBank 1 Sogn og Fjordane is in a good position to compete successfully going forwards. Becoming a joint owner of the largest baking alliance in Norway has strengthened the Bank.

What we do

SpareBank 1 Sogn og Fjordane is an independent savings bank with products in banking, financing, insurance, savings, pensions and payment services. Our main market is Sogn og Fjordane, but we are also aggressively targeting the retail market in other parts of Norway.

Our head office is in Førde, and at the end of 2024 we had 12 branches in Sogn og Fjordane, as well as one in Bergen.

As part of our strategic cooperation with the SpareBank 1 Alliance, in 2024 changes were made to the suppliers whose products we distribute, and further changes will be made in 2025. In 2024, the Bank went from selling Frende's insurance products to selling Fremtind's insurance products. As in previous years, the Bank offers leases and secured loans provided by SpareBank 1 Finans Midt-Norge AS. In 2024, the Bank marketed investment funds from Norne Securities AS, but this will change to SpareBank 1 Forvaltning AS in early 2025. In 2024, the Bank started transferring mortgages with good collateral to SpareBank 1 Boligkreditt AS, in order to ensure attractive terms for our customers and a good margin for the Bank. Our credit card portfolio has been transferred to Kredittbanken ASA and the Bank has started distributing pension products provided by SpareBank 1 Forsikring. The Bank is directly or indirectly a joint owner of the above product suppliers in the SpareBank 1 Alliance.

The SpareBank 1 Sogn og Fjordane Group includes three wholly-owned subsidiaries as well as the parent company SpareBank 1 Sogn og Fjordane. The Group provides estate agency services through Eiendoms-megler 1 Sogn og Fjordane AS, and it has consolidated most of its property management activities at Bankeigedom Sogn og Fjordane AS. Bustadkreditt Sogn og Fjordane AS has the aim of buying high-quality residential mortgage loans from SpareBank 1 Sogn og Fjordane as a basis for issuing covered bonds. In the future, the Bank will use both Bustadkreditt Sogn og Fjordane AS and SpareBank 1 Boligkreditt AS.

Income statement

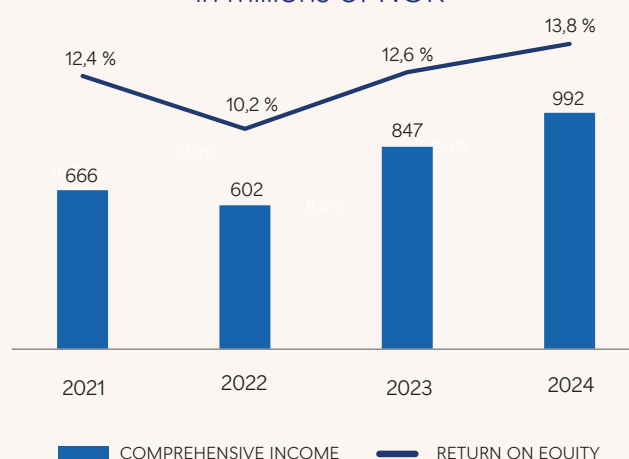
2024 highlights (2023 figures in brackets)

- NOK 1,586 million (1,466 million) of net interest income
- Net gain on financial instruments of NOK 259 million (34 million)
- Total revenues of NOK 2,010 million (1,667 million)
- Operating expenses of NOK 744 million (546 million)
- Impairment loss of NOK 19 million (13 million)
- Pre-tax profit of NOK 1,246 million (1,108 million)
- Return on equity of 13.8% (12.6%)
- Capital adequacy ratio of 20.6% (21.0%)
- Proposed dividend per equity certificate of NOK 20.00 (NOK 25.00). Extraordinary dividend of NOK 10.00 distributed in Q4 2024
- Proposed allocation for dividends and gifts of NOK 408 million (702 million incl. extraordinary dividend in Q4 2024)

Profit

SpareBank 1 Sogn og Fjordane achieved a strong pre-tax profit of NOK 1,246 million in 2024, NOK 138 million higher than the previous year. Our profit after tax for 2024 came to NOK 992 million, compared with NOK 847 million in 2023. The profit after tax corresponds to a return on equity of 13.8%, against 12.6% in 2023. The improvement was mainly due to a strong contribution from financial instruments and solid growth in net interest income. However, there was a sharp increase in operating expenses and a small increase in the impairment loss on loans and guarantees.

Profit after taxation and return on equity in millions of NOK



Net interest income

Net interest and commission income reached NOK 1,586 million, NOK 120 million (8.2%) higher than in 2023. Our customer margin has improved significantly over the past year, and loans and customer deposits grew strongly. However, our cost of funds also rose due to the increase in the 3-month NIBOR. In order to reduce our funding costs, we have for some time been working to increase the share of covered bonds in our overall portfolio of debt securities in issue. This has helped to boost our net interest income. Overall, net interest income is showing solid growth.

Our net interest margin rose substantially from 2.02% in 2023 to 2.10% in 2024.

Net other income

Other operating income totalled NOK 424 million in 2024, compared with NOK 201 million in 2023. The increase was mainly due to a strong contribution from financial instruments.

Net gains/losses on financial instruments

The Bank had a net gain of NOK 259 million on financial instruments in 2024, against NOK 34 million in 2023. The figure for 2024 includes NOK 253 million from long-term shareholdings and ownership interests in joint ventures, compared with NOK 42 million for the equivalent items in 2023. The positive contribution from shares was mainly due to the sale of shares in Frende Holding, and a revaluation gain and our share of profit from Samarbeidende Sparebanker. In 2024 we also recognised a NOK 10 million loss from our share of profits/losses and revaluation gains/losses on financial instruments (interest items), compared with a NOK 21 million loss the previous year. For further details see Note 22.

Commission income

Commission income totalled NOK 171 million, which was NOK 1 million higher than in 2023. The increase was mainly due to higher commission income on payment services and insurance products.

Other income

Other income came to NOK 33 million, up NOK 2 million from 2023. The increase was due to higher income from estate agency.

Commission expenses

Commission expenses came to NOK 39 million, NOK 5 million more than in 2023. The increase was due to higher expenses for payment services.

Operating expenses

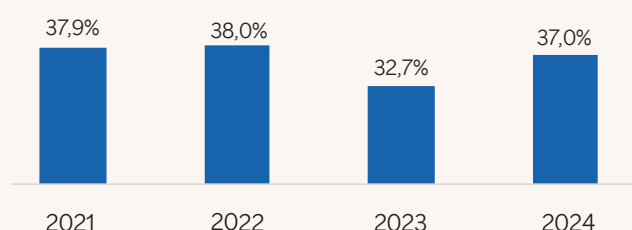
Operating expenses came to NOK 744 million in 2024, which was NOK 198 million (36%) higher than in 2023. This increase reflected extraordinary one-off costs associated with migrating and adapting to the SpareBank 1 Alliance, and new ordinary operating expenses relating to the SpareBank 1 Alliance. In 2024 there were both high one-off costs and various duplicated ordinary expenses. In 2025, most of the one-off costs will wind down and the Bank is working to strip out duplicated costs, as and when new agreements are signed with the SpareBank 1 Alliance and old agreements can be terminated.

Cost-to-income ratio

Operating expenses in 2024 amounted to 0.99% of average total assets against 0.75% in 2023.

Excluding gains and losses on financial instruments, in 2024 operating expenses totalled 42.5% of total income, compared with 33.4% in 2023. Including gains and losses on financial instruments, in 2024 operating expenses totalled 37.0% of total income, compared with 32.7% in 2023.

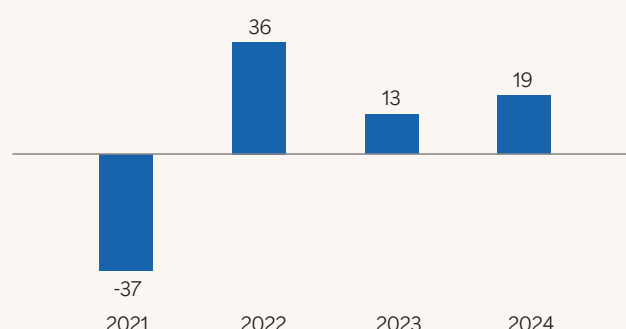
Cost-to-income ratio



Impairment loss

In 2024 there was a net impairment loss of NOK 19 million, compared with NOK 13 million in 2023. The loss for 2024 was relatively low. There was a NOK 37 million increase in the loss allowance for individually assessed assets, whereas the model-based loss allowance fell by NOK 18 million. The impairment loss for 2024 was equivalent to 0.03% of gross loans, compared with 0.02% the previous year.

Impairment loss on loans and guarantees in millions of NOK



Tax expense

The tax expense for 2024 was NOK 255 million, equivalent to 20.5% of pre-tax profit. The 2023 tax expense was NOK 261 million, or 23.6% of pre-tax profit. The main reason for the fluctuating tax rate is that most gains and losses on shares are covered by the exemption method. The parent company's tax rate is 25%, whereas its subsidiaries are subject to a tax rate of 22%.

Subsidiaries

Bustadkreditt Sogn og Fjordane AS

Bustadkreditt Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. At 31 December 2024, the company had a NOK 26.0 billion mortgage portfolio. The volume of outstanding loans held by the company rose by 0.9% over the past year. The company is well capitalised, with NOK 2.4 billion in equity and a capital adequacy ratio of 21.9% at 31 December 2024. It made a pre-tax profit of NOK 256 million in 2024, compared with NOK 184 million in 2023.

The company obtains affordable funding for the Group by issuing covered bonds. The strategic shift to collaborating with the SpareBank 1 Alliance means that

going forward the parent company will transfer residential mortgage loans to both SpareBank 1 Boligkreditt and Bustadkreditt Sogn og Fjordane.

Bankeigedom Sogn og Fjordane AS

Bankeigedom Sogn og Fjordane AS is a wholly-owned subsidiary, which owns the Group's largest buildings. In 2024, it made a NOK 2.9 million pre-tax loss, compared with a NOK 5.7 million profit in 2023. The reason for the loss is the renovation of the Bank's premises in Førde. Since the Bank is leasing temporary premises in another building, the company's rental income was lower than the previous year, whereas its costs were higher due to demolition costs being expensed.

Eiendomsmegler 1 Sogn og Fjordane AS

Eiendomsmegler 1 Sogn og Fjordane AS is a wholly-owned subsidiary of the Bank. Operating revenues totalled NOK 32.9 million, which was NOK 1.8 million higher than the previous year. In 2024, it made a NOK 1.2 million pre-tax loss, compared with a NOK 1.2 million profit in 2023.

Profit

The Group's profit after tax for 2024 was NOK 992 million, compared with NOK 847 million in 2023. This corresponds to a return on equity of 13.8% for 2024, against 12.6% in 2023. The strong performance in 2024 was due to an exceptionally good contribution from financial instruments and higher net interest income. However, expenses rose sharply and there was a small increase in our impairment loss.

SpareBank 1 Sogn og Fjordane has consistently managed to achieve a satisfactory and stable return on equity. The Board of Directors is very satisfied with the Group's financial results and return on equity.

Looking at the parent company, it made a profit before tax of NOK 919 million, compared with NOK 832 million the previous year.

Allocation of the parent company's profit for the year (in NOK)

Profit after taxation, parent company	918.681.333
Interest paid to investors in hybrid capital (hybrid debt)	– 37.272.145
Available	881.409.188

At the Annual General Meeting on 21 March 2024, the Board will propose that the profit for the year be allocated as follows:

Dividends (NOK 20.00 per equity certificate)	388.489.740
Gifts	20.000.000
Dividend equalisation reserve	363.200.932
Other primary capital	109.718.516
Total allocated	881.409.188

The amount allocated to dividends and gifts, which totals NOK 408 million, is equivalent to 46.3% of the parent company's profit and is considered justified in view of the Bank's equity position.

Balance sheet

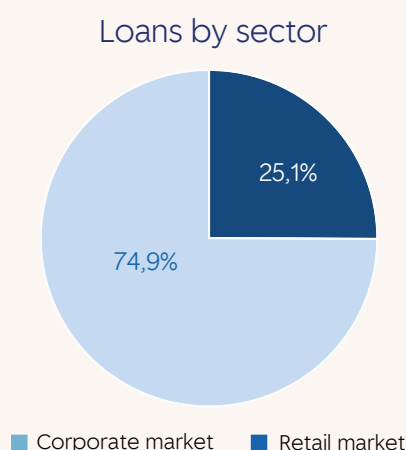
At the close of 2024, the Group had NOK 77.1 billion in total assets, an increase of NOK 3.5 billion, or 4.8%, since 31 December 2023. The increase was primarily due to growth in bond holdings, investments in joint ventures and growth in loans to customers.

Loans to customers

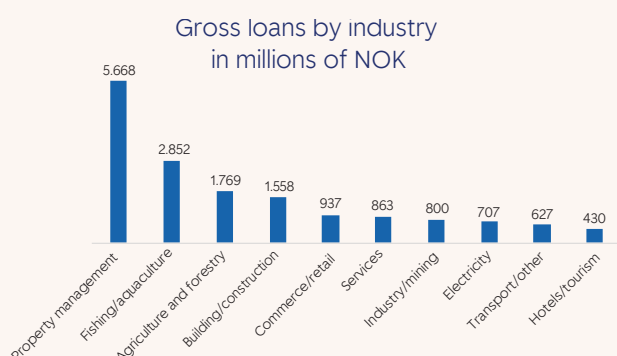
At the end of 2024, SpareBank 1 Sogn og Fjordane had NOK 64.7 billion of gross outstanding loans. The volume of loans rose by NOK 0.4 billion (0.6%) over the past year. The relatively low growth rate is due to NOK 2.5 billion of loans being transferred to SpareBank 1 Boligkreditt at the end of 2024. Including the loans transferred to SpareBank 1 Boligkreditt, loan growth came to 4.5%.

Including loans transferred to SpareBank 1 Boligkreditt, over the last year lending to the retail market rose 4.5%, while lending to the corporate market rose 4.2%.

At 31 December 2024, 74.9% of gross outstanding loans were to retail customers, whilst 25.1% were to the corporate market (incl. the public sector). A year earlier, the latter groups represented 24.3% of all lending.



The figure below shows the distribution of loans to the corporate market by industry at 31 December 2024. The biggest share of loans to the corporate market was to property management companies, with NOK 5.7 billion outstanding. This represented almost 35% of all loans to businesses. The fishing and aquaculture industries have received the next largest share, at NOK 2.9 billion, or almost 18% of all loans to the corporate market.



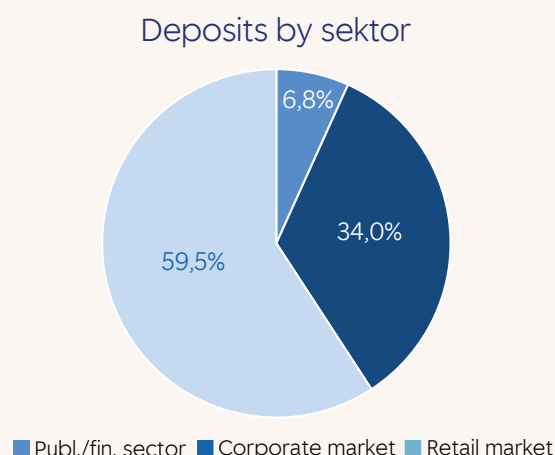
Loss allowance for loans, guarantees and undrawn credit facilities

The loss allowance on the balance sheet for expected credit losses on loans, guarantees and undrawn credit facilities totalled NOK 329 million, compared with NOK 336 million the previous year. Of the loss allowance at 31 December 2024, NOK 281 million was for loans. At 31 December 2024, the loss allowance for loans represented 0.43% of gross outstanding loans, compared with 0.49% one year earlier. Loss allowances for individually assessed assets have increased, whereas there has been a reduction in model-based allowances.

Customer deposits and deposit/loan ratio

Customer deposits amounted to NOK 38.6 billion at the end of 2024, up NOK 2.8 billion (7.8%) over the past year. Retail deposits increased by 5.3%, whilst deposits from corporate customers, including the public and financial sectors, rose 11.7%.

At 31 December 2024, 59.2% of deposits were from retail customers, 34.0% were from business customers and 6.8% were from the public/financial sectors.



The Group's deposit/loan ratio was 59.7% at 31 December 2024, compared with 55.7% at 31 December 2023.

Security investments

Joint ventures

In 2024, the Bank bought shares in SpareBank 1 Samspar AS, Samarbeidende Sparebanker Utvikling DA and Samarbeidende Sparebanker. The total carrying amount of the investments in these three companies is NOK 887 million. The companies are accounted for using the equity method in the consolidated financial statements and the Group's share of profit since the acquisition date is NOK 14.6 million.

Shares, etc.

Excluding joint ventures, the carrying amount of the Bank's shareholdings was NOK 483 million at 31 December 2024, compared with NOK 734 million at 31 December 2023. The Bank's portfolio of shares at 31 December 2024 consists of long-term, strategic investments. The ownership interest in Frende Holding AS was sold at a healthy profit in 2024. The biggest shareholding at 31 December 2024 was SpareBank 1

Finans Midt-Norge AS, which had a carrying amount of NOK 137 million and is related to the Bank marketing secured loans and leases provided by this company. The Bank also has ownership interests in SpareBank 1 Boligkreditt, with a carrying amount of NOK 118 million, and SpareBank 1 Betaling AS, carried at NOK 95 million. The latter two investments, which were made by the Bank towards the end of 2024, are related to cooperation within the SpareBank 1 Alliance.

The total value of our investments in companies in the SpareBank 1 Alliance, whether accounted for as shares or as joint ventures, was over NOK 1.2 billion at 31 December 2024.

Commercial paper and bonds

The carrying amount of our investments in commercial paper and bonds was NOK 10.0 billion at the close of the year, compared with NOK 7.6 billion at 31 December 2023. These securities are used to manage liquidity and as a liquidity buffer. Commercial paper and bonds are measured at fair value.

Debt securities in issue

At the close of 2024, we had commercial paper and bonds in issue with a book value of NOK 28.2 billion, against NOK 28.0 billion at 31 December 2023. We had good access to funding throughout 2024, both from senior bond markets and by using Bustadkreditt Sogn og Fjordane AS to issue covered bonds.

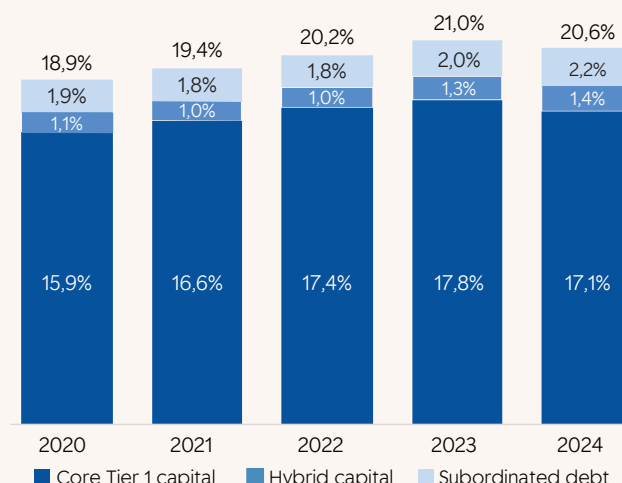
Shareholders' equity and capital adequacy

At 31 December 2024, the Group had NOK 7.6 billion of equity, compared with NOK 7.3 billion at 31 December 2023. SpareBank 1 Sogn og Fjordane had NOK 5.2 billion of equity share capital and NOK 0.9 billion of primary capital. No new equity certificates were issued in 2024. At 31 December 2024, the Group had hybrid capital consisting of NOK 500 million of hybrid debt, up NOK 50 million over the past year. Total equity was NOK 313 million, or 4.3%, higher than at 31 December 2023. The increase came from profit over the past year less dividends and gifts disbursed.

The Group had NOK 800 million of subordinated debt instruments on its balance sheet. Net equity and subordinated debt, which is used to calculate the capital adequacy ratio, totalled NOK 7.7 billion, after rising NOK 279 million (3.8%) over the past year. For the year to 31 December 2024, the proposed allocation for dividends and gifts is NOK 408 million, compared with NOK 507 million for the year to 31 December 2023. NOK 194 million was also distributed through an extraordinary dividend in Q4 2024. The proposed allocation for dividends and gifts has been deducted when calculating the figure for equity and subordinated debt.

The Group's capital adequacy ratio at 31 December 2024 was 20.6%, compared with 21.0% at 31 December 2023. The Core Tier 1 capital adequacy ratio was 17.1% at 31 December 2024, against 17.8% at 31 December 2023. The Board of Directors considers shareholders' equity at the close of 2024 to be satisfactory.

The graph shows changes in the Group's capital adequacy ratio over the past five years:



Going concern assumption

The 2024 financial statements have been prepared on the assumption of the business being a going concern.

Post balance sheet events

There have been no post balance sheet events that significantly affect the financial statements presented here.

Rating

As of 31 December 2024, SpareBank 1 Sogn og Fjordane had a long-term rating of A1 from Moody's, with a stable outlook. Bustadkreditt Sogn og Fjordane's covered bond programme has a long-term rating of Aaa and an issuer rating of A1.

Corporate governance

Our governance is based on Norwegian law, including the Norwegian Accounting Act and the Financial Institutions Act. In general we follow the corporate governance principles set out by the Norwegian Code of Practice for Corporate Governance. The Bank has set out its corporate governance principles and practices in accordance with Section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance in a separate chapter of this annual report.

Ownership structure

SpareBank 1 Sogn og Fjordane was converted into an equity certificate bank in 2010. Sparebankstiftinga Sogn og Fjordane owns 92.46% of the equity certificates. Sparebankstiftinga Fjaler owns 5.92% of them. The Bank itself owns 0.30% of the equity certificates. The remaining 1.32% are almost all owned by employees and Board members at SpareBank 1 Sogn og Fjordane.

The Bank may decide to list its equity certificates on a stock market, and it is following market developments with that in mind.

Internal controls

Internal controls shall help the Bank to reach its strategic goals through efficient operation and appropriate measurement, monitoring, management and pricing of risk. Internal controls comply with the Regulations relating to Capital Requirements and the Norwegian implementation of CRR/CRD IV.

All managers of business units are responsible for having effective and appropriate internal controls for managing their own risks in general, and for financial reporting in particular. This involves responsibility for assessing whether the activities of their own areas represent a potential source of errors in financial reporting. Managers shall assess the risk level prior to any measures being taken and assess potential risk-reduction measures. To ensure that the residual risk is acceptable, action shall be taken to assess the need for internal controls, and to ensure that this risk is managed and monitored in a satisfactory manner. Managers of business units must periodically report their findings, and evaluate compliance and the need for additional measures at least once a year.

The CFO is responsible for the Bank's accounting and finance functions, and is responsible for financial reporting and the associated internal control procedures. This also involves ensuring that financial reporting satisfies current legislation and regulations at all times. Processes and internal control procedures have been established to quality assure financial reporting.

The Risk and Compliance department shall make sure that risk management and internal controls at business units are in line with legislation, regulations, internal limits and guidelines. Periodic controls and spot checks are used as a basis for quarterly reports on the current status within the various risk categories. In the annual internal control report, the Bank reviews and evaluates the current position for all major risk categories, with a focus on quality, challenges and areas for improvement. The Board's risk management committee does the preparatory work for the Board's assessment of the various reports. The Board has adopted instructions for the risk management and compliance function. An annual cycle has been established for internal controls, which specifies risk assessment requirements, including risk-reduction measures, reviews of regulations, monitoring, reporting and confirmation of internal controls.

The internal auditor produces an annual report on risk management and internal controls for the senior management team and Board. The report is based on the auditor's own auditing activities. Auditing projects are set out in the annual plan for the internal auditor adopted by the Board.

Each year, the external auditor writes a report on the results of the financial audit. The report also includes information about any weaknesses and defects, and

suggested corrective measures. This is then followed up by the relevant units and by the risk management and compliance department. The external auditor also holds annual meetings with the Board, which are not attended by the senior management team.

The Board supervises the procedures for financial reporting, internal controls, risk management and compliance, and has overall responsibility for ensuring that they work properly. It is supported in this work by its own committees, the audit committee and the risk management committee, which prepare the review of the interim and annual reports, and make sure that the Group has an independent and effective external auditor. The annual financial statements are finally approved by the AGM, after they have been reviewed by the Board.

Risk and capital management

The Bank's risk and capital management activities shall help it to achieve its strategic goals. Quarterly reports enable the Board to evaluate the Bank's risk exposure and capital position against the adopted corporate governance goals and frameworks. Each year, the Board reviews and adopts the Bank's capital requirements and planning through the Internal Capital Adequacy Assessment Process (ICAAP). In addition, the Board adopts a credit strategy and finance strategy, as well as limits for capital adequacy, credit risk, liquidity risk and market risk. The Board has also adopted guidelines on risk management at SpareBank 1 Sogn og Fjordane, which set out how internal controls and risk management activities at the Bank should be implemented and who is responsible for them. The Board believes that the Bank's procedures for risk and capital management work well.

It uses the standardised approach to calculate its capital requirements arising from credit risk, and the basic indicator approach for operational risk. The Pillar 2 capital requirement is calculated using the models explained by the Financial Supervisory Authority of Norway in its circular 3/2022. Supplementary assessments and provisions are also made where necessary. Although the Bank does its own calculations of the Pillar 2 capital requirement, it is still the Financial Supervisory Authority of Norway that establishes the Pillar 2 requirement that the Bank must meet. At the close of 2024, the Pillar 2 requirement was 1.8% of the risk-weighted calculation basis. During 2025, Capital Requirement Regulation (CRR) 3 will come into force. This will reduce the capital requirement for credit risk, and probably also for operational risk.

Risk levels and capital requirements are reported to the Board through quarterly risk management reports and through the ICAAP report. This means that the Board always knows whether the Bank is adequately capitalised and that the limits on risk have not been breached. The Bank's recovery plan also provides a good picture of the Bank's ability to recover in the event of a crisis that causes it to breach its capital and

liquidity requirements. A significant amount of work has also been put into ensuring that the Bank complies with the Bank Recovery and Resolution Directive (BRRD), which came into force in 2024.

The Bank's operations expose it to various kinds of risks. Those risks are constantly evolving, and new types of risk arise in parallel with changes to the operating environment and society as a result of technological advances, climate change, changing customer preferences and new regulatory requirements.

Credit risk

The credit risk strategy is the Board's most important tool in relation to credit underwriting, together with the credit policy, credit approval standards and credit approval authorisations. By establishing specific limits and targets, the credit strategy shall ensure that the Bank's lending complies with laws and regulations. The limits and targets have been set based on growth, quality, profitability and concentration risk, and they shall help to earn the trust of markets and provide a basis for the Bank's community engagement. The credit strategy and limits on risk are set by the Board of Directors each year, and credit risk is monitored through monthly reports showing how the Bank is complying with its limits on risk. If the Bank is in danger of breaching its limits, the executive management shall take action.

The Board gives a credit approval authorisation to the CEO, who can delegate authority to the credit committee, members of the credit committee and account managers. The credit approval authorisations include limits with respect to the amount of credit and the risk. A fundamental principle for all credit underwriting is that credit shall only be provided if the rules on debt servicing ability are met. An inability to service a loan cannot be compensated for through collateral or other forms of security to protect the Bank. In such cases, credit shall not be provided.

As part of its credit underwriting processes, the Bank shall promote the transition to a more climate-friendly and sustainable society. An assessment of sustainability is incorporated into the credit checks the Bank performs on its corporate customers. The Bank wants to raise corporate customers' awareness of how they will be affected by climate change and to influence customers to take action to reduce their risk exposure and their own emissions. If a customer or industry is exposed to high ESG risk, measures shall be taken to compensate, such as a higher interest rate, additional terms and conditions requiring specific actions, or a shorter loan term.

Operational risk

SpareBank 1 Sogn og Fjordane manages its operational risk through procedures and work processes. Many of our systems have integrated automatic controls, and manual controls are also carried out subsequently. The Bank has a separate strategy for managing operational

risk. We have also developed an incident database to improve the way in which we manage operational risk, and to learn from operational errors. The incident database is one of several modules in the Bank's GRC system.

The internal control process, including risk assessments, risk-reduction measures and reporting, plays a key role in managing operational risk. Using strategies and forecasts, the Board and executive management set goals for the coming year. The Bank's business areas must then ensure that their operations help to achieve these goals. The business areas perform risk assessments in order to uncover which factors could prevent the goals from being reached. For major risks, risk-reduction measures and controls should be planned to ensure that risks are limited to an acceptable level. The risks identified, and associated plan of action, are used as a basis for monitoring and reporting over the course of the year. The senior management team has a particular responsibility for making sure that operational risk is thoroughly analysed in the risk assessments performed by the various business areas, and that the necessary measures are implemented.

There will be a strong focus on operational risk in 2025. The migration to the SpareBank 1 Alliance has resulted in changes to systems, work processes and routines, which will tend to raise operational risk. It will be important to provide thorough training and support to both our employees and suppliers in order to help reduce the operational risk that arises from these changes.

Compliance risk

The complexity of the rules that the Bank must comply with is constantly increasing. That creates a need to familiarise ourselves with the regulations, adapt our operations to comply with the new requirements and, in many cases, introduce new technology to meet reporting requirements. The Bank has invested in that technology, and through projects and in its day-to-day operations it provides training and advice on how to interpret the regulations. This reduces the likelihood of failure to comply with laws and regulations. The Bank has also taken on additional staff to reduce compliance risk.

Market risk

Market risk is managed and measured in three main areas: interest rate risk, equity risk and currency risk. The Board has placed limits on the Bank's permitted interest rate risk and on its exposure to foreign exchange markets. All of its exposure to shares comes from strategic, long-term investments.

Interest rate risk derives from interest-bearing securities, forward contracts, fixed-rate loans and fixed-rate deposits. The Board adopts limits on exposure within various fixed interest ranges and on overall exposure.

Currency exposure is linked to international payment services, foreign currency holdings, foreign currency loans and futures contracts. Currency risk is managed by setting limits on total exposure to currency risk, as well as limits for individual currencies, and is reported daily.

ICT risk, including cyber risk

The Financial Supervisory Authority of Norway's annual risk and vulnerability analysis shows that financial institutions are doing a good job at reinforcing their defences against cybercrime. The industry cooperation through Nordic Financial CERT (NFCERT) is improving our understanding of threats and risks, and it is putting companies in a better position to handle digital threats and prevent unwanted incidents. At the same time, vulnerabilities have been uncovered that create a risk of serious incidents in the financial sector.

SpareBank 1 Sogn og Fjordane monitors the threats facing the Bank, both through its internal monitoring system and by using external sources. The Bank is continuously collecting up-to-date threat intelligence from sources like NFCERT, NSM, SANS Institute, etc. The Bank also reports, and discusses, serious incidents with NFCERT.

One of the Bank's key priorities has been strengthening its internal security culture. This is done across the whole organisation through training. SpareBank 1 Sogn og Fjordane has an ICT strategy that is updated each year, and which is coordinated with the overall continuity plan and underlying continuity plans. They are also updated annually. The Bank works systematically to keep up with developments in the digital threats it faces. As well as projects to manage cyber risk, the Bank has established a dedicated "Annual cycle for digital security" that sets out its regular activities. The annual cycle for digital security is continuously reviewed and updated to reflect developments in cyber security.

The Bank's ICT infrastructure consists of a system portfolio, a number of networks and large amounts of data of various kinds and with various levels of classification. These three parts of the infrastructure are protected by several defensive mechanisms which the Bank tests regularly. In the annual plan for the internal auditor, the Board has in recent years emphasised the need for the internal auditor to focus particularly on ICT security. This is done centrally by specialists at our internal auditor (PWC). The first line of defence has also at its own initiative hired external consultants to perform penetration tests over and above those done through internal audit projects. Each year we also run internal phishing tests directed at employees. Using an internal auditor and external consultants has played an important role in improving work processes and security at the Bank.

As part of disaster preparedness, annual disaster recovery exercises are carried out involving ICT incidents. In addition, major emergency preparedness drills are held covering topics that go beyond just ICT.

The Bank is in the process of introducing a new Information Security Management System (ISMS).

Since the summer of 2024, members of both the ICT department and information security team have participated in various collaborative forums within the SpareBank 1 Alliance. The Bank is also participating in joint projects, for example in conjunction with implementing the DORA regulation. Staff from SpareBank 1 Sogn og Fjordane are also leading the technical testing on behalf of the Samspar banks, with the first test due to take place in the first quarter of 2025.

SpareBank 1 Sogn og Fjordane takes the threat posed by cybercrime very seriously, and is working systematically to implement the measures and investments needed to reduce the risk of cyberattacks.

ESG risk

ESG risk covers the climate and environment, social issues and corporate governance. Of these, climate risk is the most important, since it encompasses climate change-related risks that can impact both the Bank's customers and the Bank itself. Climate risk can be split into physical climate risk, transition risk and liability risk. Physical climate risk includes extreme weather events and temperature changes that might reduce the value of assets and lead to financial losses. Transition risk covers political, regulatory and technological changes associated with the transition to net zero. Liability risk refers to the legal responsibilities which can arise from failure to take action in relation to climate change.

In order to manage its climate risk, the Bank has made sustainability an integral part of its strategy and it takes a holistic approach across departments and regions. Throughout 2024, the Bank continued to develop measures to reduce risk and to build knowledge within the organisation. One priority area has been training employees, particularly on assessing climate risk and ESG-related matters. Scenario analyses have been carried out using GFS's Net Zero 2050 and Current Policies scenarios, with Sogn og Fjordane as the market area.

Measuring climate risk is a key area of focus. The Bank has established metrics and governance goals for emissions from its lending activities, based on a new transition plan for climate change mitigation adopted in 2024. The plan includes targeted actions to reduce greenhouse gas emissions, particularly those associated with lending to retail and corporate customers. The Bank now measures physical risk and transition risk on a quarterly basis, with a particular focus on the energy performance ratings of properties. Detailed information about climate risk can be found in the sustainability appendix to this annual report.

All of the Bank's employees have received training on sustainability and climate risk, focusing on how they affect the Bank's operations and customers. Measures to reduce climate risk, both through risk assessments

and specific actions, are discussed in the Bank's strategy, TCFD report and transition plan for climate change mitigation. These plans set out in detail how the Bank is working to reduce risk and greenhouse gas emissions, and particularly those associated with lending.

Going forwards, the Bank will focus on implementing the SpareBank 1 Alliance's ESG model for assessing risks to corporate customers. This model will provide a better basis for measuring and monitoring ESG and climate risk. The Bank will also continue to develop and implement its transition plan for climate change mitigation, including through scenario analyses and long-term measures to help it meet its goal of net zero by 2050.

Liquidity risk

Liquidity risk is the risk that the Bank will be unable to fulfil its obligations and/or finance an increase in assets without significant additional cost, either because it has to realise losses on the sale of assets or because it has to make use of unusually expensive financing. Liquidity risk is managed by creating stress tests, forecasting liquidity needs and drawing up a contingency plan for dealing with any loss of access to liquidity. The results of the stress tests, together with statutory requirements relating to the LCR and NSFR, determine the internal limits established for the size of the Bank's liquidity buffer. The Bank is in a strong position compared with the statutory requirements, and at the close of 2024 its LCR was 169% and its NSFR was 124%.

Money laundering and terrorism financing risk

Through the kind of services they offer, banks in general are considered to face high risks of money laundering and terrorism financing. This risk can be reduced by choices of products, services, customers and customer activities, and through good governance and control systems, procedures and training. The financial services industry plays an important role in society's fight against money laundering and terrorism financing. SpareBank 1 Sogn og Fjordane takes its responsibility seriously and is working to ensure good compliance with the regulations. Work on anti-money laundering and anti-terrorism financing are therefore central to the Bank's strategy. The vast majority of SpareBank 1 Sogn og Fjordane's business customers are based in the former county of Sogn og Fjordane. In the retail market, the Bank has customers all over Norway, but the majority are in Vestland county. Having a high proportion of longstanding customer relations, as well as offering a wide range of products, helps to ensure that the Bank knows its customers well, which puts it in a good position to manage money laundering and terrorism financing risk. It is vital for the whole organisation to have a good understanding of statutory requirements and a strong focus on compliance. When dealing with customers, employees shall show professional scepticism towards information and documentation provided by customers, and be conscious of indicators of money laundering and terrorist financing.

Other risk categories

In addition to the above risk categories, the Bank is also exposed to other types of risk, such as business risk, shareholder risk, reputation risk and systemic risk. An assessment of these is incorporated into our day-to-day operations, and the Board is kept informed through operational reporting, ICAAP and internal audit reports.

Capital management

Through the annual ICAAP process, the Bank assesses and quantifies the risks it is exposed to, and sets aside capital for the various types of risk. The amount set aside should be forward-looking. In other words, the capital requirement shall not purely be assessed on the basis of exposures at a given point in time, but rather it shall also take into account future growth plans, strategic changes and choices that will affect capital requirements. Financial projections covering at least the next three years shall be drawn up. As a basis for properly assessing capital requirements, scenario analyses shall be carried out showing how negative events would affect the income statement, balance sheet, liquidity and capital adequacy.

Based on the projections and scenario analyses, the Board performs an overall assessment of whether capital levels are acceptable. The Bank shall at all times satisfy statutory capital requirements. In addition, it is important for the Bank to have sufficient capital for organic growth and any acquisitions, as well as to satisfy expectations with respect to dividends and gifts. If the Bank needs a capital increase over and above what the retained earnings from its operations allow, it can increase its core Tier 1 capital by issuing new equity certificates or by reducing its allocation for dividends and gifts. Core capital and total capital can be increased by issuing hybrid debt and subordinated loans.

Balance sheet management is also an important tool in the Bank's capital management. The Bank's recovery plan includes analyses of the impact of various balance sheet management actions on capital adequacy, liquidity and profitability, and of the Bank's capacity to take those kinds of actions.

In recent years, the Bank's capital adequacy ratio and capital surplus (capital surplus = core Tier 1 capital adequacy ratio – regulatory capital requirement) have been as follows:

	31.12.21	31.12.22	31.12.23	31.12.24
Total capital adequacy ratio	19,44 %	20,15 %	21,03 %	20,63 %
Core capital adequacy ratio	17,66 %	18,39 %	19,04 %	18,47 %
Core Tier 1 capital adequacy ratio	16,62 %	17,36 %	17,75 %	17,12 %
Core Tier 1 capital requirement	12,70 %	13,70 %	15,20 %	15,00 %
Capital surplus	3,92 %	3,66 %	2,55 %	2,12 %

The Board considers the capital adequacy ratios to be satisfactory. The Bank is also in a strong position to meet future capital requirements. With the introduction of the new standardised approach for credit risk in 2025, our capital adequacy will increase, as a result of lower average risk weightings for advances to customers.

Organisational structure and employees

Working environment and sickness absence

SpareBank 1 Sogn og Fjordane carries out annual surveys to find out how satisfied employees are with their work. Last year, we carried out two surveys: one major employee satisfaction survey and a shorter so-called pulse survey. The surveys measure employee satisfaction and engagement, and allow employees to provide feedback on their experience in terms of information flow, communication and support. The surveys show that we have a good working environment, in comparison to the industry and workplaces in general. Both employee satisfaction and engagement improved during 2024. In areas for improvement and development, action is taken both at the Group level and in individual departments, to improve the working environment and ensure good future performance.

Since 2003, we have been signed up to the IA programme for inclusive working life. This means that we have undertaken to work on minimising sickness absence, and on making it possible for employees who develop partial incapacities to continue working. There were no reported occupational lost time injuries in 2024. The Bank's working environment was high up the agenda in 2024. Our working environment committee held four meetings in 2024, and dealt with five working environment cases.

Average sickness absence was 4.64% in 2024, up from 3.84% in 2023. Both self-certified and short-term sickness absence were stable. It is long-term sickness absence that has risen, and the Bank provides close support to people on sick leave and tries to make adaptations to help them return to work as soon as possible. As of the 2024 annual report, the Bank has changed the way in which it calculates sickness absence. The figures for 2023 have been restated to allow accurate comparison. In line with NAV and Statistics Norway's guidelines on reporting sickness absence, holidays no longer reduce the number of possible working days in the report. The sickness absence rate is calculated as a percentage of the number of possible working days, so the change makes the sickness absence figure lower than previously reported (4.21% in 2023).

Pay, equality and diversity

We aim to be one of the best places to work in Sogn og Fjordane. This includes providing equal opportunity and promoting diversity.

We aim to have a system that allows women to take up management positions. Four of our eight Board members are women. The senior management team comprises three women and six men, including the CEO. 56 percent of employees are women and 44 percent are men, unchanged from in 2023. The proportion of line management positions held by women rose to 39% in 2024 from 38% in 2023. That is outside our target range of 40-60%, and the Bank is working actively to increase the number of women in senior roles. The Bank is signed up to the Women in Finance Charter, which commits it to setting internal goals for gender balance in senior roles, and to having one senior executive with dedicated responsibility for gender diversity and equality at the Bank.

Women's pay as a % of men's pay increased to 90% in 2024 from 89% in 2023. The Bank has worked systematically on equal pay during both recruitment processes and pay reviews, and it has taken measures to iron out wage gaps that cannot be explained by factors other than gender.

32 of our 323 employees work part time. 19 of them are women and 13 are men. The part-time staff generally work 80 or 90 percent of a full-time job, with the exception of students working part time at the Student Centre, Customer Service Centre or Corporate Banking Centre. We are not aware of there being any involuntary part-time workers at the Bank. In 2024, the Bank had 22 temporary members of staff. 9 of them were women and 13 were men. The Bank welcomes employees with disabilities and special requirements, and it will continue its efforts to provide equal opportunities and fair treatment at all levels of the organisation.

Further information about the Bank's work on its organisation and HR, about equality, diversity and inclusion, and about health and safety, can be found in the chapter on "Our Proficient Team".

The environment

Climate change is the biggest challenge of the age. There is great potential for the banking industry to promote sustainable development, and SpareBank 1 Sogn og Fjordane wants to make a difference. The Bank doesn't use inputs or production methods that directly pollute the environment. We have procedures for taking health and safety and the environment into account in conjunction with procurement and business travel, and we are certified as an Eco-Lighthouse. We set ourselves high standards in order to continuously reduce the environmental footprint of our own operations.

In 2023, we published our GHG accounts and used them to set targets for further reducing greenhouse gas emissions. We report in accordance with the GHG Protocol, which is the most widely used standard for reporting the greenhouse gas emissions of companies. We have around 30 permanently installed video conferencing systems as well as several other good

communication systems for employees. This has significantly reduced car and air travel, as well as increasing the overall efficiency of the organisation.

The Bank has a dedicated sustainability strategy which amongst other things sets out specific actions with respect to our own operations, in order to reduce our emissions and impact on the climate. We have continued to map the emissions associated with our loan portfolio and to classify loans according to their climate risk. In December 2023 the Bank joined the Partnership for Carbon Accounting Financials (PCAF), which gave us access to a comprehensive emissions database and guidance. During 2024, we also worked to include even more categories in our GHG accounts, on account of our membership of PCAF. This means our GHG accounts are more comprehensive than before, enabling us to more accurately estimate the emissions associated with our lending.

In 2024 we used the GHG accounts for 2023 as a basis for drawing up a transition plan for climate change mitigation, as required by CSRD and ESRS. This plan, which was adopted by the Bank's Board of Directors in December 2024, sets out how we shall go about reducing greenhouse gases in all relevant areas within scopes 1, 2 and 3. The plan sets goals and subsidiary goals on our way towards achieving our overall goal of net zero by 2050. The sustainability strategy and transition plan for climate change mitigation set out specific actions we shall take to reduce our own emissions and impact on the climate.

As a result of joining SpareBank 1 and the complete renovation of our head office in Førde, emissions from our own operations rose significantly in 2024. Numbers of business flights and hotel nights rose, and electricity consumption and the amount of waste produced increased due to the renovation project.

For further information about the Bank's work on sustainability and climate change, see this annual report and the sustainability appendix which includes reporting on climate change and the environment, as well as climate risk reporting in line with CSRD.

Corporate social responsibility

SpareBank 1 Sogn og Fjordane has a close relationship with local communities in Sogn og Fjordane, and their interests and those of the bank are closely intertwined. SpareBank 1 Sogn og Fjordane is the largest bank in the region, and with six out of every ten limited companies in the region banking with us, we are also an important source of financing for businesses. We consider that ensuring successful, forward-looking activity in the corporate market is our most important responsibility to society.

The Bank and the foundations that own it put significant amounts of money back into the local community through gifts and sponsorship agreements, across a

wide range of activities in the fields of culture, business development, sport and outdoor recreation. In 2024, NOK 140 million of the Bank's profit went back into the community through gifts and sponsorships.

Through our lending activities, we can help to promote sustainable development and provide advice to businesses. By teaching our employees about the importance of social responsibility to the future of the business community, we believe that we can help our corporate customers to take greater responsibility. In a rapidly changing banking industry, using corporate social responsibility to build up a strong local brand is becoming more important than ever. We shall demonstrate corporate social responsibility and help our customers to take sustainable decisions. One way to achieve that is to offer green products on attractive terms.

The Bank's long-term CSR strategy is to:

- Develop social responsibility as an integrated part of our corporate culture and strategic planning
- Ensure that social responsibility becomes a natural part of interaction with customers and other stakeholders
- Continue to develop our reputation for corporate social responsibility

For further information about corporate social responsibility, please see our "Sustainability Report" and the "Sustainability Appendix" in the 2024 annual report, as well as our website <https://www.sparebank1.no/nn/sogn-fjordane/om-oss/berekraft.html>

Economic climate

We expect high interest rates in recent years to affect the finances of households and businesses, keeping demand for loans relatively low in 2025. Low demand will probably lead to fiercer competition. SpareBank 1 Sogn og Fjordane is a small player in the national market and will strive to continue growing faster than the market as a whole over the coming period.

In banking and finance, the benefits of economies of scale have increased in recent years. Rules on capital adequacy that result in small and medium-sized standard approach banks like SpareBank 1 Sogn og Fjordane being less profitable than big banks per krone they lend, ever more regulatory requirements, which are both complex and costly to comply with, and a growing need for investment in ICT and ICT security are making it more challenging to be an independent medium-sized bank. In 2025, new capital adequacy rules are expected that may even out the differences and somewhat reduce the competitive disadvantages for standard approach banks, but with that exception we expect the pressure to consolidate into bigger entities to continue in the banking industry.

In 2023, SpareBank 1 Sogn og Fjordane took the strategic decision to invest in, and become a joint

owner of, the SpareBank 1 Alliance, and the investments were completed in 2024. This important decision has strengthened SpareBank 1 Sogn og Fjordane and increased the long-term chances of the Bank remaining a strong and independent savings bank with its head office in Sogn og Fjordane.

Summary and outlook

2024 has been a year of great uncertainty. The war in Ukraine, high interest rates and rising prices meant that many people thought the outlook for 2024 was dubious. In spite of inflation and rising interest rates making many people's day-to-day finances tighter, the economy as a whole has coped better than expected. Unemployment remains low and so far economic activity has held up in most industries. Norges Bank kept its key policy rate unchanged during 2024 and inflation was lower in 2024 than in 2023. Nevertheless, the geopolitical situation feels very unstable. Interest rates are expected to fall slightly in 2025, but speculation about import tariffs and trade wars make it unclear how much. Although the economy appears stronger at the start of 2025 than it was a year ago, persistent inflation, interest rate levels and disruptions to trade may make life difficult for individual businesses and households. The Bank is working closely with the business community, preparing for fiercer competition for customers and hoping that the geopolitical outlook improves.

For the Bank, 2024 was a very good year. Healthy growth and slightly higher interest rates boosted net interest income, which is our most important source of revenue. In addition, there was a strong contribution

from financial instruments and the impairment loss was low. Expenses rose sharply in 2024, but much of the increase is transitory and mainly due to migrating and adapting to the SpareBank 1 Alliance. Overall, the Group made a profit after taxation of NOK 992 million, giving a return on equity of 13.8%. This is our highest ever profit, which the Board is extremely satisfied with. The strong performance means the Bank can distribute a substantial dividend while also building up its financial strength. At the turn of the year, the Bank had a core Tier 1 capital adequacy ratio of 17.1% and total capital adequacy ratio of 20.6%. This is well above the current requirements.

In 2024, the Bank implemented a major project in conjunction with joining the SpareBank 1 Alliance. At the same time, it continued to focus closely on its customers and operations. Our flexible and proficient employees put in lots of hard work in 2024, and they are ready to continue adapting, developing and adding value.

In the corporate market, SpareBank 1 Sogn og Fjordane's main focus will remain on the geographic region of Sogn og Fjordane, but as before we will seek to capture additional retail customers all over Norway. The Board believes that the Bank is in a strong position to tackle any challenges that arise in 2025 and the years ahead.

The Board of Directors would like to thank all of our employees for their great work during the past year. We would also like to thank our customers and partners for another successful year together.

Førde, 4 March 2025

Lise Mari Haugen
Chair

Magny Øvrebø
Deputy Chair

Silje Skaar Sunde

Johnny Haugsbakk

Vegard Strand

Kristian Skibenes

Helene Gåsemyr

Ole-Hermann Rognsøy

Trond Teigene
CEO

Income statement

AMOUNTS IN MILLIONS OF NOK

PARENT COMPANY				CONSOLIDATED	
2023	2024		Note	2024	2023
2 658	3 247	Interest income	20	4 580	3 789
1 401	1 934	Interest expenses	20	2 994	2 323
1 257	1 313	Net interest income		1 586	1 466
167	169	Commission income	21	171	170
34	39	Commission expenses	21	39	34
160	405	Net gains/losses on financial instruments	22	259	34
13	12	Other income	23	33	31
307	547	Net other operating income		424	201
1 564	1 860	Total revenues		2 010	1 667
274	324	Wages, salaries, etc.	24,25,26	345	294
219	349	Other expenses	24	373	229
26	31	Depreciation and impairment of fixed assets and intangible assets, and gains/losses	33,34,35	27	23
519	704	Total operating expenses		744	546
1 045	1 157	Profit/loss before impairment loss		1 266	1 121
- 6	38	Impairment loss	15	19	13
1 051	1 118	Profit/loss before taxation		1 246	1 108
219	200	Tax expense	27	255	261
832	919	Profit/loss for the financial year		992	847
STATEMENT OF COMPREHENSIVE INCOME					
832	919	Profit/loss for the financial year		992	847
0	0	Total other comprehensive income for the year, after tax		0	0
832	919	Comprehensive income		992	847
37,10	40,23	Profit per equity certificate (weighted), in NOK		43,43	37,79

Balance sheet

AMOUNTS IN MILLIONS OF NOK

PARENT COMPANY			CONSOLIDATED		
31.12.23	31.12.24	Assets	Note	31.12.24	31.12.23
18	12	Cash and cash equivalents	0	12	18
3 140	4 035	Loans and advances to credit institutions/central banks	3,17,28	411	534
38 888	38 381	Loans to customers	3,7-16,28	64 412	63 970
7 194	8 283	Commercial paper and bonds	3,29	10 001	7 627
741	916	Financial derivatives	3,30	417	413
734	483	Shares	3,31	483	734
0	880	Investments in associates and joint ventures	32	889	0
2 212	2 371	Investments in subsidiaries	32	0	0
8	5	Intangible assets and goodwill	33	7	9
88	361	Fixed assets	34-35	131	101
26	31	Deferred tax assets	27	24	16
124	284	Other assets	36	289	132
53 173	56 044	Total assets		77 077	73 556
731	614	Debt to credit institutions	3,17,28	502	502
35 827	38 756	Deposits from and debt to customers	3,28,37	38 597	35 796
7 519	6 846	Debt securities in issue	3,28,38	28 193	28 040
669	827	Financial derivatives	3,30	789	614
216	203	Tax payable	27	262	256
0	0	Deferred tax	27	0	0
333	583	Other liabilities and provisions	39	302	326
705	803	Subordinated debt instruments	40	803	705
46 000	48 632	Total liabilities		69 448	66 240
4 943	5 247	Equity share capital	48	5 247	4 943
798	950	Primary capital		950	798
476	308	Other equity		523	618
450	500	Hybrid capital		500	450
507	408	Proposed allocation for dividends and gifts	48	408	507
7 173	7 413	Total equity		7 628	7 316
53 173	56 044	Total debt and equity		77 077	73 556

Førde, 4 March 2025

Lise Mari Haugen
ChairMagny Øvrebø
Deputy Chair

Silje Skaar Sunde

Johnny Haugsbakk

Vegard Strand

Kristian Skibenes

Helene Gåsemyr

Ole-Hermann Rognsøy

Trond Teigene
CEO

Cash flow statement

PARENT COMPANY

31.12.23 31.12.24

1 051	1 118	Profit/loss before taxation
961	2 920	Increase/(reduction) in customer deposits
- 5 596	479	Reduction/(increase) in loans to customers
29	31	Depreciation and impairment of assets
- 6	38	Impairment loss
- 3	0	Losses/(gains) on disposal of fixed assets
- 153	- 216	Tax paid
54	- 14	Other non-cash transactions
31	70	Adjustment for other items
- 3 632	4 427	A) Net cash flow from operating activities

Reduction/(increase) in shares and other securities with variable returns

24 - 794

Reduction/(increase) in investments in commercial paper and bonds

82 - 1 079

- 39 - 305 Investments in fixed assets, intangible assets and goodwill

4 0

72 - 2 178

B) Net cash flow from investment activities

91 - 117 Increase/(decrease) in loans from credit institutions

1 616 - 665 Increase/(reduction) in debt securities in issue

102 98 Increase/(reduction) in subordinated debt

- 560 - 10 Increase/(reduction) in equity share capital

100 50 Increase in hybrid capital

- 242 - 715 Dividends and gifts

1 667 - 1 359 C) Net cash flow from financing activities
- 1 893 890 D) Net cash flow during the year (A+B+C)

5 051 3 158 Opening balance of cash and cash equivalents

3 158 4 048 Closing balance of cash and cash equivalents

Breakdown of cash and cash equivalents

18 12 Cash and cash equivalents

3 140 4 035 Deposits at other financial institutions and central banks

3 158 4 048 Total

CONSOLIDATED

Note 31.12.24 31.12.23

	1 246	1 108
37	2 793	953
9	- 490	- 2 786
34	27	26
15	19	13
	0	- 3
27	- 257	- 187
	- 193	42
	- 13	53
	3 132	- 781
31	- 629	24
29	- 2 364	- 143
33-35	- 56	- 41
	0	5
	- 3 049	- 154
17	0	- 1
38	366	796
40	98	102
	- 10	- 1
	50	100
	- 715	- 242
	- 212	754
	- 129	- 181
	552	733
	424	552
	12	18
	411	534
	424	552

Equity statement

PARENT COMPANY	EQUITY SHARE CAPITAL					Gift fund	Hybrid capital	Reserve for unrealised gains	Other equity	Allocated dividends and gifts	Total
	Equity certificates	Dividend equalisation reserve	Own equity certificates	Share premium account	Primary capital certificates						
Balance at 31.12.22	1 948	2 689	- 3	16	700	0	350	569	0	248	6 518
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	0	- 248	- 248
Change in hybrid capital	0	0	0	0	0	0	100	0	0	0	100
Interest paid to investors in hybrid capital	0	0	0	0	0	0	- 28	0	0	0	- 28
Purchase and sale of own equity certificates	0	0	- 1	0	0	0	0	0	0	0	- 1
Proposed allocation of profit/loss for reporting period	0	293	0	0	97	0	28	- 94	0	507	832
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.23	1 948	2 982	- 3	16	798	0	450	476	0	507	7 173
Balance at 31.12.23	1 948	2 982	- 3	16	798	0	450	476	0	507	7 173
Allocated for dividends and gifts	0	- 194	0	0	0	0	0	0	0	- 507	- 701
Reversal of previously allocated gifts	0	0	0	0	0	19	0	0	0	0	19
Change in hybrid capital	0	0	0	0	0	0	50	0	0	0	50
Interest paid to investors in hybrid capital	0	0	0	0	0	0	- 37	0	0	0	- 37
Purchase and sale of own equity certificates	0	0	- 10	0	0	0	0	0	0	0	- 10
Proposed allocation of profit/loss for reporting period	0	508	0	0	133	0	37	- 168	0	408	919
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.24	1 948	3 296	- 13	16	931	19	500	308	0	408	7 413

Equity statement (cont.)

CONSOLIDATED	EQUITY SHARE CAPITAL					Gift fund	Hybrid capital	Reserve for unrealised gains	Other equity	Allocated dividends and gifts	Total
	Equity certificates	Dividend equalisation reserve	Own equity certificates	Share premium account	Primary capital certificates						
Balance at 31.12.22	1 948	2 689	- 3	16	700	0	350	569	127	248	6 645
Allocated for dividends and gifts	0	0	0	0	0	0	0	0	0	- 248	- 248
Change in hybrid capital	0	0	0	0	0	0	100	0	0	0	100
Interest paid to investors in hybrid capital	0	0	0	0	0	0	- 28	0	0	0	- 28
Purchase and sale of own equity certificates	0	0	- 1	0	0	0	0	0	0	0	- 1
Proposed allocation of profit/loss for reporting period	0	293	0	0	97	0	28	- 94	15	507	847
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.23	1 948	2 982	- 3	16	798	0	450	476	142	507	7 316
Balance at 31.12.23	1 948	2 982	- 3	16	798	0	450	476	142	507	7 316
Allocated for dividends and gifts	0	- 194	0	0	0	0	0	0	0	- 507	- 701
Reversal of previously allocated gifts	0	0	0	0	0	19	0	0	0	0	19
Change in hybrid capital	0	0	0	0	0	0	50	0	0	0	50
Interest paid to investors in hybrid capital	0	0	0	0	0	0	- 37	0	0	0	- 37
Purchase and sale of own equity certificates	0	0	- 10	0	0	0	0	0	0	0	- 10
Proposed allocation of profit/loss for reporting period	0	508	0	0	133	0	37	- 153	59	408	992
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.24	1 948	3 296	- 13	16	931	19	500	322	201	408	7 628

Equity statement (cont.)

Explanation of the various types of equity:

Equity share capital:

Equity share capital comprises capital that in accordance with the articles of association is linked to equity certificates. Profit after taxation attributable to equity share capital is allocated to the dividend equalisation reserve in proportion to the ownership ratio, after deducting dividends and a proportionate share of interest paid to investors in hybrid capital. The dividend equalisation reserve may be used to maintain the payment of dividends to the equity certificate holders, if the Bank's equity position allows it.

Primary capital:

Primary capital comprises capital that is not equity share capital. Profit after taxation attributable to primary capital is allocated to primary capital, after deducting gifts and a proportionate share of interest paid to investors in hybrid capital.

Hybrid capital:

Hybrid capital consists of hybrid debt that meets the criteria for being defined as equity and core capital under rules on capital adequacy. Interest on hybrid capital is split between the dividend equalisation reserve and primary capital in proportion to the ownership ratio, and is in practice allocated together with profit.

Reserve for unrealised gains:

The reserve for other unrealised gains comprises unrealised gains on financial instruments whose valuation is different under IFRS and Norwegian accounting principles. Amongst other things, it includes unrealised gains on shares.

Other equity:

Other equity comprises retained earnings from various subsidiaries and unallocated profit.

Dividends and gifts:

Proposed dividends and gifts are included under equity until their disbursement is adopted by the AGM.

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Credit risk

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Market risk

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Note 1 Accounting principles

GENERAL

The 2024 financial statements for SpareBank 1 Sogn og Fjordane were discussed and adopted at the Board meeting of 4 March 2025.

All amounts in the accounts and notes are given in millions of NOK unless otherwise specifically stated.

SpareBank 1 Sogn og Fjordane has debt securities listed on Nordic ABM.

ACCOUNTING STANDARDS APPLIED

SpareBank 1 Sogn og Fjordane's consolidated and parent company accounts have been prepared in accordance with international IFRS accounting standards. Any references to "IFRS" shall hereafter refer to the IFRS® Accounting Standards as approved by the EU as of 31.12.2024.

CORPORATE STRUCTURE

There were no changes to our corporate structure in 2024.

CHANGES TO ACCOUNTING PRINCIPLES AND DISCLOSURES IN NOTES

As a general rule, all income and expenses are measured through profit or loss. The exception to this rule is the effect of changes to accounting principles. In the event of fundamental accounting reforms/changes to accounting principles, the figures for previous years must be restated to allow accurate comparison. If items in the accounts are reclassified, comparative figures for previous periods shall be calculated and reported in the financial statements.

Under IAS 8, the Group must report any changes that it has implemented during the current accounting period and state what impact they have had on the annual financial statements.

AMENDMENT TO STANDARDS AND INTERPRETATIONS APPROVED BY THE EU

There were no changes to standards and/or interpretations that were relevant to the Group in 2024.

Estimates

When preparing the consolidated financial statements, certain estimates and assumptions are made that affect the impact of the accounting principles and hence the reported amounts. Note 2 sets out significant estimates and assumptions in greater detail.

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent company SpareBank 1 Sogn og Fjordane and its subsidiaries and associates. The consolidated

financial statements have been prepared as if the Group were a single financial entity. For the purposes of consolidation, identical accounting principles have been used for all of the companies included in the consolidated financial statements.

All major intragroup transactions and balances, including unrealised profits and losses on intragroup transactions, have been eliminated in the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATES/JOINT VENTURES

Subsidiaries are defined as companies in which SpareBank 1 Sogn og Fjordane has a controlling stake through direct or indirect shareholdings or for other reasons, and owns more than 50 percent of the voting share capital. Normally SpareBank 1 Sogn og Fjordane assumes that it has a controlling stake if it owns more than 50 percent of another company, but the Bank also assesses whether it actually has a controlling stake in practice. A subsidiary is consolidated from the date on which the Bank acquired control of it. Subsidiaries that are disposed of are fully consolidated until the date on which risk and control are transferred.

The following companies satisfy our criteria for subsidiaries:

Company	Shareholding and share of voting rights
Bustadkreditt Sogn og Fjordane AS	100 %
Bankeigedom Sogn og Fjordane AS	100 %
Eiendomsmegler 1 Sogn og Fjordane AS	100 %

Associates are companies over which SpareBank 1 Sogn og Fjordane wields significant influence, i.e. where it can influence the company's financial and operational guidelines, but over which it does not have control or joint control. SpareBank 1 Sogn og Fjordane assumes that it exercises significant influence over companies in which it has a shareholding of between 20 and 50 percent. Joint ventures are companies where the Bank exercises control together with other shareholders through agreements.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements.

The companies which satisfy our criteria for associates or joint ventures are:

Company	Shareholding and share of voting rights
Sogn og Fjordane Fondet	30 %
Samarbeidende Sparebanker Utvikling DA	21,81 %
Samarbeidende Sparebanker AS	18,37 %
SpareBank 1 Samspar AS	18,07 %

Investments in subsidiaries, associates and joint ventures are included in the company accounts using the cost method.

In accordance with IFRS 10, an assessment must be made as to whether the Group's actual control is greater than its ownership interest in the company would imply. This assessment has been made, and the conclusion is that it is not.

BUSINESS COMBINATIONS

Entities purchased by the Bank are accounted for using the acquisition method. The cost at the time of the acquisition is calculated as the fair value of the assets acquired, equity instruments issued and liabilities taken over.

Identifiable assets and liabilities acquired are measured at their acquisition date fair value. Any cost over and above the fair value of the Group's share of the assets acquired is recorded as goodwill.

Goodwill is tested for impairment annually, or more frequently if there is evidence to suggest that it has fallen in value. If the purchase price is lower than the fair value of the identifiable assets and liabilities, the difference is recognised as income on the transaction date.

CURRENCY

The Norwegian krone (NOK) is the functional currency of the parent company and of all of the subsidiaries in the Group. The Group's financial statements are also presented in NOK. On the balance sheet date, cash items in foreign currency are translated using the exchange rate on the balance sheet date, non-cash items are translated using the historical exchange rate on the transaction date and non-cash items, measured at fair value, are calculated using the exchange rate on the date on which their value was calculated.

Foreign currency transactions are translated using the exchange rate on the transaction date. Changes in value resulting from exchange rate fluctuations between the transaction date and the payment date are recognised in the income statement.

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one enterprise and a financial obligation or an equity instrument of another enterprise.

Classification and measurement under IFRS 9

Financial assets

Classification is based on whether the instruments are held within a business model whose object is both to collect the contractual cash flows and sell the instrument, and on whether the contractual cash flows are solely payments of principal and interest on fixed dates.

Financial assets are classified in one of the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments where the other comprehensive income option has been exercised, and which are measured at fair value through other comprehensive income without recycling

Financial assets measured at amortised cost

The Group measures financial assets at amortised cost if the following criteria are met:

- The financial asset is part of a business model whose objective is to collect contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that solely consist of payments of principal and interest on fixed dates

Subsequent valuations of financial assets measured at amortised cost are based on the effective interest rate method and the assets are tested for impairment. Gains and losses are recognised in the income statement if the asset is derecognised, modified or impaired.

The Group's assets measured at amortised cost include loans and deposits held at other banks.

Financial assets measured at fair value through other comprehensive income (FVOCI)

The Group measures debt instruments at fair value through other comprehensive income if the following criteria are met:

- The financial asset is part of a business model whose objective is both to collect contractual cash flows and sell the asset,
- The contractual terms of the financial asset give rise to cash flows that solely consist of payments of principal and interest on fixed dates

Debt instruments measured at fair value through other comprehensive income, interest income, exchange differences, and loss allowances and reversals thereof are recognised in the income statement and estimated in the same way as financial assets measured at amortised cost. All other changes in fair value are recognised under other income and expenses. Upon derecognition, cumulative changes in fair value recognised under other income and expenses are transferred to the income statement.

The Group uses this category for loans that can be sold to SpareBank 1 Boligkreditt AS.

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

The following instruments are included in this measurement category:

- Derivatives measured at fair value through profit or loss
- Equity instruments, as a general rule
- Debt instruments held within a business model whose objective involves collecting contractual cash flows from interest, fees and capital, as well as short-term trading of the instruments in the portfolio in order to make a profit

SpareBank 1 Sogn og Fjordane uses this category for fixed-rate loans to customers, commercial paper and bonds, shares and derivatives. The interest rates on fixed-rate loans are generally hedged with derivatives or fixed-rate bonds, which are measured at fair value. To avoid an accounting mismatch the fixed-rate loans are also measured at fair value.

Derecognition of financial assets

A financial asset is derecognised if:

- The contractual rights to the cash flows from the financial asset expire, or
- The Group has either transferred the contractual rights to the cash flows from the financial asset, or retained the rights to the cash flows from the asset while assuming an obligation to pay the cash flows received from the asset to another party; and either
 - a. The Group has transferred substantially all of the risks and rewards of ownership of the asset, or
 - b. The Group has neither transferred nor retained substantially all of the risks and rewards of ownership of the asset, but has transferred control of the asset

Financial liabilities

Financial liabilities are classified in one of the following categories:

- Financial liabilities measured at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial liabilities measured at amortised cost

SpareBank 1 Sogn og Fjordane uses this category for liabilities to credit institutions, deposits from and debt to customers, most of the interest-bearing debt securities that it has issued and other financial liabilities.

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

The following instruments are included in this measurement category:

- Derivatives measured at fair value through profit or loss
- Equity instruments, as a general rule

- Debt instruments held within a business model whose objective involves collecting contractual cash flows from interest, fees and capital, as well as short-term trading of the instruments in the portfolio in order to make a profit

SpareBank 1 Sogn og Fjordane uses this category for fixed-rate customer deposits and derivatives.

Further details about financial liabilities

On initial recognition, financial liabilities are classified as either borrowings and other liabilities, or as derivatives designated as hedging instruments in an effective hedge. On initial recognition, derivatives are measured at fair value. Borrowings and other liabilities are measured at fair value adjusted for transaction costs that are directly attributable to them.

Derivatives are considered financial liabilities if their fair value is negative, and for accounting purposes they are treated in an equivalent manner to derivatives that are assets.

Borrowings and other liabilities

After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is derecognised. Amortised cost is calculated by taking into account any transaction costs, and any costs and fees that are an integral part of the effective interest. Effective interest is presented in the income statement under interest expenses.

Other liabilities are measured at face value if the effect of discounting is immaterial.

Derecognition of financial liabilities

A financial liability is derecognised if the liability is redeemed, cancelled or expires. If an existing financial liability is replaced by a new financial liability issued by the same lender on significantly different terms, or the terms of an existing liability are significantly modified, the original liability is derecognised and the new liability is recognised. The difference in the carrying amount is recognised in the income statement.

Recognition and derecognition

Assets and liabilities are recognised from the date on which the contractual rights to receive cash flows from the financial assets are transferred to the Group, or on which the Group takes on real liabilities to pay cash flows. Initial recognition is at fair value. Financial instruments are normally initially recognised at the transaction price. After initial recognition, financial instruments are measured as described below under "Valuation".

Assets are derecognised from the date on which substantially all risks and rewards of ownership of the financial assets have been transferred to another party.

When a financial asset is transferred, an evaluation shall be made of the extent to which the entity will retain the risks and rewards of ownership of the financial asset. In this case:

- a) If substantially all the risks and rewards of ownership of the financial asset are transferred to another party, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created by the transfer.
- b) If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.
- c) If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the asset. In this case:
 - If the entity has not retained control of the financial asset, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer
 - If the entity has retained control of the financial asset, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset

Valuation

Definition of fair value

Fair value is defined as the amount that an asset or liability can be sold for in a transaction between independent parties. The valuation methods that we use to calculate fair value depend on the type of financial instrument and on whether or not it is traded in an active market. Instruments are included in one of three valuation categories depending on the kind of information on which the valuation is based. (For definitions of levels 1, 2 and 3, see Note 28).

Instruments that are traded in an active market

A market is considered active if it is possible to find external prices or rates, and these prices represent actual and frequent market transactions. For instruments that are traded in an active market, we use the listed price obtained from a stock exchange, broker or price-setting firm.

Instruments traded in an active market include financial instruments that are listed on a stock exchange or that are quoted on some other market, such as shares, bonds and commercial paper. They also include financial derivatives that are based on underlying quoted or stock exchange listed prices/indexes/instruments.

Instruments that are not traded in an active market

Financial instruments that are not traded in an active market are valued using various different valuation techniques that make use of market data. If no market data or quoted prices are available, we use our own valuation techniques.

Equity investments in shares and ownership interests that are traded in inactive markets are valued at fair value based on the following criteria:

- Price at the time of the last capital increase or last trade between independent parties, adjusted for changes in the market conditions since the capital increase/trade.
- Fair value based on anticipated future cash flows from the investment.

The fair value of the portfolio of fixed interest loans is calculated as the value of the expected cash flows discounted by a market interest rate based on an internal pricing model (further details in Note 2).

Definition of amortised cost

Financial instruments that are not valued at fair value are valued at amortised cost, and income is calculated using the effective interest rate method. This is calculated by discounting contractual cash flows over the anticipated term to maturity. Cash flows include arrangement fees, direct transaction costs that are not covered by the customer and any residual value when the anticipated term to maturity expires. The amortised cost is the present value of these cash flows discounted by the effective interest rate.

Impairment model

The impairment model for financial instruments in IFRS 9 is based on the principle that provisions should be made for expected credit losses. That requires us to estimate future credit losses regardless of whether or not there is objective evidence of a loss event.

The impairment model in IFRS 9 applies to financial assets that are debt instruments. It also covers undrawn credit facilities. See Note 12 for an explanation of the impairment model.

Recognition of losses

A loss shall be recognised (i.e. recorded against the customer) when all collateral has been sold and it is not expected that the bank will receive further payments with respect to the asset. The claim against the customer shall still be pursued after a loss has been recognised, unless an agreement to cancel the debt has been reached with the customer.

PRESENTATION ON THE BALANCE SHEET AND IN THE INCOME STATEMENT

Cash and receivables from Norges Bank

Cash is defined as cash and receivables from Norges Bank.

Loan value

Depending on the counterparty, loans are included on the balance sheet as loans and advances to credit institutions, loans to customers measured at amortised cost, loans to customers measured at fair value or loans to customers through other comprehensive income (OCI). To simplify the balance sheet, all loans

to customers are presented jointly on a single line, with the breakdown by category being presented in a note to the financial statements.

Interest income from financial instruments classified as loans is included under “Net interest income” using the effective interest rate method. The effective interest rate method is described under “Amortised cost method”.

Changes in the fair value of loans measured at amortised cost and loans measured at fair value are included under “Impairment loss”. Any portion of the change in the value of fixed-rate loans attributable to changes in interest rate levels is included under “Net gains/losses on financial instruments”.

Commercial paper and bonds

Commercial paper and bonds are managed and evaluated within a business model whose objective involves collecting contractual cash flows from interest, fees and capital, as well as short-term trading of the instruments in the portfolio in order to make a profit.

Interest income and expenses on commercial paper and bonds are included under “Net interest income” using the effective interest rate method. This method is described in the paragraph on amortised cost.

Other changes in value are included under “Net gains/losses on financial instruments”.

Shares

Shares measured at fair value through profit or loss

Shares measured at fair value through profit or loss include shares, equity certificates and equity funds that have been acquired with the intention of subsequently selling them at a profit. Most of the Group’s portfolio of shares consists of long-term, strategic investments. Changes in the value of shares are included under “Net gains/losses on financial instruments”.

Financial derivatives

A derivative is a financial instrument with the following characteristics:

- The value of the instrument changes as a result of changes to the interest rate, value or price of an underlying asset
- The instrument requires little or no investment at its inception
- The instrument is settled at a future date

Derivatives are initially recognised at their fair value on the date on which the contract was signed, and subsequently at fair value.

Financial derivatives are presented as an asset if they have a positive value and as a liability if they have a negative value. Assets and liabilities are offset against

one another if the Bank has a binding contract with its counterparty stating that they will be offset, and if the Bank intends to sell the assets and redeem the liabilities at the same time.

Interest payments on financial derivatives are included under “Net interest income” using the effective interest rate method. This method is explained in the paragraph on amortised cost. Other changes in value are included under “Net gains/losses on financial instruments”.

Debt to credit institutions and customer deposits

Debt to credit institutions and customers is recorded, depending on the counterparty, as either “Debt to credit institutions”, “Customer deposits measured at amortised cost” or “Customer deposits measured at fair value”. Interest expenses on these instruments are included under “Net interest income” using the effective interest rate method. Other changes in value are included under “Net gains/losses on financial instruments”.

To simplify the balance sheet, all customer deposits are presented jointly on a single line, with a more detailed breakdown in a note to the financial statements.

Debt securities in issue

Debt securities in issue include commercial paper and bonds, and they are measured either at amortised cost or at fair value through profit or loss. To simplify the balance sheet, all debt securities in issue are presented jointly on a single line, with a more detailed breakdown in a note to the financial statements.

Interest expenses on these instruments are included under “Net interest income” using the effective interest rate method. Other changes in value are included under “Net gains/losses on financial instruments”.

Subordinated debt

Subordinated debt includes subordinated debt instruments issued by the Bank and is measured at amortised cost. Interest expenses on these instruments are included under “Net interest income” using the effective interest rate method. Other changes in value are included under “Net gains/losses on financial instruments”.

LEASES

IFRS 16 Leases

IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The standard requires a lessee to recognise assets and liabilities for most of its leases.

The lessor shall classify their leases as either operating leases or finance leases, and account for those two types of leases differently.

The Group has recognised its assets and liabilities related to leases and has recorded all relevant leases in a dedicated system. The length of the leases determines the associated assets and liabilities.

The leases involved are mainly leases with fixed expenses such as rental agreements and a small number of car leases.

The lease liability has been calculated by discounting future lease payments using the interest rate implicit in the lease. When discounting lease payments, the effective interest rate used is an estimate of the expected marginal borrowing rate. This interest rate will normally change over time, and the up-to-date interest rate shall be used for new leases, if the term of the lease changes or in the event of other changes to existing leases.

At each interim report, we take into account any changes to leases and if necessary recalculate the liabilities and assets.

FIXED ASSETS

Tangible assets are valued at their acquisition cost including direct costs, less accumulated depreciation and impairment losses. When assets are sold or disposed of, the acquisition cost and accumulated depreciation are written back, and the gain or loss on the sale/disposal is recognised in the income statement. The historical cost of fixed assets is the purchase price, including taxes/charges and costs directly related to preparing the asset for use. Costs that accrue after the fixed asset has been taken into operation, repairs and maintenance, are charged as expenses. If necessary, individual fixed assets are split into components with different useful lives.

Sites are not depreciated. Based on their historical cost, less any residual values, other fixed assets are depreciated using the straight line method over their anticipated useful lives, which are as follows:

Buildings	30–50 years
Fixtures, fittings and furnishings	7–10 years
Vehicles	5 years
Office equipment	5 years
IT equipment	3–5 years

INTANGIBLE ASSETS

IT systems and software

Software purchased is carried on the balance sheet at its cost plus any expenses involved in preparing the software for use. Identifiable expenses related to in-house software, and where it can be demonstrated that the probable future economic benefits will cover the development cost, are capitalised as intangible assets. Direct expenses include the cost of staff directly involved in developing the software, office equipment and a share of the relevant administration expenses. Expenses related to the maintenance of

software and IT systems are expensed directly in the income statement. Capitalised software investments are depreciated over their anticipated useful life, which is normally three years. Any need for impairment is assessed using the same principles as set out in the previous section.

Goodwill

Goodwill arises through the acquisition of other companies, and represents excess value over and above identifiable assets and liabilities. Any such excess value is tested for impairment for each interim report.

TESTING FOR IMPAIRMENT

For each interim report, an assessment is made as to whether there is any evidence that any tangible or intangible assets have fallen in value. If such evidence exists, the recoverable amount is calculated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If the carrying amount is higher than the estimated recoverable amount, the carrying amount is written down to the recoverable amount.

PENSIONS

Defined contribution schemes

With a defined contribution scheme, the Group does not promise to pay a specific amount as a future pension benefit, and instead makes an annual contribution to a group pension scheme. The future pension benefit payable will depend on the size of the contribution and the annual return on the pension fund. The Group's only responsibility in relation to this pension scheme is to make the annual contribution. With a defined contribution scheme, there is no need to make a provision for accrued pension liabilities. Contributions to defined contribution schemes are expensed immediately in the relevant reporting period.

The pension expense for the year is reported in the income statement under "Wages, salaries, etc.". For further information about our pension schemes, see Note 25.

TAX EXPENSE

Deferred tax liabilities and assets are reported on the balance sheet in accordance with "IAS 12 Deferred tax".

The tax expense stated in the income statement includes both tax payable on income and assets, and changes to deferred tax for the financial period. The parent company's deferred tax/deferred tax assets are calculated by applying a 25% tax rate to temporary differences that exist between accounting and taxable values at the close of the year. For subsidiaries, a 22% tax rate is used to calculate deferred tax liabilities/assets. Deferred tax is calculated using the tax rates and regulations that

apply on the balance sheet date, or that are likely to be adopted and will apply when the deferred tax asset is realised or the deferred tax liability becomes payable. Deferred tax assets are included on the balance sheet on the assumption that the Bank will have taxable income in future years. Deferred tax liabilities and assets within the Group are offset against one another, and only the net liability or asset is included on the balance sheet.

Tax payable and deferred tax are charged to equity if the tax relates to items that in the current or previous periods have been recognised in comprehensive income/equity.

Single entity for tax purposes

The parent company and subsidiaries in which the parent company holds more than nine tenths of the shares, and has an equivalent share of the votes at AGMs, are treated as a single entity for tax purposes.

ACCRUAL OF INTEREST AND FEES

Interest and commissions are recognised in the income statement as they accrue as income or expenses.

Unrealised and realised gains and losses on interest rate swaps are presented under "Net gains/losses on financial instruments". Interest rate swaps are used as economic hedges and the rules for hedge accounting are also used.

Arrangement fees for loans are included in the cash flow when calculating the amortised cost, and are taken to income under "Net interest income" using the effective interest rate method. Set-up fees for financial guarantees are included in the valuations of the guarantees, and are taken to income under "Net gains/losses on financial instruments".

For any debt repurchase at a discount/premium, the gain/loss is recognised at the time of the repurchase under "Net gains/losses on financial instruments".

REVENUE RECOGNITION

Interest income is recognised in the income statement using the effective interest rate method. This involves taking arising nominal interest plus amortised set-up fees to income. Interest income is calculated using the effective interest rate method both for balance sheet items measured at amortised cost and for ones measured at fair value through profit or loss. Interest income on impaired loans is calculated at the effective interest rate on the carrying amount.

All charges relating to payment transactions are recognised as they arise. Fees and charges arising from the sale and marketing of shares, equity funds and properties that do not give rise to any asset or liability on the balance sheet are recognised when the trade is completed. Broker commission is recognised once there is a binding agreement between the buyer

and seller, which in practice means when a bid is accepted. Customer trading of financial instruments that generates revenues in the form of spreads and commission is recognised when the trade is executed. Dividends from shares are recognised when they have been definitively adopted.

RESTRUCTURING

If restructuring plans have been adopted that will affect the extent or nature of our business, an assessment is made of the need for any provisions or restructuring measures. If restructuring costs will not lead to higher income in subsequent periods, and the future expenses are definite obligations on the balance sheet date, a provision is made on the balance sheet for the net present value of expected future cash flows. This provision is reversed as the expenses are incurred.

CASH FLOW STATEMENT

The indirect method is used to produce the cash flow statement. This is then adjusted for the impact of non-cash transactions, the accrual of future receipts or payments related to operating activities, and revenues or expenses associated with cash flows arising from investing or financing activities.

EQUITY

Equity is made up of equity share capital, primary capital, hybrid capital, a reserve for unrealised gains and other equity. The equity share capital consists of equity certificates and the dividend equalisation reserve. The primary capital consists of primary capital certificates, other primary capital and the gift fund. The reserve for unrealised gains relates to changes in the value of financial instruments where there is a discrepancy between the measurement methods used under IFRS and NGAAP. Proposed gifts and dividends are classified as equity until they have been adopted by the Annual General Meeting.

Hybrid capital

Hybrid capital is considered equity and consists of hybrid debt issued by the Bank that meets the criteria for being defined as equity and core capital under rules for calculating capital adequacy. Hybrid debt is perpetual, which means that the holders cannot demand that it be redeemed. Interest on the hybrid capital is recognised directly in equity and is split between the dividend equalisation reserve and compensation reserve in proportion to the ownership ratio. In accordance with "IAS 12 Income Taxes", the tax consequences of interest payments on hybrid capital are recognised in the income statement as a reduction in the tax expense.

HEDGE ACCOUNTING

The Group uses hedge accounting for selected fixed-rate bonds issued by the Group and derivatives designed to protect against fluctuations in the value of the bonds in question.

The hedged items (the fixed-rate bonds) are measured at fair value through “Net gains/losses on financial instruments” and the hedging instruments (the derivatives) are measured at fair value through “Net gains/losses on financial instruments”.

Amongst other things, IFRS 9 requires the hedged items and hedging instruments to be formally designated as such, and there must be a close economic relationship between the hedged items and the hedging instruments. It must also be possible to reliably measure the hedge and it must be effective. If the hedge no longer fulfils the hedge effectiveness requirement, hedge accounting shall be discontinued and the resulting adjustment shall be amortised through profit or loss. The amortisation shall be based on the recalculated effective interest rate at the date amortisation begins.

Gains or losses on hedging instruments are recognised in the income statement under “Net gains/losses on financial instruments”. Gains or losses on hedged items are considered an adjustment to the carrying amount of the hedged item and are recognised in the income statement under “Net gains/losses on financial instruments”.

POST BALANCE SHEET EVENTS

Post balance sheet events shall be reported in accordance with IAS 10. Events that are not covered by the financial statements, but that are material to any evaluation of the company’s operations and/or its financial position, shall be disclosed.

ADOPTED ACCOUNTING STANDARDS AND OTHER CHANGES THAT MAY AFFECT FUTURE FINANCIAL REPORTING

Relevant standards and interpretations that have been adopted prior to the presentation of the consolidated financial statements, but that will be implemented at a later date, are listed below. The Group intends to implement relevant changes as and when they come into force, provided that the EU approves them before the financial statements are prepared.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to improve reporting of financial performance such as:

- Requirement for defined subtotals in the income statement
- Requirement to disclose management-defined performance measures
- New principles for aggregating and disaggregating information

IFRS 18 comes into force as of financial periods starting on or after 1 January 2027, but it has not been adopted by the EU. It is possible to implement the standard earlier. The Company will assess the impacts of the changes and implement the necessary changes when the standard has been adopted by the EU.

No changes have been adopted that will have a significant impact on the financial statements.

Note 2 Critical accounting estimates and judgements

The Group continuously makes various estimates and judgements, which are based on past experience and expectations of probable future events. Accounting estimates produced on the basis of this rarely entirely correspond with what actually happens. Estimates that represent a significant risk of large changes to balance sheet values are discussed below.

Fair value of financial derivatives and other financial instruments

For securities that are not listed and for which there is not an active market, the Group uses valuation techniques to determine their fair value. The Group makes its assessments and uses methods and assumptions which, in so far as possible, are based on market conditions on the balance sheet date.

Interest-bearing securities

To value bonds and commercial paper, we obtain valuations from Nordic Bond Pricing.

Shares

The valuation of unlisted shares is based on the most recent transaction price or valuation models. Shares for which there is no recent transaction price are valued based on available financial information and the prices of comparable shares where relevant.

Interest rate derivatives

Interest rate derivatives are valued using discounted cash flows based on the swap rate at the reporting date.

Fixed-rate loans and fixed-rate deposits

The value of fixed-rate loans and deposits is calculated as the net present value of their future cash flows. For fixed-rate loans to retail customers and for all fixed-rate deposits, we use a yield curve, which is derived from the average interest rates on fixed-rate products offered by competing banks, to represent the market rate, while for loans to the corporate sector we calculate the cost of alternative sources of financing for the Bank on the reporting date, and then add the appropriate margin for the customer in question.

Also see Note 28 "Fair value of financial instruments".

Loan portfolio held by Bustadkreditt Sogn og Fjordane

The parent company has transferred mortgage loans to its subsidiary Bustadkreditt Sogn og Fjordane. A number of agreements govern the relationship between the two parties. These agreements transfer the credit risk and entitlement to interest income from the parent company to the subsidiary. The loans have therefore been derecognised from the parent company's accounts. Also see Note 43 "Related parties".

Loan portfolio transferred to SpareBank 1 Boligkreditt

The Group has transferred mortgage loans to SpareBank 1 Boligkreditt. Under agreements with the company, the credit risk and entitlement to interest have been transferred to SpareBank 1 Boligkreditt. The loans have therefore been derecognised from both the parent company's and the Group's accounts. The parent company receives a commission on the loans that are transferred.

Loss allowance

There is a detailed explanation of the loan impairment model under IFRS 9 in Note 12 "Explanation of impairment model under IFRS 9". The method for calculating expected credit losses (ECLs) is based on estimates of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), for all loans and undrawn credit facilities. There are uncertainties associated with estimating ECLs, particularly in relation to the PD, but also the LGD and EAD.

Uncertainties

Measuring expected credit losses is a complex process, and in the case of several of the assumptions used as inputs, the management must exercise its professional judgement.

For assets where a model is used to calculate ECLs, the main uncertainties relate to estimating PD, LGD and EAD. For assets in Stage 3, where expected credit losses are measured individually, judgement is involved in the assumptions used to estimate future cash flows and value collateral.

Other areas involving uncertainty include the choice of various future economic scenarios (including their weighting), assessing significant increases in credit risk and determining whether the criteria for default/impairment have been met.

Stranded assets

Stranded assets are defined as assets that will have less or no value before the end of their useful lives due to changes in the external business environment. This includes changes in technology, regulations, markets and behaviour. The risk of this kind of impairment is taken into account when determining the market value of collateral. The risk of writedowns of key items of collateral is compensated for through shorter terms for those kinds of loans. The Bank judges that only a very small proportion of its portfolio falls within this category.

The risk of stranded assets within the mortgage portfolio as a result of physical climate risk has also been assessed. Physical climate risk may negatively affect house prices. For example, the risk of landslides

or flooding may increase the risk of damage and make it difficult to sell a property. Although our portfolio is exposed to physical climate risk, in our opinion it is primarily an insurance risk as the homes are insured and are covered by the various insurance companies' natural disaster pool. Our overall judgement is that no additional impairments are needed for the risk of stranded assets.

Macroeconomic scenarios

ECLs should be calculated by weighting several macroeconomic scenarios. The Company has chosen three future macroeconomic scenarios: a base scenario with a 50% weighting, and one pessimistic and one optimistic scenario each with a 25% weighting. Expected credit losses are weighted based on the outcomes of the three scenarios.

The relationship between the macroeconomic parameters and the PD used to be based on a model developed by the Norwegian Computing Centre, which used future interest rates and unemployment to estimate future default rates for retail banking customers. Due to the unusual macroeconomic situation which we have experienced, the model is not sufficiently good at predicting the future probability of default. We have therefore used internal expert judgements to assess what is likely to happen to the probability of default over the coming five years, based on the impacts of past crises and on projections from Norges Bank's monetary policy and financial stability reports.

Adjustments have also been made to the probability of default for all customers in certain industries. This is explained in greater detail in Note 12.

For more information about the scenarios, and their impact on impairment losses, also see Note 16.

Definition of default and debt relief

Retail loans and residential mortgage loans

An account is considered in default if the account is more than 90 days past due and the amount overdue is material. If an account is in default, all of the customer's other accounts in the same product group are also considered in default.

A customer is considered in default if the customer has an account in default that represents over 20% of the total exposure to the customer, or if there is an indication of unlikelihood to pay unless the collateral is realised). The definition of retail loans is based on the definitions in the Basel regulations.

Other advances

A customer is considered in default if at least one of their accounts is more than 90 days past due and the amount overdue is material, or if there is an indication of unlikelihood to pay unless the collateral is realised.

The following may be indications of unlikelihood to pay:

- An individually assessed allowance has been made for the customer
- Insolvency/Bankruptcy
- Debt restructuring
- Debt restructuring/relief that reduces the value of the asset by more than 1%
- Realisation of the collateral
- Expectation of insolvency/bankruptcy or payment default

A customer, or account, in payment default has a probation period of at least 3 months.

A customer, or account, in payment default has a probation period of at least 12 months in the event of restructuring. Assets in default shall be considered equivalent to credit-impaired assets as defined in IFRS 9.

Age analysis of payment defaults

Retail loans and residential mortgage loans

Accounts are considered to be in payment default when they are past due or overdrawn by an amount of at least NOK 1,000 and by at least 1% of the customer's total balance. If an account is in payment default, all of the customer's other accounts in the same product group are also considered in payment default. If an account that is in payment default represents over 20% of the total exposure to the customer, all of the customer's other accounts are considered in payment default.

Other advances

Customers are considered in payment default when at least one of their accounts is past due or overdrawn by an amount of at least NOK 2,000 and by at least 1% of the customer's total balance.

The number of days that a customer is considered to have been in payment default is determined by the account that has been past due for longest.

Debt relief

Debt relief refers to changes to the agreed terms and conditions granted as a result of a customer having difficulty meeting their payment obligations that would not have been granted if the customer were in a stronger financial position. An account that is not in default, but which has been granted debt relief, will be put in stage 2, whereas an account with debt relief that is in default will be allocated to stage 3.

Note 3 Classification of financial instruments

CONSOLIDATED	Fair value through profit or loss	Fair value through profit or loss (fair value option)	Fair value through OCI	Amorti- sed cost	Hedge accoun- ting	Equity method	Total
31.12.24							
ASSETS							
Cash and cash equivalents	0	0	0	12	0	0	12
Loans and advances to credit institutions/central banks	0	0	0	411	0	0	411
Loans to customers	0	6 915	16 034	41 463	0	0	64 412
Commercial paper and bonds	0	10 001	0	0	0	0	10 001
Financial derivatives	380	0	0	0	38	0	417
Shares	483	0	0	0	0	0	483
Investments in associates and joint ventures	0	0	0	0	0	889	889
Total	862	16 916	16 034	41 886	38	889	76 625
LIABILITIES							
Debt to credit institutions	0	0	0	502	0	0	502
Deposits from and debt to customers	0	4 538	0	34 058	0	0	38 597
Debt securities in issue	0	8 420	0	19 774	0	0	28 193
Financial derivatives	290	0	0	0	499	0	789
Subordinated debt instruments	0	0	0	803	0	0	803
Total	290	12 958	0	55 138	499	0	68 885
PARENT COMPANY							
31.12.24							
ASSETS							
Cash and cash equivalents	0	0	0	12	0	0	12
Loans and advances to credit institutions/central banks	0	0	0	4 035	0	0	4 035
Loans to customers	0	4 527	16 034	17 820	0	0	38 381
Commercial paper and bonds	0	8 283	0	0	0	0	8 283
Financial derivatives	916	0	0	0	0	0	916
Shares	483	0	0	0	0	0	483
Investments in associates and joint ventures	0	0	0	0	0	880	880
Total	1 399	12 810	16 034	21 868	0	880	52 992
LIABILITIES							
Debt to credit institutions	0	0	0	– 56 044	0	0	– 56 044
Deposits from and debt to customers	0	2	0	0	0	0	3
Debt securities in issue	0	2 514	0	1 401	0	0	3 915
Financial derivatives	477	0	0	0	0	0	477
Subordinated debt instruments	0	0	0	1	0	0	1
Total	477	2 517	0	– 54 643	0	0	– 51 649

Note 3 Classification of financial instruments (cont.)

CONSOLIDATED	Fair value through profit or loss	Fair value through profit or loss (fair value option)	Fair value through OCI	Amortised cost	Hedge accounting	Total
31.12.23						
ASSETS						
Cash and cash equivalents	0	0	0	18	0	18
Loans and advances to credit institutions/central banks	0	0	0	534	0	534
Loans to customers	0	3 393	0	60 577	0	63 970
Commercial paper and bonds	0	7 627	0	0	0	7 627
Financial derivatives	359	0	0	0	54	413
Shares	734	0	0	0	0	734
Total	1 093	11 020	0	61 129	54	73 297
LIABILITIES						
Debt to credit institutions	0	0	0	502	0	502
Deposits from and debt to customers	0	3 469	0	32 327	0	35 796
Debt securities in issue	0	3 288	0	19 965	4 787	28 040
Financial derivatives	287	0	0	0	328	614
Subordinated debt instruments	0	0	0	705	0	705
Total	287	6 757	0	53 500	5 114	65 658
PARENT COMPANY						
31.12.23						
ASSETS						
Cash and cash equivalents	0	0	0	18	0	18
Loans and advances to credit institutions/central banks	0	0	0	3 140	0	3 140
Loans to customers	0	3 393	17 770	17 725	0	38 888
Commercial paper and bonds	0	7 194	0	0	0	7 194
Financial derivatives	741	0	0	0	0	741
Shares	734	0	0	0	0	734
Total	1 475	10 587	17 770	20 883	0	50 715
LIABILITIES						
Debt to credit institutions	0	0	0	731	0	731
Deposits from and debt to customers	0	3 469	0	32 358	0	35 827
Debt securities in issue	0	3 288	0	4 231	0	7 519
Financial derivatives	669	0	0	0	0	669
Subordinated debt instruments	0	0	0	705	0	705
Total	669	6 757	0	38 026	0	45 451

Note 4 Segment reporting

Geographic segments

All of the segments operate in Norway.

General information about segments

Segments reflect the organisational structure of the Group.

Finance

- Responsible for financing and for managing liquidity

Corporate banking market/public sector/financial sector

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to small and medium-sized enterprises, the public sector and financial sector

Retail market including Bustadkreditt

- Offers a wide range of financial products and services, such as various types of financing, deposits, investments, insurances, foreign currency services and interest rate instruments to retail customers

Other

- Includes the supply of services to Sparebankstiftinga Sogn og Fjordane and managing various properties

Estate agency

- Offers estate agency services in conjunction with the purchase and sale of properties

Property management

- Manages the Group's largest properties

	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty manage- ment	Elimina- tions
2024 INCOME STATEMENT								
Net interest income and credit commissions	1 586	0	630	955	0	0	1	0
Net other operating income	424	239	62	98	4	33	7	- 19
Total operating income	2 010	239	692	1 053	4	33	8	- 19
Operating expenses	744	21	216	456	26	35	11	- 19
Profit/loss before impairment loss	1 266	218	476	597	- 21	- 1	- 3	0
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	19	0	33	- 13	0	0	0	0
Profit/loss before taxation	1 246	218	444	610	- 21	- 1	- 3	0
BALANCE SHEET AT 31.12.24								
Net loans and advances to customers	64 412	0	15 693	48 719	0	0	0	0
Other assets	12 665	12 160	3 364	4 014	0	23	213	- 7 101
Total assets	77 077	12 160	19 057	52 733	0	23	213	- 7 101
Deposits from and debt to customers	38 597	0	15 908	22 848	0	0	0	- 159
Other liabilities	30 852	9 468	273	25 679	0	9	17	- 4 586
Equity (incl. profit/loss for the period)	7 628	2 692	2 876	4 206	0	14	195	- 2 356
Total debt and equity	77 077	12 160	19 057	52 733	0	23	213	- 7 101

Note 4 Segment reporting (cont.)

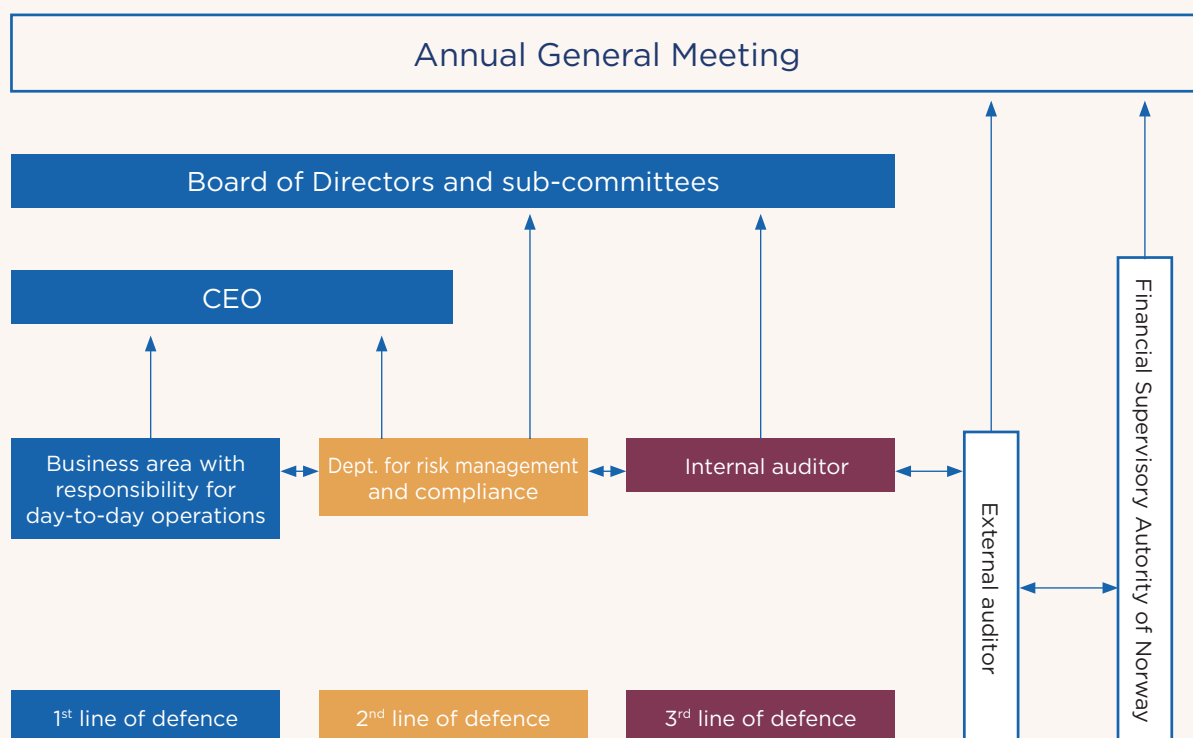
	Total for group	Finance	Corp. Market/ PS/FS	Retail market including Bustad- kreditt	Other	Estate agency	Pro- perty manage- ment	Elimina- tions
2023 INCOME STATEMENT								
Net interest income and credit commissions	1 466	3	592	872	-1	1	0	0
Net other operating income	201	13	64	102	4	31	8	-21
Total operating income	1 667	15	656	974	3	32	8	-21
Operating expenses	546	16	167	339	12	30	2	-21
Profit/loss before impairment loss	1 121	0	489	635	-9	1	6	0
Net gain on fixed assets	0	0	0	0	0	0	0	0
Impairment loss	13	0	-16	29	0	0	0	0
Profit/loss before taxation	1 108	0	505	606	-9	1	6	0
BALANCE SHEET AT 31.12.23								
Net loans and advances to customers	63 970	0	15 081	48 889	0	0	0	0
Other assets	9 585	9 171	2 196	3 643	0	22	46	-5 493
Total assets	73 556	9 171	17 277	52 533	0	22	46	-5 493
Deposits from and debt to customers	35 796	0	14 128	21 699	0	0	0	-32
Other liabilities	30 444	6 427	265	26 983	0	8	7	-3 245
Equity (incl. profit/loss for the period)	7 316	2 744	2 884	3 851	0	14	39	-2 217
Total debt and equity	73 556	9 171	17 277	52 533	0	22	46	-5 493

Note 5 Risk management

Risk management is the process of identifying, responding to and monitoring the risks that the Bank's operations expose it to. Overall risk exposure shall reflect the Bank's risk appetite, and risk management shall help the Bank to achieve its strategic goals. This shall be done by creating a strong business culture with a good understanding of risk management, and with a good appreciation of the risks that could have a major impact on the profitability of the Bank.

ORGANISATIONAL STRUCTURE

The risk management system is based on there being three lines of defence. The lines of defence represent the Bank's model for risk management, risk control and compliance.



The Bank's various business areas represent the **first line of defence**. This line of defence also implements risk assessments and risk-reduction measures and controls to ensure that the Bank is operating in accordance with legislation and with internal guidelines and frameworks. One important principle for risk management is that the first line of defence always owns the risks. Both the Board of Directors and the CEO form part of the first line of defence:

Board of Directors

The Board of Directors adopts goals, strategies and limits on risk, and it is responsible for ensuring that the Bank has effective and adequate risk management systems and internal controls. The Board of Directors shall oversee the executive management team and other business activities, including ensuring that the CEO regularly informs the Board about the business. The Board shall also handle major credit decisions where the amount involved exceeds the authority given to the CEO.

The responsibilities and tasks of the Board of Directors are set out in a separate document with instructions for the Board. The Board has three sub-committees, each with its own set of instructions:

The risk **management committee** does the preparations for the Board's work on assessing and supervising the Bank's exposure to risk. The committee's tasks include making preparations for the Board's assessment of quarterly risk management reports from the executive management, the annual ICAAP and ILAAP reports, the annual internal control report, the internal auditor's annual report and annual plan and the annual finance strategy and associated limits on risk exposure. The committee prepares items that deal with the monitoring and management of the Bank's individual areas of risk and overall risk, focusing on whether the Bank's corporate governance procedures are appropriate for its risk profile and the extent of its business.

Note 5 Risk management (cont.)

The tasks of the **audit committee** include monitoring and assessing the independence of the auditor, assessing and recommending auditors, and reviewing and assessing the Bank's financial reporting. The audit committee reviews the interim and annual financial statements, with a particular focus on accounting principles, critical estimates and judgements including for expected credit losses, and the work of the auditor. The audit committee shall also ensure that the instructions cover the Bank's sustainability reporting.

The task of the **remuneration committee** is to prepare items relating to remuneration that are to be reviewed by the Board. The committee shall help to ensure that the Bank's remuneration policies, overall goals, risk tolerance and long-term interests are consistent with one another.

CEO

The CEO shall ensure that risk management frameworks, strategies, procedures and guidelines are implemented and communicated throughout the organisation. The CEO is also responsible for ensuring that risk management procedures and internal controls are effective and are documented. The instructions for the CEO provide full details of responsibilities and tasks.

The Bank has various administrative committees with responsibility for taking decisions about pricing and about the Bank's liquidity, balance sheet and credit management.

The **credit committee** has various tasks relating to the Bank's credit activities. The committee may take decisions on credit applications within the scope of the CEO's authority or by special authorisation from the Board. The committee reviews the register of credit decisions, approves the annual renewal of large credits, takes decisions on impairment, and makes recommendations to the Board on changes to credit policy, credit approval standards and credit strategy. The committee's duties also include approving changes to the credit underwriting guidelines and to credit management guidelines and procedures.

The bank also has a **retail credit committee** for the retail banking market, which takes decisions on credit applications within the scope of the Director of Retail Banking's authority. For applications that go beyond the authority of the Director of Retail Banking, the committee makes a recommendation and passes the matter on to the credit committee.

The **pricing committee** shall ensure that the Bank has a product portfolio that reflects its risk appetite and that will help it to achieve the goals that it has set itself in its top-level strategies. The committee shall also ensure that the portfolio is priced in a way that allows the Bank to meet its target for return on equity. The product structure and pricing of the portfolio shall enable the Bank to compete effectively.

The **liquidity committee** is an advisory body to the CEO on matters relating to liquidity and funding, as well as managing market risk. The committee also discusses matters relating to balance sheet management and capital allocation.

The **risk management and compliance department** is the Bank's **second line of defence**. This department shall ensure that the first line of defence acts in accordance with guidelines and regulations. It shall also write risk and compliance reports for the Board, as well as reporting any breaches of frameworks and guidelines. The risk management and compliance department shall also be involved in statutory risk assessments in conjunction with creating new products, services and activities, or making significant changes to them, including outsourcing.

The head of the department, who is independent from managers with responsibility for taking risk, does not take part in decision-making directly related to the Bank's various business areas. The department reports directly to the CEO, but it also has a direct line of reporting to the Board for situations where the second line of defence considers this necessary or desirable. Instructions have been drawn up for the risk management and compliance function, which have been adopted by the Board.

The **internal auditor**, who reports to the Board, constitutes the **third line of defence**. The internal auditor shall check that the financial institution is organised and run responsibly and in accordance with the relevant laws and regulations. The Board shall organise and establish guidelines for the internal auditor.

Note 5 Risk management (cont.)

The **external auditor**, who also forms part of the Bank's system for supervision and risk management, performs financial audits. The external auditor is chosen by the Annual General Meeting, on the advice of the audit committee, in accordance with the Financial Institutions Act. Each year, the auditor submits an audit report to the Annual General Meeting, and during the year the auditor meets with the Board. The auditor prepares a "Management Letter" which is presented to the Board. In this letter, the auditor evaluates the Bank's internal controls and identifies possible areas where they should be improved.

THE BANK'S AREAS OF RISK

The Bank's operations expose it to various kinds of risks:

Type of risk	Definition
Credit risk	The risk of losing money as a result of a counterparty being unable or unwilling to fulfil their payment obligations to the Bank, and the collateral pledged not covering the outstanding credit.
Concentration risk	The risk of losses that arises from lending a high proportion of your capital to individual enterprises or limited geographic regions or industries.
Liquidity risk	The risk that the Bank will be unable to fulfil its obligations and/or finance an increase in assets without significant additional cost, either because it has to realise losses on the sale of assets or because it has to make use of expensive financing.
Market risk	The risk of losses related to unfavourable fluctuations in the market prices of positions in the interest rate, currency and stock markets.
Operational risk	The risk of losses due to human error, defects in the Bank's systems, and procedures or external events.
Business risk	The risk of unexpected fluctuations in revenues or expenses for reasons other than credit risk, concentration risk, liquidity risk, market risk and operational risk.
Shareholder risk	The risk of the Bank incurring losses from strategic ownership interests in companies and/or having to inject more capital into such companies.
Systemic risk	The risk of instability in, or in the worst case the collapse of, the financial system.
Cyber risk	The risk of losses due to either problems with technical infrastructure or the use of technology at the company.
Compliance risk	The risk of the Bank failing to fully comply with laws and regulations, and consequently incurring sanctions, financial losses or reputational damage.
Money laundering risk and terrorism financing risk	<p>The risk of the Bank being used for money laundering, i.e. actions that protect the proceeds of criminal activities, by concealing what happens to the proceeds, or who controls them, or by concealing the origins of income or assets.</p> <p>The risk of the Bank being used as a conduit for terrorism financing, in other words providing financial support to, or the collection of money on behalf of, people or groups who are carrying out or intend to carry out terrorist activities.</p>
ESG risk	The risk of environmental (including climate and nature), social or governance factors having a negative impact on the Bank's operations or customers, and this leading to financial losses or loss of reputation. The risk of customers' activities having a negative impact on environmental, social or governance factors.
Reputation risk	The risk of the Bank's reputation suffering as a result of, for example, failure to comply with legislation, poor communication with customers, fines from the authorities or actions perceived to be unethical.

See the sections on *Internal controls* and *Risk management* in the Directors' Report for more information about how the Bank performs internal controls and manages its most important types of risk.

Note 6 Capital adequacy

PARENT COMPANY			CONSOLIDATED	
31.12.23	31.12.24		31.12.24	31.12.23
		EQUITY AND SUBORDINATED DEBT		
1 948	1 948	Equity share capital	1 948	1 948
– 3	– 13	Deduction for own equity certificates	– 13	– 3
798	931	Primary capital	931	798
16	16	Share premium account	16	16
2 982	3 296	Dividend equalisation reserve	3 296	2 982
507	408	Allocated dividends/gifts	408	507
476	308	Reserve for unrealised gains	322	476
0	0	Other equity	233	142
0	19	Gift fund	19	0
6 723	6 913	Equity	7 160	6 866
		Other core capital		
450	500	Hybrid capital	500	450
7 173	7 413	Equity	7 660	7 316
		Deductions		
– 26	– 31	Deferred tax assets	– 24	– 16
– 6	– 215	Other intangible assets	– 217	– 7
– 113	– 95	Deduction for ownership interests in other companies in financial sector	– 95	– 95
– 19	– 34	Adjustment to comply with prudent valuation rules	– 43	– 19
– 507	– 427	Dividends and gifts	– 427	– 507
0	– 2	Other deductions	– 4	0
6 502	6 608	Net core capital	6 850	6 671
6 052	6 108	Core Tier 1 capital	6 350	6 221
		Supplementary capital		
700	800	Subordinated debt instruments	800	700
700	800	Net supplementary capital	800	700
7 202	7 408	Net equity and subordinated debt	7 650	7 371
		BASIS FOR CALCULATION		
		Credit risk		
5	7	Local and regional authorities	7	5
3 046	1 571	Institutions	318	274
2 525	2 697	Enterprises	2 697	2 512
4 311	3 538	Retail loans	4 317	4 457
13 317	13 816	Residential mortgage loans	23 332	21 924
555	741	Overdue advances	887	783
259	247	Particularly high-risk assets (property development projects)	247	259
2 874	3 461	Equity investments	1 319	1 330
510	614	Covered bonds	729	535
171	451	Other advances	2	122
27 572	27 142	Total calculation basis for credit risk	33 854	32 202
2 221	2 629	Operational risk	3 075	2 659
308	151	CVA	151	180
30 101	29 922	Total calculation basis	37 080	35 041
4 794	5 014	Excess equity and subordinated debt	4 683	4 568
		CAPITAL ADEQUACY		
23,93 %	24,76 %	Capital adequacy ratio	20,63 %	21,03 %
21,60 %	22,08 %	Core capital adequacy ratio	18,47 %	19,04 %
20,11 %	20,41 %	Core Tier 1 capital adequacy ratio	17,12 %	17,75 %
9,89 %	11,67 %	Unweighted core capital ratio	8,38 %	8,84 %

The expectation is that the new Capital Requirement Regulation, known as CRR3, will be adopted and come into force in Norway during 2025. Estimates show that the new Capital Requirement Regulation, CRR3, will give a calculation basis for the SpareBank 1 Sogn og Fjordane Group that is around NOK 4 billion lower than the calculation basis at 31.12.2024. This would raise our core Tier 1 capital adequacy ratio by just over 2 percentage points.

Note 7 Risk classification of loans to customers

Probability of default (PD)

The bank's PD models predict the likelihood of customers going into default over the coming 12 months. The Bank uses the models to classify all of its loans monthly, in the risk classes A-K, with A being the lowest risk class and K being loans in default. Based on that, it places its customers in three main groups: Low risk (PD of A to D), medium risk (E-G) and high risk (H-K).

Risk class	Probability of default (PD)					
	from	up to				
A	0,00 %	0,10 %				
B	0,10 %	0,25 %				
C	0,25 %	0,50 %				
D	0,50 %	0,75 %				
E	0,75 %	1,25 %				
F	1,25 %	2,00 %				
G	2,00 %	3,00 %				
H	3,00 %	5,00 %				
I	5,00 %	8,00 %				
J	8,00 %	100,00 %				
K	100,00 %	100,00 %				

CONDOLIDATED	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Corporate Market						
Low risk (A-D)	10 491	9 143	2 801	2 478	19	25
Medium risk (E-G)	4 265	5 188	456	875	50	62
High risk (H-K)	1 462	1 290	449	125	194	175
Total for corporate market	16 219	15 621	3 706	3 477	264	262

Retail Market	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Low risk (A-D)	34 731	33 888	3 639	3 539	8	9
Medium risk (E-G)	11 935	12 825	271	253	16	21
High risk (H-K)	1 808	1 952	8	10	42	44
Total for retail market	48 474	48 666	3 918	3 803	65	74

PARENT COMPANY	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Corporate Market						
Low risk (A-D)	10 301	8 917	2 771	2 443	26	24
Medium risk (E-G)	4 189	5 135	455	875	50	62
High risk (H-K)	1 450	1 271	449	125	194	175
Total for corporate market	15 940	15 323	3 675	3 442	270	261

Retail Market	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Low risk (A-D)	14 681	15 457	1 449	1 475	1	1
Medium risk (E-G)	7 066	7 496	226	157	7	8
High risk (H-K)	949	883	9	7	24	20
Total for retail market	22 695	23 836	1 684	1 639	32	29

Note 8 Loans in default and debt relief

Note 2 includes an explanation of default and debt relief.

Age analysis of defaults

The table below shows assets recorded as being in payment default, which in the retail market means the default exceeds NOK 1,000 on one of the customer's accounts and constitutes at least 1% of their balance. The same applies to the corporate market, but with a limit of NOK 2,000.

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
CONSOLIDATED						
11–30 days past due	249	83	0	1	5	5
31–90 days past due	64	56	0	0	2	2
More than 90 days past due	212	204	12	5	68	75
Total assets more than 10 days past due	524	343	12	5	75	82

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
PARENT COMPANY						
Age analysis of defaults						
11–30 days past due	226	58	0	1	5	4
31–90 days past due	40	38	0	0	2	2
More than 90 days past due	156	161	12	5	62	72
Total assets more than 10 days past due	423	257	12	5	68	78

Assets in default

The table below shows assets in default.

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
CONSOLIDATED						
More than 90 days past due	212	204	12	5	68	75
Other assets in default	477	592	562	23	98	61
Total assets in default	689	796	574	27	166	135
<i>More than 90 days past due, retail market</i>	<i>112</i>	<i>78</i>	<i>0</i>	<i>0</i>	<i>14</i>	<i>6</i>
<i>Other delinquencies, retail market</i>	<i>276</i>	<i>314</i>	<i>2</i>	<i>3</i>	<i>15</i>	<i>19</i>
Total delinquencies, retail market	387	391	2	3	29	25

<i>More than 90 days past due, corporate market</i>	<i>100</i>	<i>126</i>	<i>12</i>	<i>4</i>	<i>55</i>	<i>68</i>
<i>Other delinquencies, corporate market</i>	<i>202</i>	<i>279</i>	<i>560</i>	<i>19</i>	<i>83</i>	<i>41</i>
Total delinquencies, corporate market	301	405	572	24	137	109

Note 8 Loans in default and debt relief (cont.)

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
PARENT COMPANY						
More than 90 days past due	156	161	12	5	62	72
Other assets in default	377	397	562	23	93	50
Total assets in default and at risk of default	533	558	574	27	155	122
<i>More than 90 days past due, retail market</i>	<i>57</i>	<i>39</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>4</i>
<i>Other delinquencies, retail market</i>	<i>175</i>	<i>123</i>	<i>2</i>	<i>3</i>	<i>10</i>	<i>9</i>
Total delinquencies, retail market	232	163	2	3	18	13
<i>More than 90 days past due, corporate market</i>	<i>100</i>	<i>122</i>	<i>12</i>	<i>4</i>	<i>55</i>	<i>68</i>
<i>Other delinquencies, corporate market</i>	<i>202</i>	<i>273</i>	<i>560</i>	<i>19</i>	<i>83</i>	<i>41</i>
Total delinquencies, corporate market	301	395	572	24	137	109

Debt relief

Debt relief refers to changes to the agreed terms and conditions granted because a customer is in financial difficulties that would not have been granted if the customer were in a stronger financial position.

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
CONSOLIDATED						
Assets with debt relief that are not in default	781	600	31	4	10	22
Assets with debt relief that are in default	192	284	1	0	22	34
Total assets with debt relief	973	884	32	4	32	56
<i>Of which in the retail market</i>	<i>649</i>	<i>479</i>	<i>0</i>	<i>0</i>	<i>12</i>	<i>12</i>
<i>Of which in the corporate and public sector markets</i>	<i>324</i>	<i>402</i>	<i>32</i>	<i>4</i>	<i>21</i>	<i>45</i>
Debt relief broken down by asset level						
Stage 2 assets	781	600				
Stage 3 assets	192	284				

	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
PARENT COMPANY						
Assets with debt relief that are not in default	519	389	31	4	8	20
Assets with debt relief that are also in default	154	192	1	0	20	29
Total assets with debt relief	673	581	32	4	27	49
<i>Of which in the retail market</i>	<i>356</i>	<i>181</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>4</i>
<i>Of which in the corporate and public sector markets</i>	<i>317</i>	<i>401</i>	<i>32</i>	<i>4</i>	<i>21</i>	<i>45</i>
Debt relief broken down by asset level						
Stage 2 assets	519	389				
Stage 3 assets	154	192				

Note 9 Loans to customers and exposures by sector and industry

	Gross loans		Guarantees and undrawn credit facilities		Loans in default and at risk of default		Loss allowance	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
CONSOLIDATED								
Wage and salary earners and pensioners	48 474	48 666	3 918	3 803	389	394	65	74
Public sector	9	4	149	119	0	0	0	0
Farming and forestry	1 769	1 690	247	187	32	9	14	11
Fishing and hunting	2 226	2 092	140	137	1	163	18	20
Aquaculture and hatcheries	626	549	117	127	1	1	4	7
Industry and mining	800	802	727	936	591	11	47	12
Power/water supply	707	739	449	344	3	3	8	10
Building and construction	1 558	1 603	550	618	99	131	70	85
Commerce/retail	937	993	397	426	9	11	5	7
Transport	627	563	155	122	0	4	1	1
Hotels and tourism	430	471	46	52	2	3	2	4
Services	863	835	134	116	30	48	26	30
Property management	5 668	5 280	596	293	105	45	68	75
Other	0	0	0	0	0	0	0	0
Loans to customers	64 693	64 286	7 624	7 280	1 263	823	330	336
Loans transferred to SpareBank 1 Boligkreditt AS, retail market	2 395							
Loans transferred to SpareBank 1 Boligkreditt AS, corporate market	65							
Total gross loans to customers incl. SB1 Boligkreditt AS	67 153	64 286						
Of which in the retail market	50 869	48 666	3 918	3 803	389	394	65	74
Of which in the corporate and public sector markets	16 284	15 621	3 710	3 477	874	429	265	262
	Gross loans		Guarantees and undrawn credit facilities		Loans in default and at risk of default		Loss allowance	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
PARENT COMPANY								
Wage and salary earners and pensioners	22 695	23 836	1 684	1 639	234	166	32	29
Public sector	9	4	149	119	0	0	0	0
Farming and forestry	1 734	1 650	243	182	32	9	14	11
Fishing and hunting	2 222	2 087	140	137	1	161	18	20
Aquaculture and hatcheries	626	549	109	127	1	1	4	7
Industry and mining	794	795	726	934	591	11	47	12
Power/water supply	707	739	449	344	3	3	8	10
Building and construction	1 480	1 518	538	603	99	127	70	85
Commerce/retail	896	940	396	426	9	11	5	7
Transport	599	527	153	117	0	1	1	1
Hotels and tourism	427	469	46	52	2	3	2	4
Services	784	775	119	107	30	48	25	30
Property management	5 660	5 271	608	293	105	45	75	75
Other	0	0	0	0	0	0	0	0
Loans to customers	38 635	39 159	5 360	5 081	1 107	585	302	290
Loans transferred to SpareBank 1 Boligkreditt, retail market	2 395							
Loans transferred to SpareBank 1 Boligkreditt, corporate market	65							
Total gross loans to customers incl. SB1 Boligkreditt AS	41 095	39 159						
Of which in the retail market	25 091	23 836	1 684	1 639	234	166	32	29
Of which in the corporate and public sector markets	16 004	15 323	3 675	3 442	873	419	270	261

Note 10 Loans by geographic area

CONSOLIDATED	Gross loans		Percentage of gross loans	
	2024	2023	2024	2023
County				
Vestland	50 747	51 139	78,4 %	79,5 %
Oslo	4 942	4 775	7,6 %	7,4 %
Østfold	2 119	479	3,3 %	0,7 %
Akershus	1 931	2 994	3,0 %	4,7 %
Møre og Romsdal	1 630	1 527	2,5 %	2,4 %
Rogaland	696	674	1,1 %	1,0 %
Trøndelag	496	478	0,8 %	0,7 %
Vestfold	443	444	0,7 %	0,7 %
Troms	452	268	0,7 %	0,4 %
Innlandet	342	323	0,5 %	0,5 %
Agder	262	233	0,4 %	0,4 %
Nordland	214	169	0,3 %	0,3 %
Buskerud	210	442	0,3 %	0,7 %
Telemark	107	73	0,2 %	0,1 %
Finnmark	101	269	0,2 %	0,4 %
Total gross loans	64 693	64 286	100,0 %	100,0 %

PARENT COMPANY	Gross loans		Percentage of gross loans	
	2024	2023	2024	2023
County				
Vestland	31 580	32 689	81,7 %	83,5 %
Oslo	2 207	2 191	5,7 %	5,6 %
Møre og Romsdal	1 198	1 080	3,1 %	2,8 %
Østfold	925	213	2,4 %	0,5 %
Akershus	872	1 223	2,3 %	3,1 %
Troms	383	200	1,0 %	0,5 %
Rogaland	340	315	0,9 %	0,8 %
Trøndelag	255	217	0,7 %	0,6 %
Vestfold	210	192	0,5 %	0,5 %
Innlandet	176	154	0,5 %	0,4 %
Agder	139	110	0,4 %	0,3 %
Nordland	129	91	0,3 %	0,2 %
Buskerud	100	223	0,3 %	0,6 %
Telemark	60	43	0,2 %	0,1 %
Finnmark	59	218	0,2 %	0,6 %
Total gross loans	38 635	39 159	100,0 %	100,0 %

Note 11 Collateral ratio for loans to customers

In the retail market, the collateral for loans is almost always real property. In the calculation below, properties are valued at their market value based on the estimates of Eiendomsverdi AS, estate agent valuations, assessed valuations or valuations based on our knowledge of the property market. Valuations of collateral provided by retail customers are reviewed at least every three years.

In the case of the corporate market, most of the collateral consists of fixed assets such as real property, mortgages on ships, and licences or quotas. Other forms of collateral include liens on current assets such as factored accounts receivable, promissory notes and operating assets, and mortgages, guarantees and insurance contracts. Valuations of collateral provided by corporate customers are reviewed at least once a year.

It gives the proportionate distribution of assets by their collateral ratio. The collateral ratio is calculated at the customer level, by dividing the value of the collateral by that of the outstanding asset. If the collateral ratio is below 100%, the value of the assets exceeds that of the collateral.

CONSOLIDATED	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Corporate Market						
No collateral	0	0	0	0	0	0
Collateral ratio of 0–100%	2 541	2 925	1 977	1 135	167	176
Collateral ratio of 100–150%	4 503	5 535	452	1 251	69	59
Collateral ratio of 150–200%	3 596	2 977	330	307	13	16
Collateral ratio over 200%	5 578	4 184	947	785	15	11
Total for corporate market	16 219	15 621	3 706	3 477	264	262

Retail Market	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
No collateral	27	133	5	560	1	2
Collateral ratio of 0–100%	986	1 178	132	79	8	6
Collateral ratio of 100–150%	29 224	29 704	1 600	1 372	48	57
Collateral ratio of 150–200%	13 059	12 755	1 309	1 109	7	8
Collateral ratio of over 200%	5 178	4 897	871	683	1	1
Total for retail market	48 474	48 666	3 918	3 803	65	74

PARENT COMPANY	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
Corporate Market						
No collateral	0	0	0	0	0	0
Collateral ratio of 0–100%	2 533	2 916	1 977	1 134	171	176
Collateral ratio of 100–150%	4 389	5 410	440	1 240	71	59
Collateral ratio of 150–200%	3 509	2 851	321	294	13	15
Collateral ratio over 200%	5 508	4 146	937	774	15	11
Total for corporate market	15 940	15 323	3 675	3 442	270	261

Retail Market	Gross loans		Guarantees and undrawn credit facilities		Loss allowances	
	2024	2023	2024	2023	2024	2023
No collateral	27	132	7	559	1	2
Collateral ratio of 0–100%	766	903	146	68	5	3
Collateral ratio of 100–150%	16 456	16 407	806	552	24	22
Collateral ratio of 150–200%	3 969	4 802	479	316	2	2
Collateral ratio of over 200%	1 477	1 592	246	144	0	0
Total for retail market	22 695	23 836	1 684	1 639	32	29

Note 12 Explanation of impairment model under IFRS 9

The Bank has developed a model for calculating expected credit losses that meets the requirements of IFRS 9. The model calculates the Expected Credit Loss (ECL) for all loan accounts, guarantees and undrawn credit facilities. The ECL is an unbiased estimate based on several future scenarios.

The model splits loans into three stages. Upon initial recognition, a loan is generally allocated to Stage 1. If the account's credit risk has increased significantly since initial recognition, it is moved to Stage 2. Assets in default are allocated to Stage 3, using the same definition of default as used for internal risk management, as stated in Note 7. An account shall always be allocated to the highest stage that it qualifies for.

For assets in Stage 1, expected credit losses are calculated for the coming 12 months, whereas for Stages 2 and 3, expected credit losses are calculated for the expected lifetime of the asset.

The ECL is calculated using parameters that estimate the exposure at default (EAD) and loss given default (LGD), as well as the probability of default (PD) for any given period.

Individually assessed allowances

Where observable data indicates that a financial asset is credit-impaired, it is individually assessed for impairment. These events could include migration to a higher risk category, being overdrawn/past due on a credit account or other forms of default. This is also done if our standard interaction with a customer brings to our attention difficulties that cast doubt on the customer's ability to repay the loan. As a general rule, assets worth less than NOK 4 million and loans to retail customers are not assessed individually for impairment. Assets that are not assessed individually for impairment shall nevertheless be reviewed for unlikelihood to pay in accordance with the criteria specified in Note 8. Where it is considered unlikely that the customer will be able to repay the loan without realising the collateral, the customer is manually transferred to Stage 3 and considered in default.

Individually assessed allowances are determined by a probability-weighted calculation of various possible outcomes. Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. Individually assessed allowances are included in Stage 3.

Probability of default (PD)

The Bank has, based on its own default data, developed models for estimating the likelihood of default over the coming 12 months (12-month PD). The likelihood that a customer will default on their obligations during the remaining term of the asset (the lifetime PD) is derived from the 12-month PD, using the assumption that in the long term the PD will migrate towards the average PD of the portfolio.

The Bank has models for application scoring and behavioural scoring at the customer level. The application scoring models are used to estimate the PD when a customer applies for a loan or credit facility. The behavioural scoring models are used to estimate the PD for all existing assets at the end of each month. Scoring is based on external and internal parameters, using separate models for the corporate market and retail market.

Loss given default (LGD)

The LGD represents how much the Bank expects to lose in the event of a default, and it incorporates the following components:

- The likelihood that an asset in default will be cured
- The projected collateral ratio for the exposure
- The expected recovery rate for the unsecured part of an exposure
- External costs associated with debt recovery

A floor is also set for losses if the account is not cured. At 31.12.2024, this floor was 1% for retail customers and 2% for corporate customers. An account is considered cured if it was in default and is closed without any losses being realised.

When calculating the collateral ratio, the expected sales value of the underlying collateral is used. For residential properties, for example, the sales value is set at 50% of the valuation. The projected sales values are based on three future scenarios for house prices.

Exposure at default (EAD)

The EAD represents the expected credit exposure to the customer at the time of default. For loans with a contractual loan repayment schedule, that schedule is used as a basis for determining the EAD. An adjustment is made to take into account the likelihood of the customer repaying the loan more quickly than is stipulated by the loan repayment schedule (prepayment). This includes the likelihood of the customer paying off the loan completely before the maturity date. For credit facilities, it is assumed that the whole credit limit has been drawn at the time of default, whereas for guarantees, conversion factors of 50% and 100% are used.

Expected life

For loans and advances in Stage 2, the ECL shall be calculated for the remaining expected life of the asset. For loans and advances with a contractual term, this is the remaining term to maturity at the reporting date. For undrawn credit facilities, the expected life is based on the average observed life of discontinued credit facilities.

Significant increase in credit risk

Transfers from Stage 1 to Stage 2 are governed by the definition of a significant increase in credit risk. The Bank itself is responsible for defining what constitutes a significant increase in credit risk. There are three elements to how it does this: a quantitative element, a qualitative element and a back stop. The quantitative element is the main driver of transfers from Stage 1 to Stage 2.

Quantitative element: An asset is considered to have experienced a significant increase in credit risk if the PD on the reporting date is at least twice as high as the expected PD calculated at the recognition date, and the change in PD is at least 0.5 percentage points.

Qualitative element: If the customer has been given debt relief on at least one loan, or if the customer is on the Bank's watch list for customers with increased credit risk, all of the customer's accounts shall be transferred to Stage 2 if they don't qualify for Stage 3.

Back stop: If an account is more than 30 days past due, it shall be transferred to Stage 2 regardless of whether or not it meets the requirements of the quantitative and qualitative tests. If an account is more than 90 days past due, it shall be moved to Stage 3.

The table below shows the reasons for transfers to Stage 2 for the loans in the Bank's portfolio at 31.12.2024. Where a loan meets several of the criteria for transfer, it is reported under the category that is highest up in the table.

Reasons for transfers to Stage 2	Gross loans (millions of NOK)
Change in PD	8.183
Debt relief	519
Watch list	359
Under removal from the surveillance list	16
Overdrawn/past due for more than 30 days	2
Total gross loans in Stage 2	9.079

Exceptions for low credit risk loans

In its inspection reports, the Financial Supervisory Authority of Norway has pointed out that basing transfers to Stage 2 on absolute limits for changes in the PD in reality amounts to making use of the low credit risk exemption in IFRS 9, and that banks must ensure that the limit does not prevent timely identification of loans where the risk has risen. The

Bank reduced the absolute limit from 0.75 percentage points to 0.5 percentage points in 2023. The table below shows that removing the limit would have increased impairments by NOK 2.4 million at 31.12.2024. The Bank considers that the limit does not have a material impact on estimated losses and helps to reduce the volatility of transfers between stages 1 and 2 between accounting periods.

Impact of absolute limit on changes in PD	Gross loans in Stage 2 (millions of NOK)	Total loss allowance (millions of NOK)
Absolute limit of 0.5 p.p. for transfers to Stage 2	9.079	330,0
No absolute limit for transfers to Stage 2	12.325	332,4
Change from removing absolute limit	3.246	2,4

Transfer to lower stages

An account in Stage 2 can be transferred back to Stage 1 if it no longer meets any of the three criteria described above. If a loan has been on the Group's watch list, it must complete a three month probation period before it can be moved to Stage 1.

Assets that are in default will be transferred from Stage 3 to Stage 1 or 2 when they are no longer identified as in default, and once they have completed a three month probation period without any further default events.

In the case of customers who have been considered in default on account of receiving debt relief on two or more occasions during a two-year period, or who become overdrawn/more than 30 days past due in the two-year period after receiving debt relief, there is a probation period of 12 months.

Derecognition of loans

A loan is shown as being derecognised if it has been repaid and the loan account has been closed. This applies both if the loan has been repaid by the customer and if it has been refinanced with our bank or another bank.

Macroeconomic scenarios

As previously mentioned, the Bank takes into account information about the future when estimating ECLs. This is done by incorporating three macroeconomic scenarios into the calculation: a base scenario with a 50% weighting, and one pessimistic and one optimistic scenario each with a 25% weighting. ECLs are calculated based on the weighted outcomes of the three scenarios.

The relationship between the macroeconomic parameters and the PD used to be based on a model developed by the Norwegian Computing Centre,

which used future interest rates, unemployment, the consumer price index and oil price to estimate future default rates. Due to the unusual macroeconomic situation we have been through, the model is not sufficiently good at predicting the probability of default over the next few years. We have therefore used internal expert assessments of what is likely to happen to the probability of default over the coming five years, based on projections from the monetary policy report.

For residential mortgage loans, the collateral values in the scenarios are projected based on the house price forecast in the monetary policy report.

As of the current time, no climate-related scenarios have been included when calculating expected losses.

More information about the macroeconomic scenarios can be found in Note 16.

Industry adjustments to the probability of default

For specific industries or big customer groups where the risk of default has increased or is expected to increase, and the PD model does not adequately reflect the future probability of default, it is possible to adjust the estimated PD using a flat and/or proportional risk premium.

- The PD for customers in the property development sector and construction industry has been scaled up by 30%, based on the slowdown in activity in 2024.

- For customers in the aquaculture sector it has been scaled up by 50% due to the increase in risk associated with environmental considerations.
- For customers involved in fisheries and the fishing industry, it has been scaled up by 50% on account of the big reduction in fishing quotas for 2025 and 2026.
- It has been scaled up by 50% for customers in the agriculture sector as a result of the industry's transition risk being judged to be high in the Bank's TCFD report.

The Bank's credit committee uses its best judgement to review these adjustments each quarter.

Corporate governance

The Bank's procedures and guidelines establish a clear system for determining losses. This system gives different departments at the Bank responsibility for different areas, such as developing and maintaining models, preparing macroeconomic scenarios, assessing scenarios and calculating expected credit losses.

Changes to the impairment model during 2024

The table below shows which changes were made and how they individually affected our profit at the point at which the change was implemented. For example, the increase in the industry adjustment to the probability of default for fisheries and the fishing industry increased model-based losses by NOK 1.2 million when it was introduced in Q3 2024. This reduced profit by the same amount: NOK 1.2 million.

Change	When change was introduced	Impact on loss allowance
Pessimistic scenario made more negative.	Q1 2024	+ 4,0 mnok
Industry adjustment to PD for fisheries and fishing industry of 150	Q3 2024	+ 1,2 mnok
Industry adjustment to PD for building and construction reduced from 150 to 130	Q3 2024	- 27,7 mnok

Note 13 Assets classified by IFRS 9 stage

CONSOLIDATED

2024

	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.24	50 850	9 254	784	60 888
Transferred to Stage 1	2 801	– 2 760	– 42	0
Transferred to Stage 2	– 2 418	2 465	– 46	0
Transferred to Stage 3	– 132	– 138	271	0
New financial assets issued or acquired	13 785	1 904	50	15 739
Derecognised financial assets	– 16 638	– 2 574	– 348	– 19 560
Other changes	752	– 26	– 27	699
Gross loans at amortised cost at 31.12.24	48 999	8 125	642	57 766
Loss allowance for loans at amortised cost at 31.12.24	37	109	123	269
Net loans at amortised cost at 31.12.24	48 962	8 016	519	57 497
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.12.24	5 926	954	47	6 927
Loss allowance for loans at fair value at 31.12.24	3	5	4	12
Net loans at fair value at 31.12.24	5 923	949	43	6 915
	Stage 1	Stage 2	Stage 3	Total
Gross loans at 31.12.24	54 925	9 079	689	64 693
Of which in the retail market	42 744	5 343	387	48 474
Of which in the corporate and public sector markets	12 181	3 736	302	16 219
Loss allowance for loans at 31.12.24	40	113	128	281
Net loans at 31.12.24	54 885	8 965	561	64 412
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 31.12.24	6 599	451	574	7 624
Of which in the retail market	3 813	103	2	3 918
Of which in the corporate and public sector markets	2 786	348	572	3 706
Loss allowance for guarantees and undrawn credit facilities at 31.12.24	5	5	39	49
Net exposure to undrawn credit facilities and guarantees at 31.12.24	6 594	446	535	7 575

Note 13 Assets classified by IFRS 9 stage (cont.)

CONSOLIDATED

2023

	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost at 01.01.23	51 529	5 692	583	57 805
Transferred to Stage 1	1 407	– 1 367	– 40	0
Transferred to Stage 2	– 4 203	4 248	– 44	0
Transferred to Stage 3	– 120	– 318	438	0
New financial assets issued or acquired	15 515	2 253	35	17 802
Derecognised financial assets	– 13 402	– 1 610	– 169	– 15 181
Other changes	124	356	– 18	462
Gross loans at amortised cost at 31.12.23	50 850	9 254	784	60 888
Loss allowance for loans at amortised cost at 31.12.23	58	123	130	311
Net loans at amortised cost at 31.12.23	50 791	9 132	654	60 577

	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.12.23	2 880	507	12	3 398
Loss allowance for loans at fair value at 31.12.23	2	3	1	5
Net loans at fair value at 31.12.23	2 878	504	11	3 393

	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 31.12.23	53 729	9 761	796	64 286
Of which in the retail market	42 330	5 945	391	48 666
Of which in the corporate and public sector markets	11 399	3 817	405	15 621
Loss allowance for loans at 31.12.23	60	126	130	316
Net loans at 31.12.23	53 669	9 635	665	63 970

	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 31.12.23	6 832	421	27	7 280
Of which in the retail market	3 703	97	3	3 803
Of which in the corporate and public sector markets	3 129	324	24	3 477
Loss allowance for guarantees and undrawn credit facilities at 31.12.23	11	4	5	20
Net exposure to undrawn credit facilities and guarantees at 31.12.23	6 821	417	22	7 260

Note 13 Assets classified by IFRS 9 stage (cont.)

PARENT COMPANY

2024	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost and fair value at 01.01.24	29 017	6 198	546	35 760
Transferred to Stage 1	1 987	– 1 962	– 25	0
Transferred to Stage 2	– 1 653	1 673	– 19	0
Transferred to Stage 3	– 116	– 92	208	0
New financial assets issued or acquired	11 114	1 737	50	12 901
Derecognised financial assets	– 11 252	– 1 684	– 246	– 13 182
Other changes	– 1 104	– 250	– 28	– 1 382
Gross loans at amortised cost and fair value at 31.12.24	27 992	5 619	486	34 098
Loss allowance for loans at amortised cost and fair value at 31.12.24	32	99	112	243
Net loans at amortised cost and fair value at 31.12.24	27 960	5 520	374	33 854
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.12.24	3 783	707	47	4 537
Loss allowance for loans at fair value at 31.12.24	2	4	4	10
Net loans at fair value at 31.12.24	3 781	703	42	4 527
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 31.12.24	31 776	6 326	533	38 635
Of which in the retail market	19 788	2 675	232	22 695
Of which in the corporate and public sector markets	11 988	3 651	301	15 940
Total loss allowance for loans at 31.12.24	34	103	117	254
Total net loans at 31.12.24	31 742	6 223	417	38 381
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 31.12.24	4 393	393	574	5 360
Of which in the retail market	1 635	47	2	1 684
Of which in the corporate and public sector markets	2 758	346	572	3 675
Loss allowance for guarantees and undrawn credit facilities at 31.12.24	5	5	39	48
Net exposure to undrawn credit facilities and guarantees at 31.12.24	4 388	388	535	5 311

Note 13 Assets classified by IFRS 9 stage (cont.)

PARENT COMPANY

2023

	Stage 1	Stage 2	Stage 3	Total
Gross loans at amortised cost and fair value through OCI at 01.01.23	25 985	3 428	454	29 867
Transferred to Stage 1	910	– 880	– 30	0
Transferred to Stage 2	– 2 740	2 758	– 18	0
Transferred to Stage 3	– 48	– 230	278	0
New financial assets issued or acquired	12 333	1 955	23	14 311
Derecognised financial assets	– 6 959	– 968	– 140	– 8 066
Other changes	– 464	134	– 21	– 351
Gross loans at amortised cost and fair value through OCI at 31.12.23	29 017	6 198	546	35 760
Loss allowance for loans at amortised cost and fair value through OCI at 31.12.23	42	106	117	265
Net loans at amortised cost and fair value through OCI at 31.12.23	28 974	6 092	429	35 495
	Stage 1	Stage 2	Stage 3	Total
Gross loans at fair value at 31.12.23	2 880	507	12	3 398
Loss allowance for loans at fair value at 31.12.23	2	3	1	5
Net loans at fair value at 31.12.23	2 878	504	11	3 393
	Stage 1	Stage 2	Stage 3	Total
Total gross loans at 31.12.23	31 896	6 705	558	39 159
Of which in the retail market	20 710	2 963	163	23 836
Of which in the corporate and public sector markets	11 186	3 742	395	15 323
Total loss allowance for loans at 31.12.23	44	109	118	271
Total net loans at 31.12.23	31 852	6 596	440	38 888
	Stage 1	Stage 2	Stage 3	Total
Undrawn credit facilities and guarantees at 31.12.23	4 688	365	27	5 081
Of which in the retail market	1 592	43	3	1 639
Of which in the corporate and public sector markets	3 096	322	24	3 442
Loss allowance for guarantees and undrawn credit facilities at 31.12.23	11	4	5	19
Net exposure to undrawn credit facilities and guarantees at 31.12.23	4 678	361	22	5 062

Note 14 Loss allowances classified by IFRS 9 stage

When calculating expected credit losses, loans are split into three stages in line with the requirements in IFRS 9. When a loan is recognised, as a general rule it is allocated to Stage 1. If its credit risk has increased significantly since initial recognition, it is transferred to Stage 2. Assets in default are allocated to Stage 3. Where an individually assessed allowance has been made, this takes precedence over the impairment calculated by the model. Individually assessed allowances are included in Stage 3.

CONSOLIDATED

2024

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.24	58	123	130	311
Transferred to Stage 1	9	- 31	- 3	- 26
Transferred to Stage 2	- 6	38	- 3	28
Transferred to Stage 3	- 2	- 4	37	31
New financial assets issued or acquired	16	29	4	49
Derecognised financial assets	- 21	- 26	- 48	- 95
Changes to model/macroeconomic parameters	- 8	- 12	- 3	- 23
Actual losses covered by previous provisions	0	0	- 23	- 23
Other changes	- 9	- 8	34	17
Loss allowance for loans at amortised cost at 31.12.24	37	109	123	269
Loss allowance for loans at fair value at 31.12.24	3	5	4	12
Total loss allowance for loans at 31.12.24	40	113	128	281
<i>Of which in the retail market</i>	14	22	29	65
<i>Of which in the corporate and public sector markets</i>	26	91	99	216
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.24	11	4	5	20
Changes during the reporting period	- 6	1	34	29
Loss allowance for undrawn credit facilities and guarantees at 31.12.24	5	5	39	49
<i>Of which in the retail market</i>	0	0	0	0
<i>Of which in the corporate and public sector markets</i>	5	5	39	48

CONSOLIDATED

2023

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost at 01.01.23	58	136	112	306
Transferred to Stage 1	2	- 14	- 3	- 15
Transferred to Stage 2	- 9	54	- 3	42
Transferred to Stage 3	0	- 28	28	- 1
New financial assets issued or acquired	22	25	2	49
Derecognised financial assets	- 15	- 31	- 24	- 70
Changes to model/macroeconomic parameters	- 5	- 25	13	- 17
Actual losses covered by previous provisions	0	0	- 8	- 8
Other changes	5	6	14	25
Loss allowance for loans at amortised cost at 31.12.23	58	123	130	311
Loss allowance for loans at fair value at 31.12.23	2	3	1	5
Loss allowance for loans at 31.12.23	60	126	130	316
<i>Of which in the retail market</i>	17	31	25	73
<i>Of which in the corporate and public sector markets</i>	43	95	105	243
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.23	12	8	1	20
Changes during the reporting period	- 1	- 4	4	0
Loss allowance for undrawn credit facilities and guarantees at 31.12.23	11	4	5	20
<i>Of which in the retail market</i>	1	0	0	1
<i>Of which in the corporate and public sector markets</i>	10	4	4	19

Note 14 Loss allowances classified by IFRS 9 stage (cont.)

PARENT COMPANY

2024

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost and fair value at 01.01.24	42	106	117	265
Transferred to Stage 1	8	- 25	- 2	- 19
Transferred to Stage 2	- 5	33	- 2	26
Transferred to Stage 3	- 2	- 4	35	29
New financial assets issued or acquired	15	29	4	48
Derecognised financial assets	- 19	- 20	- 44	- 83
Changes to model/macroeconomic parameters	- 6	- 11	- 2	- 19
Actual losses covered by previous provisions	0	0	- 23	- 23
Other changes	- 1	- 10	30	19
Loss allowance for loans at amortised cost and fair value at 31.12.24	32	99	112	243
Loss allowance for loans at fair value at 31.12.24	2	4	4	10
Total loss allowance for loans at 31.12.24	34	103	117	254
Of which in the retail market	2	12	18	32
Of which in the corporate and public sector markets	32	91	99	222
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.24	11	4	5	19
Changes during the reporting period	- 5	1	34	29
Loss allowance for undrawn credit facilities and guarantees at 31.12.24	5	5	39	48
Of which in the retail market	0	0	0	0
Of which in the corporate and public sector markets	5	5	39	48

PARENT COMPANY

2023

	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for loans at amortised cost and fair value at 01.01.23	48	125	107	280
Transferred to Stage 1	0	- 2	0	- 2
Transferred to Stage 2	- 1	4	- 1	3
Transferred to Stage 3	0	- 1	4	3
New financial assets issued or acquired	21	23	1	46
Derecognised financial assets	- 13	- 28	- 22	- 63
Changes to model/macroeconomic parameters	3	5	6	14
Actual losses covered by previous provisions	0	0	- 8	- 8
Other changes	- 16	- 21	30	- 7
Loss allowance for loans at amortised cost and fair value at 31.12.23	42	106	117	265
Loss allowance for loans at fair value at 31.12.23	2	3	1	5
Total loss allowance for loans at 31.12.23	44	109	118	271
Of which in the retail market	1	14	13	29
Of which in the corporate and public sector markets	43	95	105	242
	Stage 1	Stage 2	Stage 3	Total
Opening loss allowance for undrawn credit facilities and guarantees at 01.01.23	11	8	1	20
Changes during the reporting period	- 1	- 4	4	- 1
Loss allowance for undrawn credit facilities and guarantees at 31.12.23	11	4	5	19
Of which in the retail market	0	0	0	0
Of which in the corporate and public sector markets	11	4	5	19

Note 15 Impairment loss on loans, guarantees and undrawn credit facilities

CONSOLIDATED	2024	2023
Increase/reduction in individually assessed allowances	16	19
Increase/reduction in model-based expected credit losses	- 18	- 13
Losses realised during period for which a loss allowance had previously been made	23	8
Losses realised during period for which a loss allowance had not previously been made	3	1
Recoveries against previous years' realised losses	- 4	- 3
Impairment loss for the period	19	13

Note 16 Macroeconomic scenarios in the impairment model under IFRS 9

Under IFRS 9, impairment allowances shall take into account expectations for future defaults and credit losses. Since 2018, a statistical model has been used to estimate how expected changes in macroeconomic parameters will affect the future probability of default. Due to the unusual macroeconomic situation over the past few years, the model is no longer sufficiently good at predicting the future probability of default. A qualitative assessment has therefore been made of what is likely to happen to the probability of default and collateral values over the next five years, based on forecasts in Norges Bank's monetary policy report.

Expected credit losses are calculated on the basis of three macroeconomic scenarios, with scenario 1 being the base scenario. In addition, there is an optimistic macroeconomic scenario (scenario 2) where the Norwegian economy performs better than expected, and a pessimistic macroeconomic scenario (scenario 3) where the Norwegian economy performs worse than expected.

The table below shows the future scenarios used to calculate expected credit losses at 31.12.2024.

Future scenarios for retail market used to measure estimated expected credit losses at 31.12.24	Probability of default starting from 31.12.2024					House prices	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Base scenario for retail market	2,00	1,80	1,60	1,40	1,20	5,1 %	50 %
Scenario 2: Optimistic scenario for retail market	1,50	1,35	1,20	1,05	0,86	6,1 %	25 %
Scenario 3: Pessimistic scenario for retail market	2,70	2,43	2,16	1,89	1,62	2,3 %	25 %

Future scenarios for corporate market used to measure estimated expected credit losses at 31.12.24	Probability of default starting from 31.12.2024					Collateral values	
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual average growth	Weighting of scenario
Scenario 1: Base scenario for corporate market	1,45	1,45	1,35	1,25	1,15	1,5 %	50 %
Scenario 2: Optimistic scenario for corporate market	1,23	1,23	1,15	1,06	0,92	3,0 %	25 %
Scenario 3: Pessimistic scenario for corporate market	1,96	1,96	1,82	1,69	1,55	- 1,7 %	25 %

Note 16 Macroeconomic scenarios in the impairment model under IFRS 9 (cont.)

Sensitivity analysis of changes to assumptions in impairment model under IFRS 9

The table below shows how sensitive the Bank's profitability would be to changes in the parameters presented above. For example, if we had put the probability of default in all of the scenarios 10% higher across the whole 5 years, expected credit losses would have been NOK 15 million higher. This would reduce pre-tax profit by an equivalent amount.

	Change to parameter	Impact on pre-tax profit/loss
Probability of default compared with central assumption	– 50 %	83
	– 20 %	32
	– 10 %	16
	+ 10 %	– 15
	+ 20 %	– 30
	+ 50 %	– 74
Annual change in house prices and collateral values	– 5 pp.	– 25
	– 2 pp.	– 9
	– 1 pp.	– 5
	+ 1 pp.	4
	+ 2 pp.	9
	+ 5 pp.	20

The table below shows the impact on pre-tax profit of changing the weighting of the optimistic and pessimistic scenarios. For example, if the pessimistic scenario were to be given a 35% weighting, and the optimistic scenario a 15% weighting, expected credit losses would be NOK 10 million higher. This would reduce pre-tax profit by an equivalent amount.

Weighting Scenario 1	Weighting Scenario 2	Weighting Scenario 3	Impact on pre-tax profit/loss
Base	Optimistic	Pessimistic	
50 %	5 %	45 %	– 20
50 %	15 %	35 %	– 10
50 %	35 %	15 %	10
50 %	45 %	5 %	20
100 %	0 %	0 %	10
0 %	100 %	0 %	41
0 %	0 %	100 %	– 61

Note 17 Receivables from, and liabilities to, credit institutions/central banks

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
		Loans and advances to credit institutions/central banks		
547	1 443	Sight loans and advances	411	534
2 593	2 592	Loans and advances with an agreed maturity or notice period	0	0
3 140	4 035	Total loans and advances to credit institutions, measured at amortised cost	411	534
		Debt to credit institutions		
229	112	Sight loans and advances from credit institutions	0	0
502	502	Loans and advances from credit institutions with an agreed maturity or notice period	502	502
730	614	Total debt to credit institutions, measured at amortised cost	502	502
		Term to maturity		
		Remaining term to maturity of debt to credit institutions		
229	112	Payable on request/less than one month	0	0
0	0	1–3 months	0	0
0	0	3 months–1 year	0	0
502	502	1–5 years	502	502
730	614	Total	502	502

Note 18 Market risk

Market risk is the risk of asset values changing due to fluctuations in financial markets. For SSF, this risk can be split into five components:

- Interest rate risk is the risk of losses due to changes in market interest rates
- Credit spread risk is the risk of losses due to changes in how financial markets price credit risk
- Currency risk is the risk of losses due to changes in exchange rates
- Equity risk is the risk of the Bank's shareholdings falling in value
- Property risk is the risk of losses due to changes in property prices

Market risk is primarily managed by the Bank's finance department, with the exception of currency risk, which is managed by the capital markets department. The Bank's positions are periodically reported to the Board of Directors, which has also set the limits on market risk. The limits reflect the Bank's risk management strategy, which states that it shall have low exposure to market risk.

The Bank has no trading portfolio, so it is only required to report market risk in accordance with Pillar II. Nevertheless, its holdings of shares and bonds require a capital allocation for Pillar I, consisting of provisions for credit risk.

The amount allocated for Pillar 2 has been calculated using the methods described in Appendix 3 to the Financial Supervisory Authority of Norway's circular 3/2022. These methods are largely based on stress testing to assess changes in market conditions that would have a negative impact on the value of the assets.

Total capital requirement	31.12.2024	31.12.2023
Credit spread risk	63	59
Equity risk	43	50
Interest rate risk	80	60
Currency risk	0	0
Property risk	8	0
Total	194	169

Our limits on currency risk exposure are low, and consequently, with the current methodology, no net provision is made for currency risk. For property risk, the carrying amount of the Bank's properties is lower than their market value, and even in a simulation where property prices fall 30%, as for the Pillar 2 calculation, the provision is zero. When calculating equity risk, a 45% decline in share prices is assumed. The capital allocation for credit spread risk relates to potential falls in the value of interest-bearing securities in the Bank's liquidity portfolio.

The Bank is naturally exposed to interest rate risk. The Bank uses standard interest rate swaps to manage its interest rate risk. The Bank uses short-term interest rate swaps that involve an element of interest rate risk, but it does not have financing in foreign currencies, basis swaps, complex derivatives or other options structures that complicate the calculation of interest rate risk.

To calculate the capital allocation, the Bank has followed the Financial Supervisory Authority of Norway's guidelines, which consist of 6 different scenarios for actual exposure plus one standard scenario based on the Bank making full use of its limits on exposure. The six scenarios produce the following net changes in the value of loans, borrowings and swaps, assuming an instantaneous change in interest rates:

	31.12.2024
Parallel upward shift, 2 p.p.	- 11
Parallel downward shift, 2 p.p.	12
Long-term interest rates up, 1.5 p.p.	- 3
Long-term interest rates down, 1.5 p.p.	1
Short-term interest rates up, 3 p.p.	- 5
Short-term interest rates down, 3 p.p.	5

The parallel shift involves a shift of 2 percentage point across the whole yield curve, the shift in long-term interest rates applies to the part of the yield curve beyond 7 years, and the shift in short-term interest rates applies to the part of the yield curve up to 0-2 years. The standard scenario based on the Bank making full use of its limits on exposure would give a maximum loss of NOK 80 million in the event of a 2 p.p. shift in interest rates. When calculating the capital allocation, it therefore makes most sense to assume a 2 p.p. parallel shift when the Bank is making full use of its limits on exposure. That results in a capital allocation of NOK 80 million.

Note 18 Market risk (cont.)

The capital allocation for interest rate risk also takes into account the interest rate risk associated with changes in net interest income if interest rates change. Based on the Bank's balance sheet at 31.12.2024, it is estimated that a rise in interest rates of this magnitude would boost profit after taxation by NOK 81 million. A 2 p.p. fall in interest rates would have a negative post-tax impact of NOK 81 million. The exposure of the Bank is normally such that the overall value of swaps, fixed-rate bonds and fixed-rate loans rises if interest rates fall. This means that the impacts on equity and net interest income act in different directions. Based on this assessment, the capital allocation of NOK 80 million for potential valuation losses on equity in the event of making full use of the limits on exposure should be a sufficient allocation for market risk.

Note 19 Liquidity risk

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Liquidity risk – remaining term to maturity as of 31.12.24	< 1 month	1–3 months	3–12 months	1–5 years	> 5 years	Perpetual loans	Total
Debt to credit institutions	0	7	20	527	0	0	554
Deposits from/debt to customers	32 259	3 974	2 530	49	0	0	38 811
Debt securities in issue	802	153	8 859	17 366	4 673	0	31 854
Non interest-bearing debt	0	131	131	0	0	302	564
Subordinated debt instruments	2	21	262	1 023	395	0	1 702
Unused credit facilities and loans not yet drawn	6 571	0	0	0	0	0	6 571
Financial derivatives, gross payments *)	1 112	275	756	2 149	737	0	5 029
Total payments	40 746	4 561	12 558	21 113	5 806	302	85 085
*) Financial derivatives, gross receipts	1 078	225	785	1 936	581	0	4 606
Financial derivatives, net (negative figure implies net receipts)	34	50	– 29	212	156	0	423

Liquidity risk – remaining term to maturity as of 31.12.23	< 1 month	1–3 months	3–12 months	1–5 years	> 5 years	Perpetual loans	Total
Debt to credit institutions	0	7	20	554	0	0	581
Deposits from/debt to customers	29 696	3 387	2 266	595	0	0	35 944
Debt securities in issue	328	145	4 885	22 070	6 091	0	33 518
Non interest-bearing debt	0	128	128	0	0	326	582
Subordinated debt instruments	5	15	354	998	0	0	1 372
Unused credit facilities and loans not yet drawn	5 358	0	0	0	0	0	5 358
Financial derivatives, gross payments *)	766	749	531	1 186	1 188	0	4 420
Total payments	36 153	4 431	8 183	25 403	7 279	326	81 776
*) Financial derivatives, gross receipts	737	703	521	1 237	996	0	4 194
Financial derivatives, net (negative figure implies net receipts)	30	46	9	– 51	192	0	227

Note 19 Liquidity risk (cont.)

PARENT COMPANY

Liquidity risk – remaining term to maturity as of 31.12.24	< 1 month	1–3 months	3–12 months	1–5 years	> 5 years	Perpetual loans	Total
Debt to credit institutions	112	7	20	527	0	0	666
Deposits from/debt to customers	32 418	3 974	2 530	49	0	0	38 970
Debt securities in issue	0	46	1 165	6 338	208	0	7 757
Non interest-bearing debt	0	102	102	0	0	583	786
Subordinated debt instruments	2	21	262	1 023	395	0	1 702
Unused credit facilities and loans not yet drawn	5 901	0	0	0	0	0	5 901
Financial derivatives, gross payments *)	1 121	290	978	2 884	1 178	0	6 451
Total payments	39 554	4 438	5 057	10 820	1 781	583	62 233
*) <i>Financial derivatives, gross receipts</i>	1 100	289	1 030	2 936	1 188	0	6 543
<i>Financial derivatives, net (negative figure implies net receipts)</i>	21	1	– 52	– 52	– 10	0	– 92

Liquidity risk – remaining term to maturity as of 31.12.23	< 1 month	1–3 months	3–12 months	1–5 years	> 5 years	Perpetual loans	Total
Debt to credit institutions	228	7	20	554	0	0	809
Deposits from/debt to customers	29 727	3 387	2 266	595	0	0	35 975
Debt securities in issue	230	36	2 494	6 450	475	0	9 685
Non interest-bearing debt	0	108	108	0	0	333	549
Subordinated debt instruments	5	15	354	998	0	0	1 372
Unused credit facilities and loans not yet drawn	6 650	0	0	0	0	0	6 650
Financial derivatives, gross payments *)	766	749	554	1 623	973	0	4 666
Total payments	37 606	4 302	5 796	10 221	1 449	333	59 707
*) <i>Financial derivatives, gross receipts</i>	737	716	557	1 616	939	0	4 566
<i>Financial derivatives, net (negative figure implies net receipts)</i>	30	33	– 3	7	34	0	100

The tables include interest, based on current interest rates on the reporting date, so it cannot be reconciled with the balance sheet.

Liquidity risk is the risk that the Bank cannot meet its payment obligations when they arise, or replace deposits that are withdrawn, resulting in the Group defaulting on its obligations. Liquidity risk is managed and measured using several methods.

The Board has established a framework that limits the proportion of the Bank's liabilities that mature within certain time periods, and goals for the long-term financing of illiquid assets (liquidity indicator). The Board has also established principles for a liquidity buffer.

Note 20 Net interest income

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
		Interest income		
205	189	Loans and advances to credit institutions, measured at amortised cost	32	27
996	1 098	Loans and advances to customers, measured at amortised cost	2 570	3 159
876	1 146	Loans and advances to customers at fair value through OCI	1 146	0
101	154	Loans and advances to customers, measured at fair value	174	104
314	454	Interest-bearing securities, measured at fair value	454	334
168	206	Other interest income	203	165
2 658	3 247	Total interest income	4 580	3 789
		Interest expenses		
38	45	Debt to credit institutions, measured at amortised cost	27	24
806	1 030	Customer deposits/advances, measured at amortised cost	1 029	806
90	190	Customer deposits/advances, measured at fair value	190	90
162	229	Debt securities in issue, measured at amortised cost	1 042	868
81	155	Debt securities in issue, measured at fair value	314	241
39	52	Subordinated debt, measured at amortised cost	52	39
- 12	- 14	Derivatives, measured at fair value	91	56
158	217	Other interest expenses	214	157
38	31	Contribution to the Norwegian Banks' Guarantee Fund	34	42
1 401	1 934	Total interest expenses	2 994	2 323
1 257	1 313	Net interest income	1 586	1 466

Note 21 Net commission income

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
82	85	Payment services	85	82
30	29	Securities services	29	30
16	16	Guarantee commissions	16	16
5	6	Currency services and international payments	6	5
19	20	Insurance services	20	19
15	13	Other commission income	16	17
167	169	Total commission income	171	170
1	1	Interbank fees	1	1
28	34	Payment services	34	28
5	5	Cash back Visa credit	5	5
34	39	Total commission expenses	39	34
134	130	Net commission income	132	136

Note 22 Net gains on financial instruments

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
13	17	Net gains/losses on foreign currency	17	13
28	- 4	Net gains/losses on financial derivatives	- 203	21
14	- 10	Net gains/losses on loans measured at fair value	- 29	14
4	- 8	Net gains/losses on deposits measured at fair value	- 8	4
16	16	Net gains/losses on commercial paper and bonds	17	15
171	324	Net gains/losses on shares	181	42
- 86	8	Net gains/losses on financial liabilities	212	- 75
0	63	Net profit/loss from ownership interests in joint ventures	72	0
160	405	Net gains/losses on financial instruments measured at fair value	259	34

Note 23 Other income

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
2	2	Income from property	1	1
1	1	Estate agency	31	29
8	8	Mortgage loan business	0	0
1	1	Other operating income	1	1
13	12	Total other income	33	31

Note 24 Operating expenses

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
195	224	Ordinary wages, salaries, fees, etc.	240	210
24	27	Pension expenses	29	26
44	52	Employer's NI contributions and financial services tax *	55	46
11	21	Other staff-related expenses *	21	12
274	324	Total wages, salaries, etc.	345	294
110	211	IT expenses	215	113
14	21	Marketing	27	19
35	49	Services bought	48	32
4	6	Postage and cash transport	6	4
6	7	Travel and training costs	8	6
17	22	Rent	15	9
- 13	- 14	Rent on IFRS 16 leases	- 7	- 7
9	9	Property expenses	18	9
2	3	Auditor's fee	4	3
36	34	Other operating expenses	39	40
219	349	Total other expenses	373	229
18	14	Depreciation of fixed assets and intangible assets	17	20
11	14	Depreciation of IFRS 16 leases	7	6
- 3	3	Gains/losses on the disposal of fixed assets	3	- 3
26	31	Depreciation and impairment of fixed assets and intangible assets	27	23
519	704	Total operating expenses	744	546

Note 25 Pension liabilities

General

The SpareBank 1 Sogn og Fjordane Group's pension schemes meet the Group's obligations under the Act relating to mandatory occupational pensions. The Group has the following pension schemes:

1. Defined contribution scheme

SpareBank 1 Sogn og Fjordane has a defined contribution pension scheme. The Group's contributions are 7% of ordinary wages up to 7.1 times the National Insurance Scheme's basic amount "G", and 15% of ordinary wages between 7.1 and 12 times "G". The contributions are paid into a defined contribution pension scheme provided by an insurance company. Employees are free to choose when they want to start receiving their pension, but it cannot be before they turn 62 or after they turn 75. The normal payout period is ten years. The pension contributions plus the accumulated return on them, less management fees, are the property of the individual employee, and pension funds can be inherited if the employee dies before his or her fund has been paid out. The defined contribution pension scheme is not included on the balance sheet. The pension expense for the scheme was NOK 17.2 million in 2024, excluding employer's national insurance contributions. The estimated expense for 2025 is NOK 18.1 million.

2. Compensatory pension

In conjunction with converting our defined benefit pension scheme into a defined contribution scheme in 2016, we agreed to compensate staff for the fact that their future pension funds would be lower than they would have been if the old scheme had been maintained. The compensation scheme is a separate defined contribution scheme (Norw.: driftspensjon) that was established on 01.06.2016. The pension fund is built up through an individually fixed contribution that is earned monthly in arrears. The annual contribution goes up by 2.81% each year. Accrued pension fund assets are paid out as a retirement pension. Accrued pension fund assets receive 5.0% in annual interest during the accumulation period, and interest at the prevailing rate on SpareBank 1 Sogn og Fjordane's savings accounts during the payout period. Accrued assets up to NOK 2.5G are paid out as income when the employee stops working. The total pension liability at 31.12.2024 was NOK 46 million plus employer's NI contributions and financial services tax, and a provision has been made for it in the financial statements. The total expense for 2024 was NOK 6.2 million excluding employer's NI contributions, and it is expected to be NOK 6.4 million for 2025.

3. Early retirement scheme (AFP)

SpareBank 1 Sogn og Fjordane has an early retirement scheme, known as an AFP scheme. For accounting purposes it is considered a multiemployer defined benefit scheme (Norw.: ytingsbasert fleirføretaksordning). The AFP scheme is funded through pension premiums, and it is recognised in the accounts as a defined contribution scheme, because the pension liability cannot be reliably measured. Consequently, no provision has been made on the balance sheet for the scheme. The AFP scheme allows employees to take early retirement on reaching the age of 62. The AFP scheme is based on a three-way collaboration between employers' organisations, employees' organisations and the state. The state covers 1/3 of AFP pension expense, while the employer covers the remaining 2/3. Participating entities are jointly and severally liable for 2/3 of the pension benefit payable. This liability applies in the event of both failure to make contributions and premiums proving to be insufficient. All of the Group's employees are covered by the scheme. If early retirement is taken, the annual benefit is calculated based on the employee's qualifying income up to 7.1G up to and including the year in which they turn 61. The scheme is run by the joint AFP administration, which also determines and collects the premiums. In 2024 the premium was 2.7% of salary between 1G and 7.1G, and the premium has been raised from 2.6% in 2023. The total cost of the scheme in 2024 was NOK 5.2 million excl. employer's NI contributions and financial services tax, and we estimate that the cost next year will be NOK 5.5 million.

4. Agreement with former CEO (unfunded)

Supplementary pension

The former CEO, Arvid Andenæs, left the company on 31.03.2016. He is entitled to a supplementary pension which he will continue to receive annually until reaching the age of 82. NOK 6.7 million of the Bank's pension liabilities at 31.12.2024 related to this pension.

Note 25 Pension liabilities (cont.)

5. Agreement with current CEO (funded)

The current CEO took up his position on 01.04.2016. He is covered by the Group's normal pension schemes, as well as having a supplementary defined contribution scheme and disability pension. Under the agreement for the supplementary defined contribution scheme, the Bank pays an annual pension contribution equivalent to 25% of his basic salary. In order to reduce financial risk and simplify the accounting arrangements, the Bank invests an amount equivalent to the pension contributions in unit trusts through an asset management firm. The supplementary disability pension entitles him to a disability pension equivalent to 70% of his basic salary over and above 12G. The disability pension becomes payable if he is incapable of work for more than 12 months and runs until the month in which he turns 67. The disability pension benefits are guaranteed through insurance premiums paid to an insurance company. The cost of the CEO's pension schemes is shown in Note 26.

Economic assumptions

The Bank used the Norwegian Accounting Standards Board's assumptions at 31.12.2024 to calculate the liability related to the unfunded agreement with the former CEO.

Parent company and consolidated figures

There is little difference between the parent company and consolidated figures. We have therefore chosen to only show the consolidated figures.

CONSOLIDATED

Economic assumptions for actuarial estimate of agreement with former CEO	2024	2023
Discount rate	3,90 %	3,70 %
Adjustment of the National Insurance Scheme's basic amount "G"	3,75 %	3,50 %
Adjustment of existing pensions	0,00 %	0,00 %
Employer's NI contributions and 5% financial services tax (average rate)	18,9 %	18,9 %

Demographic assumptions

Life table	K2013 BE	K2013 BE
Life table (disability)	IR02	IR02

ALL AMOUNTS IN MILLIONS OF NOK

Cost of the various pension schemes	2024	2023
Defined contribution scheme (DNB Liv)	17	16
Compensatory pension (unfunded)	6	6
AFP contributions and other pension schemes	5	4
Net pension cost	29	26

CONSOLIDATED

PENSION LIABILITIES ON THE BALANCE SHEET	31.12.24	31.12.23
Opening balance	8	9
Pension benefits paid	- 1	- 1
Remeasurements	0	- 1
Total actuarial liabilities at 31 Dec.	7	8
Compensatory pension and other unfunded pension liabilities at 31 Dec.	46	41
Total pension liabilities at 31 Dec. incl. compensatory pension	53	49
Closing balance of pension fund assets at 31 Dec.	0	0
Net pension liabilities (pension liabilities - pension fund assets)	53	49

Note 26 Wages, salaries, etc.

Salaries, fees and other compensation of senior management, directors and committee members:

FIGURES IN 000S OF NOK

	Fees	Wages and salaries	Benefits in kind	Total compensation	Loans at 31.12.24	Accrued pension expense*
The Board of SpareBank 1 Sogn og Fjordane						
Lise Mari Haugen, Chair	343	0	1	343	3 926	0
Magny Øvrebø, Deputy Chair	245	0	2	247	0	0
Johnny Haugsbakk, member	189	0	0	189	133	0
Geir Opseth, member until 22.03.24	56	0	0	56	0	0
Monica Rydland, member until 22.03.24	50	0	1	51	3 181	0
Kristian Skibenes, member	196	0	1	196	4 356	0
Silje Skaar Sunde, member since 22.03.24	138	0	0	138	8 743	0
Vegard Strand, member since 22.03.24	143	0	0	143	786	0
Jan Nikolai Hvidsten, deputy	53	0	0	53	0	0
Helene Gåsemyr, deputy employee representative	23	793	65	880	1 216	55
Ole-Hermann Rognsøy, employee representative since 22.03.24	130	878	104	1 113	5 874	81
Camilla Chruickshank Holvik, employee representative until 31.12.24	185	812	67	1 064	0	58
Ole Martin Eide, employee representative until 22.03.24	38	956	69	1 063	1 298	81
Total for Board of Directors	1 789	3 439	310	5 538	29 514	275
Senior management team						
Trond Teigene, CEO	0	3 412	340	3 751	12 930	1 249
Frode Vasseth, CFO	0	1 755	282	2 036	6 043	238
Roy Stian Farsund, Corporate Banking Director	0	1 589	310	1 899	3 746	240
Linda Vøllestad Westbye, Retail Banking Director	0	1 419	248	1 667	12 906	147
Eirik Rostad Ness, HR Director	0	1 301	174	1 475	1 073	180
Johanne Viken Sandnes, Director of Communications	0	1 302	204	1 506	4 436	122
Jill Aasen Hole, Acting Technology Director	0	970	81	1 051	3 812	86
Reiel Haugland, Project Manager for SB1 project	0	1 582	286	1 867	7 676	196
Total for senior management team	0	13 329	1 925	15 254	52 623	2 458
Other senior roles						
Harald Slettvoll, Director of Risk Management and Compliance	6	1 272	180	1 457	1 615	179
Total for AGM delegates	321			321	28 718	
Total loans to other employees					710 417	

Pension expenses are presented exclusive of employer's NICs in the same way as the other forms of compensation presented in this note.

Note 26 Wages, salaries, etc. (cont.)

Evaluation of Board of Directors' compensation

Board fees are proposed by the election committee and adopted by the AGM. The Bank's Board fees are considered reasonable and within the normal range for the industry.

Details of variable compensation for managers

No directors, committee members or managers are entitled to variable compensation on terms that are better than those that apply to all of the Bank's employees, and the terms should not provide incentives for taking risks.

Details of CEO's special benefits

The CEO is entitled to a supplementary defined contribution pension scheme and a disability pension scheme. The schemes are described in greater detail in Note 25 "Pension liabilities".

The CEO is also entitled to severance pay for up to 12 months. In accordance with the Working Environment Act, Chapter 15, Section 15-16 (2), from the age of 65 onwards the position is not covered by the standard protections against dismissal.

Savings programme for employees and directors

The savings programme is available annually to all permanent employees. It allows employees to buy up to 1,000 equity certificates per year. The savings programme includes an option plan, where the first 150 certificates entitle them to bonus certificates at the end of a two-year lock-in period. This is dependent on the employees still owning the equity certificates and still being employed at the Group. 234 of the Group's permanent employees chose to participate in the savings programme in 2024, compared with 219 the previous year.

A provision has been made in the financial statements at 31.12.2024 for the Group's liability for allocating future equity certificates.

PARENT COMPANY		FIGURES IN 000S OF NOK	CONSOLIDATED	
2023	2024		2024	2023
193 360	222 038	WAGES, SALARIES, ETC.	237 854	208 386
2 039	2 143	Wages, salaries and other cash benefits*	2 188	2 079
24 359	26 708	Directors and AGM delegates' fees	28 689	26 149
43 579	52 110	Pension expenses*	54 678	45 930
11 054	20 734	Employer's NI contributions and financial services tax*	21 136	11 573
274 390	323 733	Other social security costs:	344 546	294 118
		Total		
2023	2024	AUDITOR'S FEES	2024	2023
906	1 018	Statutory audits	1 177	1 122
		Other services not related to auditing:		
5	0	– accreditation services	0	45
0	0	– inspection of mortgage subsidiary	0	87
97	102	– other	102	97
1 008	1 120	Total *	1 279	1 351

* NOK 23,920 of which is exclusive of VAT (consolidated)

		INSPECTION FEES		
0	0	Inspection of mortgage subsidiary	264	112
0	0	Total	264	112
2023	2024	INTERNAL AUDITOR'S FEES	2024	2023
1 515	1 937	Internal auditing	1 937	1 515
20 916	15 906	Other services	16 053	20 916
22 431	17 843	Total *	17 990	22 431

Note 27 Tax expense

PARENT COMPANY			CONSOLIDATED	
2023	2024	Tax expense	2024	2023
211	196	Tax payable on taxable income	255	251
1	1	Shortfall (+)/surplus (-) calculated last year	1	1
3	- 4	Changes to deferred tax	- 8	4
214	193	Tax payable on income	248	256
5	7	Tax payable on assets	7	5
219	200	Tax expense	255	261
Reconciliation of nominal and actual tax rates				
1 051	1 118	Profit/loss before taxation	1 246	1 108
263	280	Estimated income tax based on nominal tax rate (see comment)	304	271
Tax impact of the following items:				
- 1	- 1	Shortfall/surplus calculated in previous years	- 1	- 1
1	1	Non-deductible expenses	1	1
- 19	- 40	Other permanent differences related to shares	- 40	- 19
- 32	- 36	Dividends from companies in Group	0	0
3	- 10	Other differences	- 9	4
214	193	Tax payable on income	255	256
20,4 %	17,2 %	Effective tax rate	20,4 %	23,1 %
Change in capitalised deferred tax assets/(liabilities)				
29	26	Deferred tax assets/(liabilities) at 1 January	16	20
- 3	4	Change recognised in profit or loss	8	- 4
0	0	Other changes	0	0
26	31	Deferred tax assets (+) deferred tax liabilities (-) at 31 December	24	16
Deferred tax assets and liabilities on the balance sheet relate to the following temporary differences				
8	6	Fixed assets	- 5	5
5	9	Financial instruments	6	- 1
13	15	Net pension liabilities	15	14
- 1	- 1	Other differences	7	- 3
26	31	Net deferred tax assets (+)/deferred tax liabilities (-)	24	16
Deferred tax in the income statement relates to the following temporary differences				
- 1	- 2	Fixed assets	6	- 1
3	- 4	Financial instruments	- 7	5
1	1	Net pension liabilities	1	1
0	1	Other differences	- 8	0
3	- 4	Changes in deferred tax through income statement	- 8	4

Comments:

Deferred tax assets are only recognised to the extent that it is probable that it will be possible to offset them against future taxable income.

The parent company's tax rate for tax payable and deferred tax was 25% for both years. The subsidiaries' tax rate was 22% for both years, both for tax payable and deferred tax.

Note 28 Fair value of financial instruments

Method used to calculate fair value of financial instruments

Financial instruments at fair value

See Note 1 Accounting Principles.

Financial instruments measured at amortised cost

Market prices are used to price loans and receivables from credit institutions and loans to customers. The value of loans that have been impaired is determined by discounting future cash flows using the internal rate of return based on market conditions for equivalent loans that have not been impaired. For a more detailed explanation of the valuation principles used for loans measured at amortised cost, please refer to Note 1 Accounting principles.

The fair value of short-term liabilities to credit institutions is estimated as being their amortised cost. Long-term liabilities to credit institutions are measured at fair value based on an equivalent interest rate to the one paid by the Bank on its own bonds.

Off balance sheet obligations and guarantees

Other off balance sheet obligations and guarantees are measured at their nominal value. The fair value is shown on the balance sheet under provisions. Mortgaged assets are measured at fair value, cf. Note 1 Accounting principles.

Fair value of financial instruments measured at amortised cost

		Carrying amount 31.12.24	Fair value 31.12.24	Carrying amount 31.12.23	Fair value 31.12.23
CONSOLIDATED					
ASSETS					
Cash and cash equivalents	3	12	12	18	18
Loans and advances to credit institutions/ central banks	3, 17	411	411	534	534
Loans to customers	3, 7-14	41 463	41 463	60 577	60 577
Total financial assets measured at amortised cost		41 886	41 886	61 129	61 129
LIABILITIES					
Debt to credit institutions	3, 17	502	502	502	502
Deposits from and debt to customers	3, 37	34 058	34 058	32 327	32 327
Debt securities in issue	3, 38	19 774	19 806	19 965	20 003
Subordinated debt instruments	3, 40	803	803	705	705
Total financial liabilities measured at amortised cost		55 138	55 170	53 500	53 538
Off balance sheet obligations and guarantees					
Guarantees	42	1 295	1 295	1 030	1 030
MORTGAGED ASSETS					
Pantsetjinger **)		0	0	0	0

**) Mortgaged assets are bonds and commercial paper mortgaged with Norges Bank as security for F-loans on the reporting date.

Note 28 Fair value of financial instruments (cont.)

		Carrying amount 31.12.24	Fair value 31.12.24	Carrying amount 31.12.23	Fair value 31.12.23
PARENT COMPANY					
ASSETS					
Cash and cash equivalents	3	12	12	18	18
Loans and advances to credit institutions/ central banks	3, 17	4 035	4 035	3 140	3 140
Loans to customers	3, 7-14	17 820	17 820	17 725	17 725
Total financial assets measured at amortised cost		21 868	21 868	20 883	20 883
LIABILITIES					
Debt to credit institutions	3, 17	614	614	731	731
Deposits from and debt to customers	3, 37	34 217	34 217	32 358	32 358
Debt securities in issue	3, 38	3 018	3 034	4 231	4 259
Subordinated debt instruments	3, 40	803	803	705	705
Total financial liabilities measured at amortised cost		38 653	38 669	38 026	38 054
Off balance sheet obligations and guarantees					
Obligations		0	0	0	0
Guarantees	42	1 295	1 295	1 030	1 030
MORTGAGED ASSETS					
Mortgages **)		0	0	0	0

**) Mortgaged assets are bonds and commercial paper mortgaged with Norges Bank as security for F-loans on the reporting date.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE**Classification by level**

Assets and liabilities measured at fair value shall be classified according to how reliable the fair value estimate is. There are three classification levels, with level 1 assets having prices quoted in active markets. Level 2 valuations are directly or indirectly based on observable prices for similar assets. Level 3 valuations are not based on observable prices, and instead rely on e.g. our own valuation models.

	Note	Level 1	Level 2	Level 3	Total
CONSOLIDATED, 2024					
Loans to customers measured at fair value	3, 7-14	0	0	6 915	6 915
Loans to customers through OCI	3, 7-14	0	0	16 034	16 034
Commercial paper and bonds	3, 29	151	9 850	0	10 001
Financial derivatives	3, 30	0	417	0	417
Shares	3, 31	0	10	473	483
Total financial assets measured at fair value		151	10 277	23 422	33 850
Deposits from and debt to customers at fair value	3, 37	0	0	4 538	4 538
Debt securities measured at fair value	3, 38	0	3 828	0	3 828
Debt securities in issue used as hedging instruments	3, 49	0	4 592	0	4 592
Financial derivatives	3, 30	0	789	0	789
Total financial liabilities measured at fair value		0	9 209	4 538	13 747
CONSOLIDATED, 2023					
Loans to customers measured at fair value	3, 7-14	0	0	3 393	3 393
Commercial paper and bonds	3, 29	0	7 627	0	7 627
Financial derivatives	3, 30	0	413	0	413
Shares	3, 31	0	375	359	734
Total financial assets measured at fair value		0	8 416	3 752	12 167
Deposits from and debt to customers at fair value	3, 37	0	0	3 469	3 469
Debt securities measured at fair value	3, 38	0	3 288	0	3 288
Debt securities in issue used as hedging instruments	3, 49	0	4 787	0	4 787
Financial derivatives	3, 30	0	614	0	614
Total financial liabilities measured at fair value		0	8 689	3 469	12 158

Note 28 Fair value of financial instruments (cont.)

PARENT COMPANY, 2024	Note	Level 1	Level 2	Level 3	Total
Loans to customers measured at fair value	3, 7-14	0	0	4 527	4 527
Loans to customers through OCI	3, 7-14	0	0	16 034	16 034
Commercial paper and bonds	3, 29	0	8 283	0	8 283
Financial derivatives	3, 30	0	916	0	916
Shares	3, 31	0	10	473	483
Total financial assets measured at fair value		0	9 209	21 034	30 244

Deposits from and debt to customers at fair value	3, 37	0	0	4 538	4 538
Debt securities measured at fair value	3, 38	0	3 828	0	3 828
Financial derivatives	3, 30	0	827	0	827
Total financial liabilities measured at fair value		0	4 654	4 538	9 193

PARENT COMPANY, 2023	Note	Level 1	Level 2	Level 3	Total
Loans to customers measured at fair value	3, 7-14	0	0	3 393	3 393
Loans to customers through OCI	3, 7-14	0	0	17 770	17 770
Commercial paper and bonds	3, 29	0	7 194	0	7 194
Financial derivatives	3, 30	0	741	0	741
Shares	3, 31	0	375	359	734
Total financial assets measured at fair value		0	8 310	21 522	29 832

Deposits from and debt to customers at fair value	3, 37	0	0	3 469	3 469
Debt securities measured at fair value	3, 38	0	3 288	0	3 288
Financial derivatives	3, 30	0	669	0	669
Total financial liabilities measured at fair value		0	3 957	3 469	7 426

Breakdown of changes in level 3 in 2024	Loans to customers	Loans to customers through OCI	Shares	Deposits from and debt to customers
CONSOLIDATED				
Opening balance	3 393	0	359	3 469
Gains or losses	- 29	0	- 20	8
through profit or loss	0	0	0	0
recognised in equity	0	0	0	0
Acquisitions over the period	3 551	16 034	201	1 061
Sales/redemptions over the period	0	0	- 67	0
Moved into level 3	0	0	0	0
Moved out of level 3	0	0	0	0
Closing balance	6 915	16 034	473	4 538

	Loans to customers	Loans to customers through OCI	Shares	Deposits from and debt to customers
PARENT COMPANY				
Opening balance	3 393	17 770	359	3 469
Gains or losses	10	0	- 20	8
through profit or loss	0	0	0	0
recognised in equity	0	0	0	0
Acquisitions over the period	1 124	0	201	1 061
Sales/redemptions over the period	0	- 1 736	- 67	0
Moved into level 3	0	0	0	0
Moved out of level 3	0	0	0	0
Closing balance	4 527	16 034	473	4 538

Note 28 Fair value of financial instruments (cont.)

Loans to customers and customer deposits measured at fair value comprise fixed-rate loans and deposits. The acquisitions/purchases or sales/redemptions shown for the period represent the net change excluding changes in market value. Fixed-rate deposits and fixed-rate loans are valued based on discounted cash flows. The discount rate that we use is supposed to represent the interest rate on an equivalent new product issued at the reporting date, with the same term and cash flow. To help us value retail loans, we use the fixed rates offered by a representative sample of our competitors. For the corporate market we use our own internal calculation models for those products.

Sensitivity analysis, level 3

For fixed-rate deposits the average remaining term is approximately 0.3 years. Using a simple duration-based approach, a 1% fall in interest rates will increase the value of our fixed-rate deposits by approximately NOK 14.7 million. For fixed-rate loans the weighted average remaining term is approx. 2.9 years. Calculated simply, a 1% rise in the discount rate will reduce the value of our fixed-rate loans by approximately NOK 199.8 million.

Shares defined as level 3 assets are not listed on a stock exchange, have no known transactions and are shares for which the Bank has no observable assets that can be used for valuation purposes. In such cases we use our own valuations based on discounted cash flows or an analysis of key figures. For companies valued using a cash flow model, a required rate of return on equity of 10.7% has been used. A 10% reduction in the price to book ratio of a company valued using key figures and a 1 percentage point increase in the required rate of return in the cash flow models would cut the value by approximately NOK 36.5 million.

Note 29 Bonds, commercial paper and other interest-bearing securities

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
2 075	2 108	Government and state-owned enterprises	2 680	2 251
5 097	6 142	Covered bonds	7 288	5 354
22	33	Other bonds/commercial paper	33	22
7 194	8 283	Total securities at fair value	10 001	7 627
7 172	8 250	Stock exchange listed securities	9 968	7 605
22	33	Unlisted securities	33	22
7 194	8 283	Total	10 001	7 627
0,15	0,13	Modified duration (years)	0,13	0,15
5,39	5,43	Weighted average effective interest rate	5,35	5,38

Maturity structure of investments in bonds and commercial paper

PARENT COMPANY				CONSOLIDATED		
Carrying amount		Face value		Face value	Carrying amount	
2023	2024	2024	Maturity year	2024	2024	2023
645	0	0	2024			645
1 671	1 114	1 106	2025	1 911	1 925	1 827
1 638	2 349	2 321	2026	2 600	2 633	1 740
1 912	2 653	2 599	2027	2 935	3 002	2 017
1 305	1 689	1 672	2028	1 742	1 760	1 376
0	445	440	2029	642	648	0
5	0	0	2033	0	0	5
18	33	32	2034	32	33	18
7 194	8 283	8 170	Sum	9 862	10 001	7 627

All securities are NOK-denominated.

The weighting used to calculate the average effective interest rate for the whole portfolio is based on the individual security's share of the overall interest rate sensitivity.

The Board of Directors of SpareBank 1 Sogn og Fjordane has decided that at least 60% of its investments in securities shall have a rating of AAA/government-backed and a maximum of 40% shall have an AA rating.

At 31.12.2024, 99.00% of its investments were in AAA/government-backed securities.

Note 30 Financial derivatives

SpareBank 1 Sogn og Fjordane trades in financial derivatives in conjunction with hedging and managing market risk and in its dealings with customers.

	Total nominal values	2024 Positive market value	Negative market value	Total nominal values	2023 Positive market value	Negative market value
CONSOLIDATED						
Interest rate contracts						
Swaps	21 020	409	780	16 225	393	602
Total interest rate contracts	21 020	409	780	16 225	393	602
Foreign exchange contracts						
Forwards and swaps	1 209	9	9	1 365	20	12
Total foreign exchange contracts	1 209	9	9	1 365	20	12
Total financial derivatives	22 229	417	789	17 590	413	614
	Total nominal values	2024 Positive market value	Negative market value	Total nominal values	2023 Positive market value	Negative market value
PARENT COMPANY						
Interest rate contracts						
Swaps	28 160	907	818	21 250	721	656
Total interest rate contracts	28 160	907	818	21 250	721	656
Foreign exchange contracts						
Forwards and swaps	1 209	9	9	1 365	20	12
Total foreign exchange contracts	1 209	9	9	1 365	20	12
Total financial derivatives	29 369	916	827	22 615	741	669

Note 31 Shares

PARENT COMPANY			CONSOLIDATED	
2023	2024	Shares measured at fair value	2024	2023
3	4	Stock exchange listed shares	4	3
731	478	Unlisted shares	478	731
734	483	Total shares measured at fair value	483	734

2024

Breakdown of shares

FIGURES IN 000S OF NOK

Shares measured at fair value		Market value/ carrying amount
Financial institutions, listed	Number of shares	
Visa Inc.	1 132	4 065
Financial institutions, listed		4 065
Financial institutions, unlisted		
SpareBank 1 Finans Midt-Norge AS	10 665	136 570
SpareBank 1 Betaling AS	1 516 874	95 373
SpareBank 1 Boligkreditt AS	786 157	117 924
Eksportfinans ASA	3 478	56 524
Eiendomskreditt AS	348 955	41 787
Kredittforeningen for Sparebanker	3 220	4 139
Visa Norge		9 570
Financial institutions, unlisted		461 887
Other unlisted companies		
Hotel Alexandra AS	15 000	13 674
Other unlisted shares		2 932
Other unlisted companies		16 605
Total shares measured at fair value		482 557

2023

Breakdown of shares

FIGURES IN 000S OF NOK

Shares measured at fair value		Market value/ carrying amount
Financial institutions, listed	Number of shares	
Visa Inc.	1 132	2 998
Financial institutions, listed		2 998
Financial institutions, unlisted		
Frende Holding AS	667 683	365 603
SpareBank 1 Finans Midt-Norge AS	9 720	118 662
SpareBank 1 Mobilitet AS	81	8
Eksportfinans ASA	3 478	68 611
Eiendomskreditt AS	348 955	52 010
Balder Betaling AS	3 110 665	95 373
Kredittforeningen for Sparebanker	3 220	3 967
Visa Norge		9 647
Financial institutions, unlisted		713 882
Other unlisted companies		
Hotel Alexandra AS	15 000	12 587
Other unlisted shares		4 683
Other unlisted companies		17 270
Total shares measured at fair value		734 150

Note 32 Subsidiaries, associates and joint ventures

PARENT COMPANY			CONSOLIDATED	
2023	2024	Subsidiaries	2024	2023
2 212	2 212	Balance at 1 January	0	0
159	0	Acquired/revaluation gains	0	0
0	0	Disposed of	0	0
2 371	2 212	Balance at 31 December	0	0
PARENT COMPANY			CONSOLIDATED	
2023	2024	Associates and joint ventures	2024	2023
3	0	Balance at 1 January	0	3
0	880	Acquired	815	0
- 2	0	Disposed of	0	- 2
0	0	Fair value adjustment	72	0
0	0	Reclassification	2	0
0	0	Dividend paid	0	0
0	880	Carrying amount at 31 December	889	0

PARENT COMPANY						
Ownership interest/share of voting rights						
SUBSIDIARIES	Carrying amount	Assets	Liabilities	Revenue	Profit	
Bankeigedom Sogn og Fjordane AS	100 %	213	213	17	8	- 2
Eiendomsmegler 1 Sogn og Fjordane AS	100 %	8	23	9	33	- 1
Bustadkreditt Sogn og Fjordane AS	100 %	2 150	27 898	25 535	260	199
Investments in subsidiaries		2 371	28 133	25 562	302	196

Allocated dividends from subsidiaries are included on the balance sheet as equity in accordance with IFRS.

Loans to, and deposits from, subsidiaries at 31.12.24:	Bonds	Loans	Deposits	Interest paid on loans	Interest received on deposits
Bankeigedom Sogn og Fjordane AS		0	148	0	1
Eiendomsmegler 1 Sogn og Fjordane AS		0	11	0	0
Bustadkreditt Sogn og Fjordane AS	0	3 624	112	191	17
Total loans to, and deposits from, subsidiaries	0	3 624	271	191	19

ASSOCIATES AND JOINT VENTURES

2024	Parent company's share of equity	Owner-ship interest in %	Number of shares	Histori-cal cost	Carrying amount	Divi-dends received
PARENT COMPANY						
Samarbeidende Sparebanker AS	449	18,37 %	170 939	738	801	0
SpareBank 1 Samspar AS	5	18,07 %	160 335	42	42	0
Samarbeidende Sparebanker Utvikling DA	33	21,81 %	27 868 739	35	35	0
Sogn og Fjordane Fondet AS	2	30,00 %	72	2	2	0
Total	489			817	880	0

2024	Carrying amount of assets	Liabilities	Share of profit
CONSOLIDATED			
Samarbeidende Sparebanker AS	810	0	15
SpareBank 1 Samspar AS	42	0	0
Samarbeidende Sparebanker Utvikling DA	35	0	0
Sogn og Fjordane Fondet AS	2	0	0
Total for associates and joint ventures	889	0	15

Joint ventures associated with Samarbeidende Sparebanker are accounted for at their historical cost at the parent company and using the equity method in the consolidated financial statements. The profit or loss of the companies is recognised from the acquisition date.

Note 33 Intangible assets and goodwill

2024

CONSOLIDATED	Software	Goodwill	Total
Carrying amount at 01.01.24	8	2	9
Acquired	6	0	6
Disposed of	- 3	0	- 3
Depreciation and impairment of assets	- 5	0	- 5
Carrying amount at 31.12.24	5	2	7
Acquisition cost	150	22	172
Accumulated depreciation and impairment losses	- 145	- 21	- 165
Carrying amount at 31.12.24	5	2	7
Useful life	3-5 years		
Depreciation method	Linear		

PARENT COMPANY	Software	Goodwill	Total
Carrying amount at 01.01.24	8	0	8
Acquired	6	0	6
Disposed of	- 3	0	- 3
Depreciation and impairment of assets	- 5	0	- 5
Carrying amount at 31.12.24	5	0	5
Acquisition cost	150	21	170
Accumulated depreciation and impairment losses	- 145	- 21	- 165
Carrying amount at 31.12.24	5	0	5
Useful life	3-5 years		
Depreciation method	Linear		

Goodwill

The goodwill on the balance sheet relates to the acquisition of Sogn Eigedomskontor in 2007, the merger with Fjaler Sparebank in 2010 and the acquisition of a portfolio of residential mortgage loans in 2018.

2023

CONSOLIDATED	Software	Goodwill	Total
Carrying amount at 01.01.23	11	5	16
Acquired	5	0	5
Disposed of	0	0	0
Depreciation and impairment of assets	- 8	- 3	- 11
Carrying amount at 31.12.23	8	2	9
Acquisition cost	154	22	177
Accumulated depreciation and impairment losses	- 147	- 21	- 167
Carrying amount at 31.12.23	8	2	9
Useful life	3-5 years		
Depreciation method	Linear		

PARENT COMPANY	Software	Goodwill	Total
Carrying amount at 01.01.23	11	3	14
Acquired	5	0	5
Disposed of	0	0	0
Depreciation and impairment of assets	- 8	- 3	- 11
Carrying amount at 31.12.23	8	0	8
Acquisition cost	152	21	173
Accumulated depreciation and impairment losses	- 145	- 21	- 165
Carrying amount at 31.12.23	8	0	8
Useful life	3-5 years		
Depreciation method	Linear		

Goodwill

The goodwill on the balance sheet relates to the acquisition of Sogn Eigedomskontor in 2007, the merger with Fjaler Sparebank in 2010 and the acquisition of a portfolio of residential mortgage loans in 2018.

Note 34 Fixed assets

2024		Buildings and other real property	Machinery, fixtures, fittings and vehicles	Total
CONSOLIDATED				
Carrying amount at 01.01.24		56	19	75
Acquired		40	7	47
Disposed of		0	0	0
Depreciation		– 5	– 7	– 12
Carrying amount at 31.12.24		91	19	110
Acquisition cost		149	75	224
Accumulated depreciation and impairment losses		– 58	– 56	– 115
Carrying amount at 31.12.24		91	19	110
Useful life		20–30 years	3–8 years	
Depreciation method		Linear	Linear	

The total fixed assets on the balance sheet at 31 December must be viewed in conjunction with Note 35 (IFRS 16).

		Buildings and other real property	Machinery, fixtures, fittings and vehicles	Total
PARENT COMPANY				
Carrying amount at 01.01.24		27	18	45
Acquired		1	7	8
Disposed of		0	0	0
Depreciation		– 2	– 7	– 9
Carrying amount at 31.12.24		27	18	45
Acquisition cost		42	73	115
Accumulated depreciation and impairment losses		– 15	– 55	– 70
Carrying amount at 31.12.24		27	18	45
Useful life		20–30 years	3–8 years	
Depreciation method		Linear	Linear	

2023		Buildings and other real property	Machinery, fixtures, fittings and vehicles	Total
CONSOLIDATED				
Carrying amount at 01.01.23		56	13	69
Acquired		4	12	16
Disposed of		– 1	– 1	– 2
Depreciation		– 3	– 5	– 8
Carrying amount at 31.12.23		56	19	75
Acquisition cost		109	71	180
Accumulated depreciation and impairment losses		– 53	– 52	– 105
Carrying amount at 31.12.23		56	19	75
Useful life		20–30 years	3–8 years	
Depreciation method		Linear	Linear	

The total fixed assets on the balance sheet at 31 December must be viewed in conjunction with Note 35 (IFRS 16).

		Buildings and other real property	Machinery, fixtures, fittings and vehicles	Total
PARENT COMPANY				
Carrying amount at 01.01.23		26	12	38
Acquired		4	11	15
Disposed of		– 1	– 1	– 1
Depreciation		– 2	– 5	– 7
Carrying amount at 31.12.23		27	18	45
Acquisition cost		41	68	109
Accumulated depreciation and impairment losses		– 13	– 50	– 64
Carrying amount at 31.12.23		27	18	45
Useful life		20–30 years	3–8 years	
Depreciation method		Linear	Linear	

Note 35 IFRS 16 Leases

CONSOLIDATED

Right-of-use assets

The Group's leased assets include office premises and vehicles. The Group's right-of-use assets are classified and presented in the table below:

	2024			2023		
	Buildings/ offices	Vehicles	Total	Buildings/ offices	Vehicles	Total
Right-of-use assets						
Cost at 1 Jan.	52	6	58	40	5	44
Acquisitions of right-of-use assets	0	0	0	13	1	14
Transfers and reclassifications	1	0	1	- 1	0	- 1
Cost at 31 Dec.	52	6	59	52	6	58
Accumulated depreciation and impairment losses at 1 Jan.	26	5	31	21	4	25
Depreciation	6	1	7	5	0	6
Accumulated depreciation and impairment losses at 31 Dec.	32	5	38	26	5	31
Carrying amount of right-of-use assets at 31 Dec.	20	1	21	25	1	27

Lease liabilities

Undiscounted lease liabilities and maturity structure

	2024	2023
Less than 1 year	6	7
1-5 years	16	18
More than 5 years	3	6
Total undiscounted lease liabilities at 31 Dec.	25	31

Change in lease liabilities

Opening balance at 1 Jan.	27	20
New/Revised lease liabilities recognised during the period	0	14
Repayments of principal	- 7	- 6
Interest payments	1	1
Other	0	- 2
Total lease liabilities at 31 Dec.	22	27
Current lease liabilities	5	6
Non-current lease liabilities	17	21

Other lease expenses recognised in the income statement

Variable lease payments expensed in the period	15	9
Total lease expenses included under other operating expenses	15	9

A discount rate of 4.75 % was used in the calculations.

A 1 percentage point reduction in the discount rate would increase the lease liabilities of the parent company by NOK 0.5 million.

A 1 percentage point increase in the discount rate would reduce the lease liabilities of the parent company by NOK 0.5 million.

Note 35 IFRS 16 Leases (cont.)

PARENT COMPANY

Right-of-use assets

The parent company's leased assets include buildings, offices and vehicles. The parent company's right-of-use assets are classified and presented in the table below:

	2024			2023		
	Buildings/ offices	Vehicles	Total	Buildings/ offices	Vehicles	Total
Right-of-use assets						
Cost at 1 Jan.	98	6	104	87	5	91
Acquisitions of right-of-use assets	298	0	298	13	1	14
Transfers and reclassifications	- 10	0	- 10	- 2	0	- 2
Cost at 31 Dec.	386	6	392	98	6	104
Accumulated depreciation and impairment losses at 1 Jan.	57	5	62	46	4	50
Depreciation	13	1	14	11	0	11
Accumulated depreciation and impairment losses at 31 Dec.	70	5	75	57	5	62
Carrying amount of right-of-use assets at 31 Dec.	316	1	316	41	1	42

Lease liabilities

Undiscounted lease liabilities and maturity structure

	2024	2023
Less than 1 year	20	13
1-5 years	108	30
More than 5 years	369	6
Total undiscounted lease liabilities at 31 Dec.	497	49

Change in lease liabilities

Opening balance at 1 Jan.	44	43
New/Revised lease liabilities recognised during the period	298	14
Repayments of principal	- 14	- 11
Interest payments	4	2
Other	- 10	- 3
Total lease liabilities at 31 Dec.	322	44
Current lease liabilities	5	12
Non-current lease liabilities	318	33

Other lease expenses recognised in the income statement

Variable lease payments expensed in the period	22	17
Total lease expenses included under other operating expenses	22	17

A discount rate of 4.75 % was used in the calculations.

A 1 percentage point reduction in the discount rate would increase the lease liabilities of the parent company by NOK 24.7 million.

A 1 percentage point increase in the discount rate would reduce the lease liabilities of the parent company by NOK 28.1 million.

Note 36 Other assets

PARENT COMPANY			CONSOLIDATED	
31.12.23	31.12.24		31.12.24	31.12.23
0	0	Earned income not received	0	0
18	58	Other payments made in advance, not yet accrued	62	25
106	227	Various expenditures/stock	228	107
124	284	Total other assets	289	132

Note 37 Customer deposits

CONSOLIDATED

There is little difference between the figures for the parent company and group. Consequently, we have chosen to only show the consolidated figures.

	2024		2023	
	Deposits	Percentage	Deposits	Percentage
Customer deposits, at amortised cost	34 058	88,2 %	32 327	90,3 %
Customer deposits, designated at fair value *)	4 538	11,8 %	3 469	9,7 %
Deposits from and debt to customers	38 597	100,0 %	35 796	100,0 %

*) Fixed-rate bonds are measured at market value. Their market value was NOK 7.0 million higher than their face value at 31.12.2024, compared with NOK 1.4 million lower at 31.12.2023. This resulted in a NOK 8.4 million valuation loss on these deposits in 2024, which was recognised in the income statement.

	2024		2023	
Deposits by sector and industry	Deposits	Share	Deposits	Share
Wage and salary earners	22 848	59,2 %	21 698	60,6 %
Farming and forestry	718	1,9 %	632	1,8 %
Fishing and hunting	492	1,3 %	623	1,7 %
Fish farming and hatcheries	855	2,2 %	651	1,8 %
Industry and mining	1 219	3,2 %	1 004	2,8 %
Construction, civil engineering and power generation	2 382	6,2 %	2 227	6,2 %
Commerce/retail	1 210	3,1 %	1 154	3,2 %
Transport, property management and services	6 265	16,2 %	5 650	15,8 %
Public sector/other	2 607	6,8 %	2 157	6,0 %
Total deposits by sector and industry	38 597	100,0 %	35 796	100,0 %

Deposits by sector:

Retail Market	22 848	59,2 %	21 699	60,6 %
Corporate Market	13 142	34,0 %	11 940	33,4 %
Public sector/other	2 607	6,8 %	2 157	6,0 %
Total deposits by sector	38 597	100,0 %	35 796	100,0 %

Geographic distribution

Vestland	33 218	86,1 %	31 378	87,7 %
Oslo	2 149	5,6 %	1 738	4,9 %
Akershus	1 054	2,7 %	789	2,2 %
Møre og Romsdal	690	1,8 %	657	1,8 %
Other	1 486	3,8 %	1 234	3,4 %
Total deposits by region	38 597	100,0 %	35 796	100,0 %

Term and sight deposits

	2024	2023
Sight deposits	30 497	28 583
Term deposits	8 100	7 212
Total customer deposits	38 597	35 796

Note 38 Debt securities in issue

	Face value		Carrying amount	
CONSOLIDATED	31.12.24	31.12.23	31.12.24	31.12.23
Bonds in issue	19 092	18 717	19 270	18 911
– of which own bonds, not amortised	0	– 354	0	– 358
Debt securities in issue at amortised cost	19 092	18 363	19 270	18 553
Bonds in issue (MREs)	500	1 400	504	1 413
– of which own bonds, not amortised	0	0	0	0
Debt securities in issue (MREs) at amortised cost	500	1 400	504	1 413
Bonds in issue (MREs)	2 450	1 350	2 427	1 282
– of which own bonds, not amortised	0	0	0	0
Debt securities (MREs) measured at fair value	2 450	1 350	2 427	1 282
Bonds in issue	6 425	7 025	5 993	6 793
– of which own bonds, not amortised	0	0	0	0
Debt securities measured at fair value	6 425	7 025	5 993	6 793
Total debt securities in issue	28 467	28 138	28 193	28 040
Maturity structure of debt securities (net face value)		31.12.24	31.12.23	
	2024		3 263	
	2025	8 592	6 800	
	2026	5 000	5 000	
	2027	7 200	6 500	
	2028	1 100	1 100	
	2029	2 350	1 250	
	2030	1 000	1 000	
	2031	200	200	
	2032	525	525	
	2033	1 000	1 000	
	2034	1 000	1 000	
	2037	500	500	
	Total debt securities (net face value)	28 467	28 138	
New debt securities issued in 2024		6 250		
Net repayment of debt securities in 2024		3 360		

At 31.12.2024 the Bank was not in breach of any of its covenants.

Breakdown of credit risk for debt securities measured at fair value

(Excluding own bonds held and borrowings for which hedge accounting is applied)

	31.12.24	31.12.23
Amortised cost	3 801	3 275
Fair value adjustment	26	12
Market value/carrying amount	3 828	3 288

The fair value adjustment due to changes in the company's credit risk is part of the change in fair value that is not attributable to changes in underlying market interest rates. For bonds in issue, the change in fair value due to credit risk is the difference between the two fair values obtained if you use two different discount rates.

- 1) The relevant market interest rate on the balance sheet date plus the credit spread on the date of initial recognition, and
- 2) the relevant market interest rate on the balance sheet date plus the credit spread on the balance sheet date.

Note 38 Debt securities in issue (cont.)

PARENT COMPANY		CARRYING AMOUNT	
		31.12.24	31.12.23
Debt securities in issue by valuation method (carrying amount)			
Debt securities in issue at amortised cost		2 514	2 818
Debt securities in issue (MREs) at amortised cost		504	1 413
Debt securities measured at fair value		1 401	2 006
Debt securities (MREs) measured at fair value		2 427	1 282
Total debt securities in issue		6 846	7 519

The Bank uses hedge accounting for six fixed-rate covered bonds issued by its subsidiary Bustadkreditt Sogn og Fjordane AS. There is a ratio of virtually 1:1 between the hedged items (the bonds) and the hedging instruments (the interest rate swaps).

Note 39 Other liabilities and provisions

PARENT COMPANY			CONSOLIDATED	
31.12.23	31.12.24		31.12.24	31.12.23
		OTHER LIABILITIES		
40	36	Other liabilities	36	40
183	126	Accrued costs and advance income	142	190
223	162	Total other liabilities	178	230
		PROVISIONS		
46	50	Pension liabilities	53	49
19	48	Specified provisions for guarantees and undrawn credit facilities	49	20
44	322	Lease liabilities under IFRS	22	27
110	421	Total provisions	124	96
333	583	Total other liabilities and provisions	302	326

Note 40 Subordinated debt and hybrid debt instruments

Year issued	31.12.24	Interest rate	Early redemption right	Final	Carrying amount	
	Face value (millions)			maturity date	31.12.24	31.12.23
2018 Subordinated debt	0	3 MTH NIBOR + 1.65%	call option 16.04.2024	Year 2029	0	203
2019 Subordinated debt	200	3 MTH NIBOR + 1.48%	call option 20.05.2025	Year 2030	201	201
2023 Subordinated debt	300	3 MTH NIBOR + 1.85%	call option 08.09.2028	Year 2033	301	301
2024 Subordinated debt	300	3 MTH NIBOR + 1.90%	call option 14.09.2034	Year 2039	301	0
	800				803	705
2019 Hybrid debt	0	3 MTH NIBOR + 3.14%	call option 28.11.2024	Perpetual	0	101
2021 Hybrid debt	150	3 MTH NIBOR + 2.40%	call option 02.09.2026	Perpetual	151	151
2022 Hybrid debt	100	3 MTH NIBOR + 2.60%	call option 27.01.2027	Perpetual	101	101
2023 Hybrid debt	100	3 MTH NIBOR + 4.00%	call option 15.09.2028	Perpetual	100	100
2024 Hybrid debt	150	3 MTH NIBOR + 2.95%	call option 28.11.2029	Perpetual	151	0
	500				504	453

The hybrid debt instruments are classified as hybrid capital and included under equity at 31.12.2024, as they don't satisfy the criteria for financial liabilities under IAS 32.

The terms of the hybrid debt mean that it is perpetual, so the holders cannot demand that it be redeemed. In specific circumstances, the issuer may cease to make interest payments.

The hybrid debt forms part of the Bank's core capital.

Average interest rate on the subordinated debt at 31.12.2024: 6.46%.

Average interest rate on hybrid debt at 31.12.2024: 7.61%

Note 41 Branch network

Figures as of 31 Dec.	2024	2023	2022	2021	2020
Branches	13	13	13	13	14
In-store agreements	0	0	1	1	21
Cash points	8	9	9	12	12
Businesses signed up to Internet banking	8 301	4 711	3 579	2 950	1 742
Retail customers signed up to Internet banking	87 373	83 321	79 520	77 136	73 651

Note 42 Off-balance-sheet items

PARENT COMPANY			CONSOLIDATED	
31.12.23	31.12.24	Guarantees	31.12.24	31.12.23
691	883	Payment guarantees	883	691
277	257	Contract guarantees	257	277
62	70	Other guarantee liabilities	70	62
0	84	Commitments to investments in shares	84	0
1 030	1 295	Total in NOK	1 295	1 030

31.12.24

Of which in foreign currency:

FIGURES IN 000S OF NOK	EUR	DKK	USD	Total foreign currency translated into NOK
Payment guarantees	3 448	625	188	43 789
Contract guarantees	0	0	28	317
Total	3 448	625	216	44 107

Note 43 Related parties

Balances and gains/losses on transactions with related parties

	Subsidiaries	
	2024	2023
Outstanding loan balances at 31 Dec.	3 624	2 606
Interest income	161	181
Deposits at 31 Dec.	271	260
Interest expenses	18	15
Covered bonds	0	0
Interest income from covered bonds	31	0
Other operating income	9	11
Other operating expenses	9	10

The table above relates to SpareBank 1 Sogn og Fjordane's three wholly-owned subsidiaries. These are:

Subsidiaries

Bustadkreditt Sogn og Fjordane AS
 Bankeigedom Sogn og Fjordane AS
 Eiendomsmegler 1 Sogn og Fjordane AS

Bustadkreditt Sogn og Fjordane AS has signed an agreement with SpareBank 1 Sogn og Fjordane on the supply of loan servicing and administrative services. All of the company's loans have been acquired from SpareBank 1 Sogn og Fjordane, and an agreement has been signed with the bank on the servicing of the portfolio. Bustadkreditt Sogn og Fjordane AS takes on all of the risk associated with the loans that it acquires from its parent. Bustadkreditt Sogn og Fjordane AS has been given access to good credit facilities with SpareBank 1 Sogn og Fjordane. These will allow it to make interest and principal payments to the owners of covered bonds, enable it to make advances to customers with flexible mortgages, provide bridge financing when loans are being transferred, and fund the necessary surplus in the cover pool.

Further details of the credit facilities:

Bustadkreditt Sogn og Fjordane AS (BSF) has four credit facilities with SpareBank 1 Sogn og Fjordane (SSF):

- NOK 1,200 million credit facility to be used to settle the purchase of mortgage loans from SSF. This is a revolving credit facility with a 15-month notice period on the part of SSF. BSF can cancel or change the limit on the facility with SSF at 14 days' notice. At 31.12.2024, the amount drawn against the facility was NOK 1,014 million.
- A credit facility that can be used to finance advances to customers with available credit within their flexible mortgages. At 31.12.2024 the limit on the facility was NOK 2,264 million.
- A credit facility related to overcollateralisation. The facility shall only be used to buy loans for inclusion in the cover pool, and to buy instruments that qualify as part of a liquidity buffer. At 31.12.2024, the limit on the facility was NOK 1,729 million, but this limit depends on the volume of covered bonds issued at any given time.
- A long-term credit facility. The limit on the facility is NOK 1,000 million, which was fully drawn at 31.12.2024.

In addition to these four credit agreements, BSF and SSF have signed an ISDA agreement. The ISDA agreement regulates all derivative transactions between the parties. The ISDA agreement has the same structure as agreements between SSF and external entities, which means that changes in the value of interest rate swaps are measured daily and there is an exchange of collateral. When fixed-rate covered bonds are issued, SSF hedges the relevant amount with an external party and then performs an internal swap with BSF.

The parent company leases premises from Bankeigedom Sogn og Fjordane AS in Stryn and Førde. In 2024, a new contract was signed for leasing premises in the bank building in Førde.

All agreements and transactions adhere to arm's length principles.

Note 43 Related parties (cont.)

Under IAS 24, we must collect the necessary information to ascertain whether there are any transactions between SpareBank 1 Sogn og Fjordane and companies owned by senior managers at the Bank or elected officers at companies in the Group. A record has been made of all of the ownership interests held by SpareBank 1 Sogn og Fjordane's related parties. Related parties are defined as the senior management team, the Board of Directors of the Bank, the Managing Director and Board of Bustadkreditt Sogn og Fjordane AS and the Managing Director and Board of Sparebankstiftinga Sogn og Fjordane. For these people and their close family members, information has been collected about any ownership interests of more than 20 percent in any type of enterprise. The information collected shows that one company supplied services to SpareBank 1 Sogn og Fjordane in 2024. The Bank rents offices from one of the companies defined as a related party, and the agreement adheres to arm's length principles. In 2024, NOK 0.5 million was paid in rent and shared expenses for the premises. The Bank's balance sheet at 31.12.2024 includes no open items related to this supplier. Fourteen companies where related parties hold ownership interests of more than 20 percent are customers of the Bank. The total outstanding balance of the loans to these companies was NOK 23.2 million at 31.12.2024, while their deposits totalled NOK 15.5 million. NOK 2.0 million of interest was paid on these loans in 2024. The interest received on their deposits was NOK 0.2 million. None of these companies have been given special terms.

Note 44 Expected incomings (assets) and outgoings (liabilities)

CONSOLIDATED, 2024

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
ASSETS						
Cash and cash equivalents	12	0	0	0	0	12
Loans and advances to credit institutions/central banks	411	0	0	0	0	411
<i>Loans to customers</i>	7 547	56	297	2 017	54 495	64 412
Commercial paper and bonds	0	202	1 723	8 043	33	10 001
Financial derivatives	0	0	0	417	0	417
Shares	0	0	0	0	483	483
Investments in associates	0	0	0	0	889	889
Investments in subsidiaries	0	0	0	0	0	0
Intangible assets and goodwill	0	0	0	7	0	7
Fixed assets	0	0	0	131	0	131
Deferred tax assets	0	0	0	24	0	24
Other assets	0	0	289	0	0	289
Total assets	7 971	257	2 309	10 640	55 900	77 077
LIABILITIES						
Debt to credit institutions	0	0	0	502	0	502
Deposits from and debt to customers	38 597	0	0	0	0	38 597
Debt securities in issue	0	0	9 501	14 914	3 778	28 193
Financial derivatives	0	0	0	789	0	789
Tax payable	0	262	0	0	0	262
Deferred tax	0	0	0	0	0	0
Other liabilities and provisions	0	0	302	0	0	302
Subordinated debt	0	0	201	301	301	803
Total liabilities	38 597	262	10 004	16 507	4 078	69 448

PARENT COMPANY, 2024

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
ASSETS						
Cash and cash equivalents	12	0	0	0	0	12
Loans and advances to credit institutions/central banks	411	0	0	3 624	0	4 035
<i>Loans to customers</i>	3 856	55	288	1 708	32 474	38 381
Commercial paper and bonds	0	0	1 114	7 136	33	8 283
Financial derivatives	0	0	0	916	0	916
Shares	0	0	0	0	483	483
Investments in associates	0	0	0	0	880	880
Investments in subsidiaries	0	0	0	0	2 371	2 371
Intangible assets and goodwill	0	0	0	5	0	5
Fixed assets	0	0	0	361	0	361
Deferred tax assets	0	0	0	31	0	31
Other assets	0	0	284	0	0	284
Total assets	4 280	55	1 687	13 782	36 241	56 044
LIABILITIES						
Debt to credit institutions	112	0	0	502	0	614
Deposits from and debt to customers	38 756	0	0	0	0	38 756
Debt securities in issue	0	0	1 729	4 942	174	6 846
Financial derivatives	0	0	0	827	0	827
Tax payable	0	203	0	0	0	203
Deferred tax	0	0	0	0	0	0
Other liabilities and provisions	0	0	583	0	0	583
Subordinated debt	0	0	201	301	301	803
Total liabilities	38 868	203	2 514	6 573	475	48 632

Note 44 Expected incomings (assets) and outgoings (liabilities) (cont.)

CONSOLIDATED, 2023

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
ASSETS						
Cash and cash equivalents	18	0	0	0	0	18
Loans and advances to credit institutions/central banks	534	0	0	0	0	534
<i>Loans to customers</i>	7 793	55	258	2 332	53 533	63 970
Commercial paper and bonds	0	0	645	6 960	22	7 627
Financial derivatives	0	0	0	413	0	413
Shares	0	0	0	0	734	734
Investments in associates	0	0	0	0	0	0
Investments in subsidiaries	0	0	0	0	0	0
Intangible assets and goodwill	0	0	0	9	0	9
Fixed assets	0	0	0	101	0	101
Deferred tax assets	0	0	0	16	0	16
Other assets	0	0	132	0	0	132
Total assets	8 345	55	1 035	9 831	54 289	73 556
LIABILITIES						
Debt to credit institutions	0	0	0	502	0	502
Deposits from and debt to customers	35 796	0	0	0	0	35 796
Debt securities in issue	0	0	3 285	19 528	5 228	28 040
Financial derivatives	0	0	0	614	0	614
Tax payable	0	256	0	0	0	256
Deferred tax	0	0	0	0	0	0
Other liabilities and provisions	0	0	326	0	0	326
Subordinated debt	0	0	203	503	0	705
Total liabilities	35 796	256	3 814	21 147	5 228	66 240

PARENT COMPANY, 2023

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
ASSETS						
Cash and cash equivalents	18	0	0	0	0	18
Loans and advances to credit institutions/central banks	533	0	0	2 606	0	3 140
<i>Loans to customers</i>	4 191	54	248	1 980	32 415	38 888
Commercial paper and bonds	0	0	645	6 527	22	7 194
Financial derivatives	0	0	0	741	0	741
Shares	0	0	0	0	734	734
Investments in associates	0	0	0	0	0	0
Investments in subsidiaries	0	0	0	0	2 212	2 212
Intangible assets and goodwill	0	0	0	8	0	8
Fixed assets	0	0	0	88	0	88
Deferred tax assets	0	0	0	26	0	26
Other assets	0	0	124	0	0	124
Total assets	4 742	54	1 017	11 976	35 383	53 173
LIABILITIES						
Debt to credit institutions	229	0	0	502	0	731
Deposits from and debt to customers	35 827	0	0	0	0	35 827
Debt securities in issue	0	0	1 604	5 474	441	7 519
Financial derivatives	0	0	0	669	0	669
Tax payable	0	216	0	0	0	216
Deferred tax	0	0	0	0	0	0
Other liabilities and provisions	0	0	333	0	0	333
Subordinated debt	0	0	203	503	0	705
Total liabilities	36 056	216	2 140	7 148	441	46 000

Note 45 Foreign currency positions

The figures in the table show the equivalent amounts in millions of NOK at 31.12.2024, including financial derivatives.

Currency	EUR	USD	SEK	DKK	GBP	Other	Total foreign currency translated into NOK
Net exposure at 31.12.2024	– 34,2	– 3,3	0,6	– 0,6	0,9	1,5	– 35,1
Net exposure at 31.12.2023	– 21,6	2,4	0,8	0,8	0,0	1,4	– 16,3

Note 46 Offsetting

CONSOLIDATED, at 31.12.24	Gross carrying amount	Amounts offset in the balance sheet	Carrying amount	Netting agreements	Allowance account	Net exposure after offsetting
Assets						
Loans to customers	200	0	200	0	41	159
Financial derivatives	417	0	417	0	0	417
Liabilities						
Financial derivatives	789	0	789	214	0	575
PARENT COMPANY, at 31.12.24	Gross carrying amount	Amounts offset in the balance sheet	Carrying amount	Netting agreements	Allowance account	Net exposure after offsetting
Assets						
Loans to customers	200	0	200	0	41	159
Financial derivatives	916	0	916	0	0	916
Liabilities						
Financial derivatives	827	0	827	214	0	613

The Bank has no financial instruments that are reported net.

For customers with foreign currency loans, the Bank has an agreement to set-off balances against an allowance account established for this purpose. In addition to the allowance accounts, currency loans are backed by ordinary collateral.

The parent company has entered into ISDA agreements with all of its financial counterparties, and these agreements entitle the Bank to set-off in the event of default.

The Bank has framework agreements for derivatives trading with both retail and corporate customers, which require customers to put up collateral to cover possible falls in market values.

Bustadkreditt Sogn og Fjordane AS has also signed ISDA agreements with its financial counterparties. As of 31 December, all of Bustadkreditt's derivative contracts were signed with the parent company.

Note 47 Disputes

In 2024, SpareBank 1 Sogn og Fjordane was a party to two disputes.

One involved arbitration over the correct interpretation of Frende Holding AS' shareholder agreement. This arbitration took place in 2024.

In the other case, the Bank and others received a complaint filed with the Conciliation Board by companies arguing that the Bank is liable to pay compensation for terminating advances to customers in 2021. The amount of compensation claimed was not specified in the complaint. The Bank contested the claim, arguing that proceedings should be terminated, as there is no basis for compensation and the statute of limitations has in any case expired for any compensation claim. The Conciliation Board terminated proceedings on 29 January 2025.

Note 48 Equity share capital and organisational structure

PARENT COMPANY

The equity share capital was raised as follows:

Year	Equity share capital (NOK)	Face value of each equity certificate (NOK)	Number of equity certificates
2010 Initial issue of equity certificates	1 894 953 000	100	18 949 530
2016 Equity certificates issued to existing shareholders	50 000 000	100	500 000
2016 Equity certificates issued to employees and Board	3 365 700	100	33 657
	1 948 318 700		19 483 187

FIGURES IN NOK '000S UNLESS OTHERWISE SPECIFIED

Equity share capital	31.12.24	31.12.23
Equity certificates	1 948 319	1 948 319
Share premium account	15 608	15 608
Dividend equalisation reserve	3 296 178	2 982 203
Own equity certificates	– 13 391	– 3 401
Total equity share capital (A)	5 246 714	4 942 729
Primary capital		
Primary capital	262 000	262 000
Other primary capital	668 793	535 730
Gift fund	19 000	0
Total primary capital (B)	949 793	797 730
Reserve for unrealised gains	307 665	475 652
Hybrid capital	500 000	450 000
Proposed allocation for dividends and gifts	408 490	507 080
Other equity	0	0
Total equity	7 412 662	7 173 191
Equity share capital ratio A / (A+B) after disbursement of dividends	84,67 %	86,10 %
Parent company's earnings per equity certificate (weighted), in NOK	40,23	37,10
Consolidated earnings per equity certificate (weighted), in NOK	43,43	37,79
Consolidated book equity per equity certificate in NOK (excl. hybrid capital)	309,79	303,41
Proposed allocation for dividends		
Dividend payable per equity certificate, in NOK	20,00	25,00
Extra dividend payable per equity certificate, in NOK, Q4 2024	0	10,00
	20,00	35,00
Total dividends	388 490	487 080
Proposed allocation for gifts		
Charitable donations	20 000	20 000
Total proposed allocation for dividends and gifts	408 490	507 080
Extra dividend distributed in Q4 2024	0	194 832
Total proposed allocation for dividends and gifts incl. extra dividend distributed in Q4 2024	408 490	701 912
Dividend and gifts as a % of available profit excl. extra dividend Q4 2024	46,3 %	63,1 %
Dividend and gifts as a % of available profit incl. extra dividend Q4 2024		87,3 %
Dividend rate as a % of available profit excl. extra dividend Q4 2024*	51,7 %	69,7 %
Dividend rate as a % of available profit incl. extra dividend Q4 2024*		97,6 %

*The dividend rate is calculated from the equity share capitals part of the available profit.

Note 48 Equity share capital and organisational structure (cont.)

20 largest holders of equity certificates with an interest of at least 1%

	31.12.24 Number of equity certificates	Percentage
Sparebankstiftinga Sogn og Fjordane	18 014 372	92,46 %
Sparebankstiftinga Fjaler	1 152 992	5,92 %
Other *)	257 123	1,32 %
Own equity certificates	58 700	0,30 %
Total	19 483 187	100,00 %

*) Other owners of equity certificates comprise employees, Board members and former employees at SpareBank 1 Sogn og Fjordane.

Equity certificates held by key personnel

Equity certificates held by the CEO, senior management team, members of the Board of Directors and their personal related parties, as defined by Section 7–26 of the Norwegian Accounting Act.

	Number of equity certificates
Harald Slettvoll, Director of Risk Management and Compliance	4 732
Trond Teigene, CEO	4 175
Vasseth AS and Frode Vasseth, CFO	3 925
Advokatfirmaet Hvidsten v/ Jan Nikolai Hvidsten, Deputy member of the board	3 100
RLK Holding AS represented by Johnny Haugsbakk, Board member	3 000
Eirik Rostad Ness, Director of Human Resources	2 172
Mar Invest AS represented by Kristian Skibenes, Board member	2 000
Linda Marie Vøllestad Westbye, Retail Banking Director	2 000
Roy Stian Farsund, Corporate Banking Director	1 500
Helene Gåsemyr, Deputy member of the board, employee representative	1 280
Ole Hermann Rognsøy, Board member employee representative	1 160
Reiel Haugland, Director of Strategic Projects	898
Jill Aasen Hole, Acting Technology Director	635
Bjørn-Egil Holmøyvik, Deputy member of the board, employee representative	563
Johanne Viken Sandnes, Director of Communications	499
Lise Mari Haugen, Chair	450
Total equity certificates held by key personnel and Board members	32 089

Information about voting rights, etc.

Representatives elected by the equity certificate owners shall have 40% of the votes at the AGM.

Representatives elected by and from our customers shall have 36% of the votes at the AGM.

Representatives elected by and from our employees shall have 24% of the votes at the AGM.

As well as requiring majority support at the AGM in the same way as for changes to the articles of association the following matters require the support of at least 2/3 of the votes representing the equity certificate holders:

- Buying back equity certificates (Financial Institutions Act, Section 10–5)
- Any reduction or increase in the equity share capital (Financial Institutions Act, Sections 10–21 and 10–22)
- Establishing subscription rights (Financial Institutions Act, Section 10–23)
- Loans with a right to require that equity certificates be issued (Financial Institutions Act, Section 10–24)
- Decisions relating to mergers and demergers (Financial Institutions Act, Section 12–3)
- Decisions about restructuring (Financial Institutions Act, Section 12–14)

The articles of association entitle the Bank to issue negotiable equity certificates.

Note 49 Hedge accounting

SpareBank 1 Sogn og Fjordane uses hedge accounting for fixed-rate debt securities issued by Bustadkreditt Sogn og Fjordane. The aim is to counteract fluctuations in the value of fixed-rate bonds in issue. The hedged item (the bond in issue) is measured at fair value through gains/losses on financial instruments, and the hedging instrument (the derivative) is measured at fair value, with changes in fair value recognised through gains/losses on financial instruments.

SpareBank 1 Sogn og Fjordane is the counterparty to the external derivative contracts, while Bustadkreditt Sogn og Fjordane is the issuer of the hedged item. An internal swap is then carried out between Bustadkreditt Sogn og Fjordane and SpareBank 1 Sogn og Fjordane, to counteract fluctuations in value at the parent company and subsidiary. Both the external and internal derivative contracts are covered by ISDA agreements, which regulate all derivatives trading. Within this framework, changes in the value of derivative contracts are measured daily and collateral is exchanged between the parties in the event of any fluctuations, in order to reduce the risks for both parties.

At 31.12.2024, hedge accounting was used for twelve hedge relationships, and the hedged items and hedging instruments were directly linked by being subject to the same terms and conditions (coupon rate, term to maturity, and face value). The hedge effectiveness has been calculated based on 1 percentage point shifts in the yield curve and what the impact on profit of this would be.

	2024	2023
Hedging instrument		
Nominal opening value	– 5 025	5 025
Change in value (gain-/loss+)	198	– 1
Hedged item		
Nominal opening value	5 025	5 025
Change in value (gain-/loss+)	– 195	– 2
Net change in value – hedge ineffectiveness (gain-/loss+)	3,3	– 3,6
Hedge ratio (value of hedging instrument to value of hedged item)	100,0 %	100,0 %
Weighted hedge effectiveness	100,9 %	100,5 %

Hedge accounting has been used for the following covered bonds and their associated hedging instruments:

	Nominal value	Remaining term to maturity
SSFBK15PRO		
Hedged item	1 000	31.08.2033
Hedging instrument	1 000	31.08.2033
SSFBK17PRO (split in three tranches)		
Hedged item	1 000	20.09.2034
Hedging instrument	1 000	20.09.2034
SSFBK18PRO		
Hedged item	1 000	19.06.2030
Hedging instrument	1 000	19.06.2030
SSFBK22PRO		
Hedged item	500	31.08.2037
Hedging instrument	500	31.08.2037
SSFBK23PRO		
Hedged item	1 000	04.10.2029
Hedging instrument	1 000	04.10.2029
SSFBK24PRO		
Hedged item	525	30.08.2032
Hedging instrument	525	30.08.2032

Declaration by the Board of Directors and CEO

We declare that, to the best of our knowledge, the financial statements for 2024 have been prepared in accordance with current accounting standards, and that the information contained therein provides a true picture of the assets, liabilities, financial position and results of the Group. The Board believes that the financial statements give a true picture of the most important areas of uncertainty and potential risks faced by the Group in 2024.

Førde, 4 March 2025

Lise Mari Haugen
Chair

Magny Øvrebø
Deputy Chair

Silje Skaar Sunde

Johnny Haugsbakk

Vegard Strand

Kristian Skibenes

Helene Gåsemyr

Ole-Hermann Rognsøy

Trond Teigene
CEO

To the General Meeting of SpareBank 1 Sogn og Fjordane

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of SpareBank 1 Sogn og Fjordane, which comprise:

- The financial statements of the parent company SpareBank 1 Sogn og Fjordane (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of SpareBank 1 Sogn og Fjordane and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for eight years from the election by the general meeting of the shareholders on 29 March 2017 for the accounting year 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IT-systems and internal controls relevant for financial reporting

Key Audit Matter	How the matter was addressed in the audit
<p>The IT systems within SpareBank 1 Sogn og Fjordane ("Sparebanken") are key in the accounting and reporting of completed transactions, in obtaining the basis for key estimates and calculations, and in obtaining relevant information to be disclosed.</p> <p>The IT systems are mainly standardized, and the management and operation of the systems are to a great extent outsourced to external service providers.</p> <p>Proper management and control of these IT systems both from Sparebanken and their service providers are of high importance in order to ensure precise, complete and reliable financial reporting, and this area is therefore considered to be a key audit matter.</p>	<p>Sparebanken has established a general governance model and internal controls on their IT systems. We have obtained an understanding of Sparebanken's IT governance model relevant for financial reporting.</p> <p>We assessed and tested the design of selected internal control activities relevant for financial reporting, including selected controls related to IT operations. For a sample of these controls, we tested their operating effectiveness in the reporting period.</p> <p>We considered the third-party attestation report (ISAE 3402 Report) from Sparebanken's core system service provider, focusing on whether they had adequate internal controls on areas that are of importance to the financial reporting of Sparebanken.</p> <p>We also considered the third-party attestation report (ISAE 3000 Agreed-upon procedures) from the core system service provider focusing on whether selected automated control activities in the IT-systems, including among others the calculation of interests and fees and selected system generated reports, were adequately designed and implemented in the period.</p> <p>We have engaged our internal IT experts in the work related to understanding the governance model on IT and in assessing and testing the internal control activities.</p>

Corporate loan loss provisions

Key Audit Matter	How the matter was addressed in the audit
<p>SpareBank 1 Sogn og Fjordane ("Sparebanken") has loans in the corporate segment, and reference is made to notes 7 through 9 and 11 through 16 for disclosure on credit risk and loss provisions on loans and guarantees.</p> <p>Sparebanken has considered the need for loss provisions on loans and guarantees. There is considerable judgement in the bank's assessment of the size of the loan loss provisions in the corporate market segment.</p> <p>The judgement is related to forward-looking assessments in order to estimate the expected loss, including judgements as to how expected loss is affected by uncertainties regarding the economic outlook.</p> <p>The assumptions and estimates used in the assessments are crucial for the size of the provisions, and loan loss provisions in the corporate market segment are therefore a key audit matter in the audit.</p>	<p>Sparebanken has established control activities related to the calculation of loan loss provisions in the corporate market segment.</p> <p>We assessed and tested the design of selected control activities concerning individual loss provisions on credit impaired loans. The control activities we assessed and tested the design of, were related to identification of credit impaired loans and the assessment of the expected future cash flows from these loans. For a sample of these control activities, we tested if they were operating effectively during the period.</p> <p>For a sample of credit impaired loans, we tested if these were timely identified, and assessed the expected future cash flows the bank estimated on these loans.</p> <p>For remaining loan loss provisions calculated in the models, we assessed and tested the design of selected key controls related to the loan loss models, including selected controls related to:</p> <ul style="list-style-type: none"> • identification of significant increase in credit risk, • application of financial scenarios, and • calculation of probability of default, loss given default and exposure at default. <p>For a selection of these controls, we tested if they had been operating effectively during the period.</p> <p>We considered a sample of forward-looking assessments used in order to estimate expected loss.</p> <p>We considered whether the disclosures on loan loss provisions in the corporate market segment is in accordance with requirements set forth in IFRS 7.</p>

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially

misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Florø, 4 March 2025
Deloitte AS

Hallgeir A. Bruvik
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Consolidated financial results by quarter

	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23
Net interest income	401	405	394	387	381
Other operating income	38	42	47	38	40
Dividends and gains/losses on financial instruments	- 15	222	24	28	- 11
Net other operating income	23	264	71	66	29
Total revenues	424	669	464	453	410
Operating expenses	247	181	159	157	150
Profit/loss before impairment loss	177	487	306	296	259
Impairment loss	16	- 5	19	- 10	- 1
Profit/loss before taxation	161	492	287	306	260
Tax expense	54	61	66	74	59
Profit/loss after taxation	107	431	221	232	201
Remeasurements, pensions	0	0	0	0	0
COMPREHENSIVE INCOME	107	431	221	232	201

	Q3 23	Q2 23	Q1 23	Q4 22
Net interest income	379	356	350	332
Other operating income	45	45	37	46
Dividends and gains/losses on financial instruments	- 29	60	14	1
Net other operating income	15	105	51	47
Total revenues	395	462	401	379
Operating expenses	141	128	127	128
Profit/loss before impairment loss	254	334	274	250
Impairment loss	30	- 11	- 4	30
Profit/loss before taxation	225	345	278	220
Tax expense	58	75	69	51
Profit/loss after taxation	166	270	210	169
Remeasurements, pensions	0	0	0	0
COMPREHENSIVE INCOME	166	270	210	169

Consolidated financial results by quarter

as a % of average total assets

	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23
Net interest income	2,07 %	2,11 %	2,07 %	2,07 %	2,05 %
Other operating income	0,20 %	0,22 %	0,25 %	0,20 %	0,22 %
Dividends and changes in the value of fin. instr.	– 0,08 %	1,16 %	0,12 %	0,15 %	– 0,06 %
Net other operating income	0,12 %	1,38 %	0,37 %	0,35 %	0,16 %
Total revenues	2,20 %	3,50 %	2,43 %	2,42 %	2,23 %
Operating expenses	1,28 %	0,95 %	0,83 %	0,84 %	0,82 %
Profit/loss before impairment loss	0,92 %	2,55 %	1,60 %	1,58 %	1,41 %
Impairment loss	0,08 %	– 0,02 %	0,10 %	– 0,05 %	0,00 %
Profit/loss before taxation	0,84 %	2,57 %	1,50 %	1,63 %	1,42 %
Tax expense	0,28 %	0,32 %	0,34 %	0,39 %	0,32 %
Profit/loss after taxation	0,56 %	2,26 %	1,16 %	1,24 %	1,10 %
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
COMPREHENSIVE INCOME	0,56 %	2,26 %	1,16 %	1,24 %	1,10 %
	Q3 23	Q2 23	Q1 23	Q4 22	
Net interest income	2,05 %	1,97 %	1,99 %	1,86 %	
Other operating income	0,24 %	0,25 %	0,21 %	0,26 %	
Dividends and changes in the value of fin. instr.	– 0,16 %	0,33 %	0,08 %	0,00 %	
Net other operating income	0,08 %	0,58 %	0,29 %	0,27 %	
Total revenues	2,15 %	2,54 %	2,25 %	2,14 %	
Operating expenses	0,76 %	0,71 %	0,71 %	0,73 %	
Profit/loss before impairment loss	1,38 %	1,84 %	1,54 %	1,42 %	
Impairment loss	0,16 %	– 0,06 %	– 0,02 %	0,17 %	
Profit/loss before taxation	1,22 %	1,90 %	1,56 %	1,25 %	
Tax expense	0,32 %	0,41 %	0,39 %	0,29 %	
Profit/loss after taxation	0,91 %	1,49 %	1,18 %	0,96 %	
Remeasurements, pensions	0,00 %	0,00 %	0,00 %	0,00 %	
COMPREHENSIVE INCOME	0,91 %	1,49 %	1,18 %	0,96 %	

Key figures, parent company

AMOUNTS IN MILLIONS OF NOK

INCOME STATEMENT

	2022	2023	2024
Net interest income	956	1 257	1 313
Dividends and gains/losses on financial instruments	210	160	405
Other operating income	145	147	142
Operating expenses	475	519	704
Profit/loss before impairment loss (incl. securities)	836	1 045	1 157
Profit/loss before impairment loss (excl. securities)	625	885	752
Impairment loss	23	- 6	38
Profit/loss before taxation	813	1 051	1 118
Tax expense	141	219	200
Profit/loss after taxation	671	832	919
Other comprehensive income	0	0	0
Comprehensive income	671	832	919

BALANCE SHEET

Assets

Gross loans and advances to customers	33 560	39 159	38 635
Gross loans and advances to customers incl. loans transferred to Spb. 1 Boligkreditt AS	33 560	39 159	41 095
Loss allowance	- 288	- 271	- 254
Security investments (shares, fixed income funds, commercial paper and bonds)	8 018	7 928	8 766

Debt and equity

Deposits from and debt to customers	34 870	35 827	38 756
Debt securities and debt to credit institutions	6 456	8 250	7 460
Equity	6 518	7 173	7 413
Total assets	49 553	53 173	56 044
Average total assets	49 177	51 903	55 329

KEY FIGURES

Profitability

Net interest margin	1,94 %	2,42 %	2,37 %
Other operating income (excl. profit/loss on fin. instr.) as a % of average total assets	0,29 %	0,28 %	0,26 %
Operating expenses as a % of average total assets	0,97 %	1,00 %	1,27 %
Profit/loss before impairment loss as a % of average total assets	1,70 %	2,01 %	2,09 %
Profit/loss before tax as a % of average total assets	1,65 %	2,02 %	2,02 %
Profit/loss after tax as a % of average total assets	1,36 %	1,60 %	1,66 %
Comprehensive income as a % of average total assets	1,36 %	1,60 %	1,66 %
Oper. exp. as a % of oper. income excl. gains/losses on fin. instr.	43,18 %	36,97 %	48,36 %
Oper. exp. as a % of oper. income incl. gains/losses on fin. instr.	36,25 %	33,19 %	37,83 %
Impairment loss as a % of gross loans	0,07 %	- 0,02 %	0,10 %
Return on equity before tax 1)	13,18 %	15,92 %	15,94 %
Return on equity after tax 1)	10,88 %	12,51 %	13,00 %
Pre-tax return on equity (comprehensive income) 1)	10,88 %	12,51 %	13,00 %
Parent company's comprehensive income per equity certificate (weighted), in NOK	30,06	37,10	40,23
Dividend payable per equity certificate, in NOK	12,00	25,00	20,00

1) Return on equity is calculated based on average equity excl. hybrid capital. The calculation method has been changed as of 2024 and figures for 2023 are restated.

Capital and liquidity position

Capital adequacy ratio	23,50 %	23,93 %	24,76 %
Core capital adequacy ratio	21,38 %	21,60 %	22,08 %
Core Tier 1 capital adequacy ratio	20,14 %	20,11 %	20,41 %
Leverage ratio	9,46 %	9,89 %	11,67 %
Liquidity Coverage Ratio (LCR)	150 %	147 %	153 %
NSFR, parent company	140 %	135 %	135 %
MREL, total			41 %
MREL, subordinated			31 %

Balance sheet history

Growth in total assets (year-on-year)	3,74 %	7,31 %	5,40 %
Growth in gross customer lending (year-on-year)	- 2,27 %	16,68 %	- 1,34 %
Growth in gross customer lending (y-o-y) incl. loans trans. to Spb. 1 Boligkreditt AS	- 2,27 %	16,68 %	4,95 %
Growth in customer deposits (year-on-year)	7,07 %	2,75 %	8,17 %
Deposits as a % of gross lending	103,90 %	91,49 %	100,31 %

Employees

Full-time equivalent employees as at 31 Dec.	262	265	281
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Income statement

as a % of average total assets

PARENT COMPANY			CONSOLIDATED	
2023	2024		2024	2023
5,12 %	5,87 %	Interest income	6,06 %	5,22 %
2,70 %	3,50 %	Interest expenses	3,96 %	3,20 %
2,42 %	2,37 %	Net interest income	2,10 %	2,02 %
0,32 %	0,31 %	Commission income	0,23 %	0,23 %
0,06 %	0,07 %	Commission expenses	0,05 %	0,05 %
0,31 %	0,73 %	Net gains/losses on financial instruments	0,34 %	0,05 %
0,02 %	0,02 %	Other income	0,04 %	0,04 %
0,59 %	0,99 %	Net other operating income	0,56 %	0,28 %
3,01 %	3,36 %	Total revenues	2,66 %	2,30 %
0,53 %	0,59 %	Wages, salaries, etc.	0,46 %	0,41 %
0,42 %	0,63 %	Other expenses	0,49 %	0,32 %
0,05 %	0,06 %	Depreciation and impairment of fixed assets and intangible assets, and gains/losses	0,04 %	0,03 %
1,00 %	1,27 %	Total operating expenses	0,99 %	0,75 %
2,01 %	2,09 %	Profit/loss before impairment loss	1,68 %	1,55 %
– 0,01 %	0,07 %	Impairment loss	0,03 %	0,02 %
2,02 %	2,02 %	Profit/loss before taxation	1,65 %	1,53 %
0,42 %	0,36 %	Tax expense	0,34 %	0,36 %
0,00 %	0,00 %	Profit/loss after tax on assets held for sale	0,00 %	0,00 %
1,60 %	1,66 %	Profit/loss for the financial year	1,31 %	1,17 %
0,00 %	0,00 %	Other comprehensive income for the period after tax	0,00 %	0,00 %
1,60 %	1,66 %	Comprehensive income	1,31 %	1,17 %
51 903	55 329	AVERAGE TOTAL ASSETS	75 524	72 573



Sustainability appendix

2024

More details about SpareBank 1 Sogn og Fjordane on sustainability

Appendix

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Framework for issuing green bonds

In 2022, the Bank drew up a framework for issuing green bonds. The framework, which was drawn up in accordance with the ICMA Green Bond Principles, is based on best market practice and promotes the UN Sustainable Development Goals.

The green bond framework reflects the Bank's overall sustainability strategy and its guidelines for corporate social responsibility and sustainability. The framework is a natural continuation of the Bank's work on sustainability and will help to put its sustainability strategy into operation, as well as to achieve the Bank's overall goal of reaching net zero by 2050. The framework provides a clear, thematic definition of what is sustainable, and is used as a basis for determining the green assets in the Bank's loan portfolio.

Green bond issues are used to finance green projects within the following categories:

- Green buildings
- Renewable energy
- Agriculture
- Aquaculture and fish farming (as well as sustainable fisheries)
- Green transport
- Social loans

The green bond framework has been independently assessed by Sustainalytics. Sustainalytics assessed the framework against the EU Taxonomy and concluded that it partially met the criteria in the Taxonomy.

The Bank has implemented a process to ensure that only projects that meet specified criteria are chosen as qualified assets and as projects for green bond issues. This involves continuous monitoring by the Green Bond committee. This committee is made up of members of the sustainability working group and is chaired by the CFO. The committee, which meets at least once every quarter to evaluate progress, is responsible for making sure that all of the projects in the Bank's green register meet the necessary criteria.

Green bonds and allocation in 2024

In 2024 the Bank increased its issuance of green bonds, underlining its commitment to sustainable financing and support for the green transition. Compared with 2023, the Bank saw a big increase in the volume of green bonds that it issued.

In the case of green covered bonds, the goal was to issue NOK 5 billion worth by the end of 2024. At the close of 2023, the Bank had issued NOK 3.9 billion of covered bonds, and that figure remained stable over the course of 2024.

With respect to issuing green senior bonds, the Bank's goal was to reach NOK 1.5 billion by the end of 2024. By year-end 2023, NOK 1.5 billion of these bonds had been issued, and during 2024 the Bank increased this to NOK 2.0 billion, which indicates solid growth and the market's positive reception of the Bank's green financial products.

Trends in green cover pool and bonds issued

	Trends in green cover pool			Bonds issued (figures in mill. NOK)		
	2022	2023	2024	2022	2023	2024
Retail market	14,8 %	15,8 %	25,4 %	1900	3900	3900
Corporate Market	29,0 %	34,9 %	36,0 %	0	1500	2000

Amounts in millions of NOK	Qualifying cover pool	Bonds issued	Available volume	Total volume for Group	% of pool that qualifies	% of pool used
<i>Retail market</i>						
Residential mortgage loans	12.898	3.900	8.998	50.869	25,4 %	30,2 %
Total	12.898	3.900	8.998	50.869	25,4 %	30,2 %
<i>Corporate Market</i>						
Aquaculture	1.980	676	1.304	3.091	64,1 %	34,1 %
Commercial property	3.170	1.083	2.087	5.665	56,0 %	34,2 %
Electric power generation	705	241	464	705	100,0 %	34,2 %
Other advances	0	0	0	6.823	0	0
Total	5.855	2.000	3.855	16.284	36,0 %	23,2 %

Plans for 2025

SpareBank 1 Sogn og Fjordane is planning to update its framework for issuing green bonds in 2025. This will ensure that the framework stays up-to-date with and adheres to the latest standards and best practices in sustainable finance. The update will also support the Bank's efforts to promote the green transition and sustainable investments.

Taxonomy-related information

EU Taxonomy for sustainable finance

The EU Taxonomy (hereafter referred to as the Taxonomy) is a classification system that determines which economic activities can be considered environmentally sustainable. This system is part of the EU's Sustainable Finance Action Plan, which aims to reorient investment towards more sustainable economic activities. The Taxonomy sets requirements for environmental performance and aims to reduce the risk of greenwashing by establishing clear criteria for which activities can be considered sustainable. These regulations are of key importance to banks and financial institutions, which must adapt their investment strategy and reporting practice in order to meet the new requirements.

How SpareBank 1 Sogn og Fjordane is engaging with the Taxonomy

SpareBank 1 Sogn og Fjordane is the biggest bank in the Sogn og Fjordane region, and it plays an important role in implementing the Taxonomy. The Bank acknowledges that the Taxonomy is an important tool for promoting sustainable finance. We incorporate climate and environmental considerations into our business strategy, and we see this as part of our contribution to achieving net zero by 2050. By engaging with the Taxonomy, we aim to identify and support investments and loans that promote environmental sustainability.

SpareBank 1 Sogn og Fjordane's current work on the Taxonomy

SpareBank 1 Sogn og Fjordane is proactively preparing itself for future requirements in the Taxonomy, even though the Bank is not required to report in accordance with the Taxonomy for the 2024 financial year. We have started processes for collecting data and mapping ESG risk, and we are developing green finance products. These initiatives reflect the European Green Bond Standard and show our commitment to supporting sustainable economic activities.

SpareBank 1 Sogn og Fjordane's future work on the Taxonomy

Looking ahead, SpareBank 1 Sogn og Fjordane will intensify its work on the Taxonomy, including starting to report in accordance with the Taxonomy from 1 January 2026 (for the 2025 financial year). We have undertaken to develop and offer sustainable financial products, and we will work proactively to reorient our customers' practices and behaviour in a more sustainable direction. We see this as a strategic opportunity to contribute to the green transition and promote economic growth in the region through sustainable investment.

Our commitment to the Taxonomy is a clear manifestation of our overall strategy for sustainability. Our engagement with, and work on, the Taxonomy reinforces our role as a driving force for Sogn og Fjordane. Focusing on both environmental and social sustainability puts us in a strong position to meet the challenges and opportunities that lie ahead.

TCFD Report 2024

Task Force on Climate-Related Financial Disclosures (TCFD) offers an established framework for reporting climate risk for banks and financial institutions. The framework provides specific recommendations on reporting climate-related risks and opportunities. The aim is to give investors and other stakeholders an insight into the Bank's potential risks and opportunities in the face of a changing climate. By following the TCFD framework, the Bank demonstrates its commitment to addressing climate risk and exploiting opportunities in a low-carbon economy.

Governance

The Board of Directors' oversight of climate-related risks and opportunities

Each year, the Board of SpareBank 1 Sogn og Fjordane carries out a strategic planning process which defines the Group's vision, targets and actions. The current overall strategy, adopted in December 2024, refers to achieving the goals in the sustainability strategy, including the Bank's commitment to reducing emissions and its role as a driving force for the green transition and long-term competitiveness.

The Board adopts the credit policy and the credit strategy, while the credit committee adopts guidelines and policies for internal risk management. Climate risk is incorporated into these documents and is also covered by Pillar 3 and ICAAP reporting. This ensures that sustainability is part of the Bank's core business. The Board receives regular updates on climate risk, including presentations of climate-related data for the loan portfolio, covering areas such as energy performance ratings and physical climate risk. The risk management committee, which reports quarterly, is responsible for ensuring climate risk is integrated into risk management frameworks. The credit committee, which reports twice a year, has overall responsibility for climate risk in the climate strategy.

Description of the management's role in assessing and managing climate-related risks and opportunities

The credit committee has primary responsibility for managing climate risk associated with the Bank's lending. Twice a year, it reports to the Board with its assessments and updates on climate-related risks and opportunities.

The senior management team leads the annual strategic planning process and ensures that climate-related risks and opportunities are integrated into the goals and actions of the business areas. Twice a year, the management team receives updates from the sustainability working group, which comprises nine employees with responsibility for taking action to promote sustainability within their respective business areas.

The department for risk management and compliance is responsible for ensuring that climate risk is included in the risk management framework and in steering documents relating to risk management. The Bank carries out annual stress tests of its loan portfolio using financial projections, but climate risk has not yet been stress tested. The structures ensure that climate risk is managed effectively throughout the organisation.

Strategy

Climate-related risks and opportunities identified by the Bank over the short, medium and long term

The Bank has assessed its climate-related risks and opportunities focusing on physical climate risk and transition risk in its loan portfolio. The biggest sources of emissions are associated with the agriculture, aquaculture, fishing, construction, property and shipping sectors, which between them are responsible for 65 percent of emissions in the loan portfolio. The Bank has assessed climate risk over three time horizons:

Phase	Time horizon	Description
Short term	1–5 years	Time frame for sustainability strategy
Medium term	5–10 years	Reflects Norway's target of reducing GHG emissions by 55 percent by 2030
Long term	10–30 years	Reflects the Paris Agreement's goal of net zero by 2050

The Bank has identified a low to medium risk for most sectors over the short and medium term, whereas there are higher risks over the long term due to the uncertainty about climate policy and impact of new technology. Agriculture is judged to have a high transition risk on account of the large emission reductions required.

The following table summarises climate risk by sector in the loan portfolio:

Climate risk associated with lending	tonnes CO ₂ e*	Transition risk			Physical climate risk		
		ST	MT	LT	ST	MT	LT
Residential mortgage loans	4.100						
Retail customers	4.100						
Other	964						
Agriculture	95.192						
Fisheries/fishing industry	78.988						
Aquaculture	36.568						
Industry and mining	15.755						
Energy	6.851						
Building and construction	2.400						
Commerce/retail	2.367						
Transport	12.737						
Hotel and tourism industry	808						
Services	41						
Culture, entertainment and leisure	534						
Road vehicles	806						
Property development and commercial property	4.163						
Corporate customers	258.174						
Sum total	262.274						

* scope 1 and 2

Low risk
Low/medium risk
Medium/high risk
High risk

Climate-related risks and opportunities in the CM identified by the Bank over the short, medium and long term

The Bank has analysed the climate-related risks and opportunities in the CM over the short, medium and long term. In the short and medium term the risk is generally low, mainly because the Bank does not finance fossil fuel production and has a loan portfolio with low exposure to highly fossil fuel-dependent industries, such as international shipping. The biggest sectors in the CM portfolio are property management, agriculture, fishing and hunting, and building and construction (67 percent of the portfolio). Overall, low to medium risks have been identified across all of the time horizons. For agriculture there is some transition risk in the short term and medium to high risk over the long term. This is due to high levels of financed emissions, as well as the need for great changes in the industry between now and 2050.

Over the long term, we consider our climate risk to be moderate, on account of uncertainty about climate policies and the impact of new technology on the various sectors. The Bank will continue to monitor developments and adjust its credit scoring procedures as necessary.

In order to reduce climate risk in the CM, the Bank offers *Green Business Loans* and *Green Agricultural Loans*, which encourage business and farming customers to make investments to reduce climate risk and greenhouse gas emissions. This represents a climate-related opportunity for the Bank in terms of managing future climate risk.

This table gives information about the emissions from commercial properties in the Bank's loan portfolio

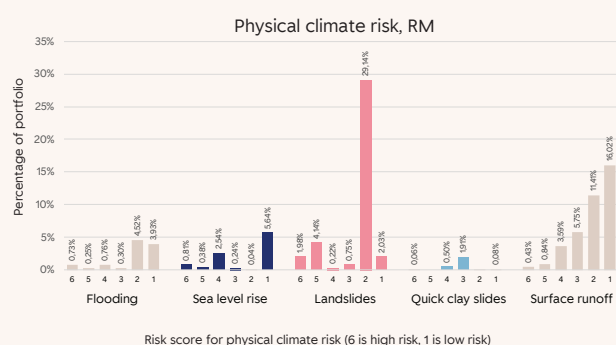
	Commercial properties
GHG emissions, location-based (tCO ₂ e)	3 517
Financed emissions, location-based (tCO ₂ e)	2 217
Emission intensity (kgCO ₂ e/m ²)	2,57
Emission intensity (tCO ₂ e/MNOK of lending)	0,57
Total area (BRA)	1 366 607
Number of properties	1 001

Climate-related risks and opportunities in the RM identified by the Bank over the short, medium and long term

The Bank's risk assessment for the RM found low climate risk in the loan portfolio in the short and medium term. Over the longer term, a low to medium risk was identified, mainly due to the risk of more frequent extreme weather events and rising sea levels. Expectations of stricter regulations and energy performance rating requirements, as well as the need to upgrade homes to make them more energy-efficient, are also factors.

Physical climate risk

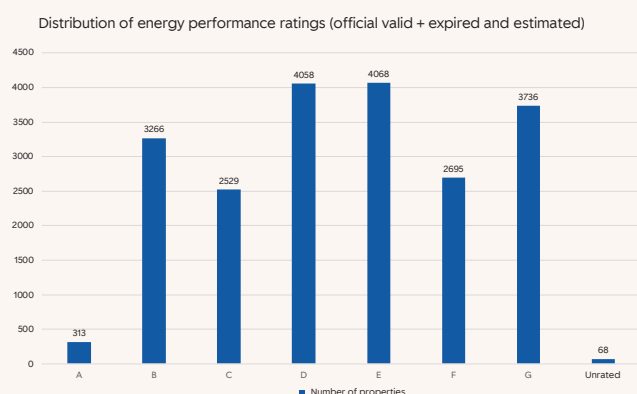
The Bank has analysed in detail the physical climate risk, such as flooding, landslides, avalanches and sea level rise, for all of the properties it has a lien on. In the short term, extreme weather events may cause damage to properties, and mortgage customers may incur financial costs. Nevertheless, we do not consider that this will result in higher risk to the Bank over the short term. Over the medium term, climate change may lead to more frequent and more intense extreme weather events. Over the long term, risks will rise, with a greater threat of more extreme weather conditions and higher sea levels. The table below shows the Bank's assessment of the physical climate risk facing homes it has financed.



If the main building of a property is exposed to a risk, the risk score will be higher. For example, if the main building of the property is exposed to flood risk it will give a risk score of 6. If the risk affects other buildings on a plot, such as a garage or shed, the risk will be somewhat lower. For example, if another building on the property is exposed to flood risk, the risk score will be 4. In cases where only the plot is affected, the risk score will be lower still. For example, if only the plot is exposed to flood risk, the risk score will be 1. These assessments help the Bank to produce a more accurate risk assessment for each property, based on the severity and likelihood of the risk affecting the various parts of the property.

Transition risk

Transition risk is particularly related to energy efficiency and hence to the greenhouse gas emissions of properties in the residential mortgage portfolio. It is assessed by looking at the energy performance ratings of properties and calculating the financed emissions. Over the medium to long term, homes with a poor energy performance rating represent a higher transition risk. Rising electricity prices and stricter regulations, as well as the EU's Energy Performance of Buildings Directive, heighten the risk. In the medium to long term, demand for and prices of homes with a poor energy performance rating may fall, on account of the need for upgrades. The chart and table below show the distribution of energy performance ratings of homes with mortgages and financed greenhouse gas emissions in the RM.



Energy performance rating	Number of properties	% of portfolio
A	313	1,5 %
B	3 266	15,7 %
C	2 529	12,2 %
D	4 058	19,6 %
E	4 068	19,6 %
F	2 695	13,0 %
G	3 736	18,0 %
Unrated	68	0,3 %

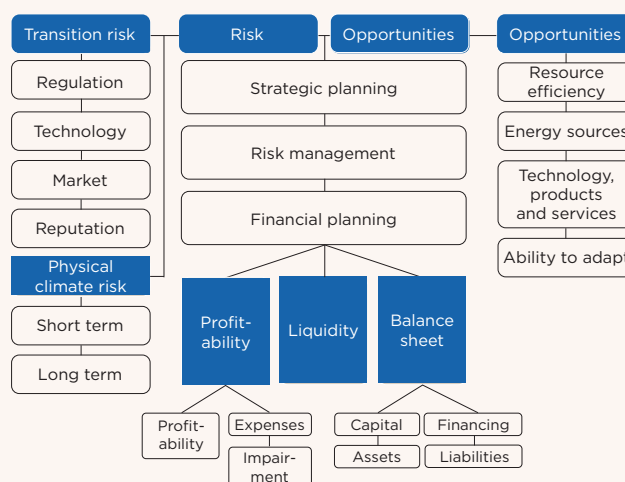
Figure 1 Energy performance ratings (official valid + expired and estimated) of homes (detached, semi-detached, and terraced houses and flats) in the portfolio at 31.12.2024.

	Residential properties
GHG emissions, location-based (tCO ₂ e)	7 434
Financed emissions, location-based (tCO ₂ e)	4 100
Emission intensity (kgCO ₂ e/m ²)	2,42
Emission intensity (tCO ₂ e/MNOK of lending)	0,15
Total area (BRA)	3 075 620
Number of properties	20 744

The climate-related opportunities identified by the Bank include the green products it offers such as green mortgages and green home improvement loans. These products are designed to incentivise and motivate customers to achieve a higher energy performance rating and reduce the energy consumption of their properties.

Importance of climate-related risks and opportunities to SpareBank 1 Sogn og Fjordane's operations, strategy, and financial planning

The relationship between climate-related risks and opportunities, and strategic and financial planning, is illustrated in the figure below. After the figure, we explain how this relates to the RM and CM.



Retail market

In view of climate risk, the Bank aims to increase the proportion of homes with an energy performance rating. The goal is to have NOK 5 billion of green mortgages and green home improvement loans by the end of 2024, as set out in the sustainability strategy. We also offer sustainable savings products and investment funds.

Corporate market

In response to the growing focus on climate risk, the Bank has introduced strategic goals and measures for the CM. We perform climate risk assessments in an ESG model for all customers with over NOK 3 million of credit. The ESG model is used at the customer level and includes industry-specific questions about ESG.

In 2023 the Bank published a corporate social responsibility and sustainability policy for the CM. The policy defines the Bank's approach to sustainability in the CM, and sets out requirements and expectations for the various industries financed by the Bank. It also states the industries and activities which the Bank does not wish to provide loans to.

The Bank's goal is to have NOK 300 million of green business loans by the end of 2024. At the close of 2024, the figure was around NOK 104 million. We have previously expanded and improved our qualification requirements for green business loans so they cover a wider range of green activities and investments. In 2025, the Bank will continue to develop its products and services in a way that supports customers through the green transition.

Potential impacts of various scenarios on the Bank's businesses, strategy and financial planning, including a 2 °C scenario

In conjunction with performing its climate risk analyses, SpareBank 1 Sogn og Fjordane has performed a general quantitative scenario analysis to help it understand how the identified transition and physical climate risks might affect the Bank's operations and emission reductions. Risks were analysed under one low and one high emission scenario, equivalent to the Net Zero 2050 and Current Policies scenarios of the Network for Greening the Financial Systems (NGFS).

The Net Zero 2050 scenario assumes that the Paris Agreement's targets will be met, with global warming being limited to 1.5 degrees and net zero emissions being achieved by 2050. This scenario assumes that policies to promote sustainability are continuously introduced in a coordinated way that ensures targets are met. Carbon capture and storage are used to support decarbonisation, but to a limited extent. The scenario also assumes rapid technological progress. In general terms, it assumes that customers and investors becomes more climate conscious and demand more sustainable and climate-friendly products. In this scenario, the physical climate risks

are relatively low, whereas the transition risk is judged to be high, which would probably have a direct impact on the Bank's activities.

Net Zero 2050 scenario	
Transition risk	In recent years, the EU and Norway have implemented a number of strict rules which help to reduce the short-term transition risk to the Bank. However, these rules and changes can have different impacts on different industries, which the Bank must be prepared for. SpareBank 1 Sogn og Fjordane must invest in its internal resources and develop new services in order to adapt its own operations, while also promoting the transition through its values and investments. Failure to adapt in the Bank's portfolios of securities, bonds or financed assets might lead to impairments or increase insurance premiums.
Physical climate risk	Physical climate risk remains relatively low in this scenario, as the temperature would not increase significantly. Nevertheless, SpareBank 1 Sogn og Fjordane must be prepared for more frequent and powerful extreme weather events in the event of 1.5 degrees of warming, such as the storms Hans in 2023 and Jakob in 2024.

The Current Policies scenario only assumes that policies already implemented are kept in place, so the world situation is dominated by fossil fuels and high energy consumption. In this scenario, greenhouse gas emissions continue to rise, peaking around 2080, and global warming reaches around 3 degrees. The warming causes irreversible changes to Earth's ecosystems and climate, such as rising sea levels and loss of biodiversity.

Technological progress will be slow, and use of carbon capture and storage will be limited. In some parts of the world, water will become a scarce resource, and climate-related conflicts will increase on account of worsening food security and living conditions. This scenario therefore entails higher physical climate risks than the Net Zero 2050 scenario.

Current Policies scenario

Transition risk	In the short term, current policies will entail higher operating and investment costs for the Bank, due to the need for expertise and to establish new services. In the long term, the Bank risks losing out on unrealised gains on investments in the green transition, as well as suffering impairments to assets and bonds. In the worst case scenario, this might result in so-called "stranded assets," where assets lose their value due to transition risk.
Physical climate risk	<p>In Sogn og Fjordane, four types of climate risk are considered likely: extreme precipitation, stormwater flooding, soil/flood/slush slides and storm surge.</p> <p>Annual precipitation is expected to become 15 percent higher, with a substantial increase in the intensity and frequency of heavy downpours, particularly in areas near the coast. The increase will occur during all seasons. The worst damage to buildings and infrastructure is often caused by surface runoff due to a lot of rain falling in a short amount of time. If zoning plans to do consider surface runoff, erosion risk will increase significantly due to water travelling fast across impervious surfaces. This can cause major damage to local infrastructure, properties, agriculture and the fishing industry. It also increases the risk of spreading pollutants through surface runoff.</p> <p>Important hubs like Førde, Stryn and Lærdal are particularly at risk of surface runoff, which could result in major material damage and threaten the region's cultural heritage. Earth and flood slides can occur throughout the region, including in urban centres like Nordfjordeid, Stryn, Førde, Sogndalsfjøra and Lærdal. These kinds of incidents can impact critical infrastructure, much of which lies along the fjords or in tunnels running through the mountains.</p> <p>In addition, there might be an increase in drought, ice jams and avalanches. In the case of sea level rise and storm surge, the biggest impact will be felt along the coast of Western Norway. It is thought that Førde and Lærdal will be greatly affected by storm surge by the end of this century.</p> <p>Overall, the physical climate risks in this scenario could entail significant risks to SpareBank 1 Sogn og Fjordane's operations, including loss of revenue, impairments to assets and bonds in affected industries, and higher operating and investment costs. The amount of maintenance and repairs needed in high-risk areas might be very high, and in the worst case this could result in "stranded assets."</p>

Risk management

How climate risk impacts the various risk categories

Climate risk is not an isolated risk, but rather an important risk factor that affects other areas of risk such as credit risk, market risk, liquidity risk, operational risk and business risk. The Bank has assessed the link between climate risk and these risk categories, as well as the Bank's risk exposure over three time horizons.

Current Policies scenario

Transition risk	Credit risk	New regulations and changes to rules, supply chains and customer behaviour in Norway and internationally might reduce borrowers' servicing capacity and the value of collateral, which could increase the Bank's losses.
	Market risk	Changes in regulations, technology and customer behaviour, and a shift towards a more sustainable economy, might lead to asset impairments and change the market value of investments. This might result in shares and bonds being repriced.
	Operational risk	Regulatory changes might require the Bank to greatly alter its internal processes, risk assessments, technology and reporting. This might push up expenses and create a need for new expertise.
	Liquidity risk	Transition risk might affect the Bank's access to capital markets by altering its reputation and credit rating, which could in turn increase the cost of funding. Changes to legislation and shifts in market behaviour might reduce the value of collateral, thereby reducing the value of the Bank's liquidity buffer.
	Liquidity risk	Loss of revenue as a result of failure to adapt the business model to shifts in customer behaviour and regulation. High technology development costs and adaptations needed to meet the expectations of stakeholders.
Physical climate risk (acute and chronic)	Credit risk	Higher losses in industries that are at risk of a reduction in the value of their collateral and assets, including having stranded assets, due to climate change.
	Market risk	Events caused by climate change, such as extreme weather events and natural disasters, might lead to significant losses to the values of e.g. physical properties. This might affect market prices and volatility, thereby increasing market risk for financial institutions.
	Operational risk	Damage to the Bank's properties, infrastructure, inputs and human resources as a result of extreme weather events and climate change might disrupt day-to-day operations and increase operational risk.
	Liquidity risk	Physical climate risks such as extreme weather events might cause direct financial losses by damaging the Bank's properties and infrastructure, and could require investments in reconstruction and repairs. This might disrupt the Bank's operations, reduce its revenue generation and worsen its liquidity position.
	Business risk	Damage to the Bank's physical assets and infrastructure might disrupt its operations and push up costs. Physical climate risks might affect the Bank's customers, in turn influencing the Bank's income and loan impairments. Higher insurance premiums and cover for climate-related risks might become a financial burden.

Credit risk

The impact of climate risk on credit risk mainly relates to loans. 75% of all our lending goes to retail customers, whereas 25% goes to the corporate market (CM). The CM portfolio mainly consists of small and medium-sized enterprises with broad industry diversification. The Bank's corporate social responsibility and sustainability policy for the CM ensures that we avoid lending to industries with high greenhouse gas emissions.

We regularly review the various industries we have dealings with, and we focus on both transition risk and physical climate risk in our credit underwriting and interaction with customers. For the CM, we use an integrated ESG model to assess climate risk, where customers with more than NOK 3 million of credit are assessed at least once a year and in conjunction with significant changes. If there is a high risk, measures are taken to compensate, such as stipulating additional terms and conditions on specific actions the customer must take.

Market risk

The climate risk associated with market risk is mainly related to returns on and valuations of properties and securities, including an assessment of whether they are sustainable in accordance with the EU Taxonomy. The Bank prioritises investments in safe, liquid securities, particularly covered bonds secured by mortgage loans. We believe the probability is low that short-term regulatory changes or unexpected incidents will affect the value of these securities. Over the longer term, the need for greater investment in the green transition might influence factors such as inflation and required rates of return, which could have a significant impact on existing economic structures.

Operational risk

The Bank's climate risk associated with operational risk mainly relates to potential loss of reputation and market position due to a failure to adapt to a low-carbon society. This includes the risk of bad investments in technology and losses due to extreme weather events.

The Bank manages operational risk by performing thorough internal controls and by regularly reporting unwanted incidents. We consider the risk of transition risk leading to human error, system or process failure, or external events that may cause financial losses, to be low. Nevertheless, regulatory changes and market shifts may have a big impact over time, particularly if climate policies become stricter.

The risk of physical climate risk leading to human error, the Bank's systems and processes failing, or external events that may cause financial losses, is low. Once again the uncertainty increases over time, with potential impacts including service interruptions, changes in insurance premiums and fluctuations in energy prices.

Liquidity risk

The climate risk associated with liquidity risk mainly relates to assets in the liquidity portfolio losing value or becoming harder to sell, as well as to potential impacts

on the price of, and access to, funding. In the short term we consider the risk to be low, but in the medium to long term, the Taxonomy and other regulatory measures might lead to more investment being reoriented towards green alternatives, which may make it more expensive to finance non-green activities. Physical climate risk currently has little impact on liquidity risk.

Business risk

The climate risk associated with business risk relates to potential loss of income due to failure to adapt to changing customer behaviour and new regulations. This includes costs associated with developing technology and adaptations to meet the expectations of stakeholders. Damage to the Bank's physical properties and infrastructure could also disrupt day-to-day operations and lead to higher costs. In the short term, we judge the risk to be low, but over the longer term the growing need for new technology and changes in customer behaviour may suggest higher risks. We must also be aware of the potential for stricter regulations and higher expectations with respect to ethical conduct from our stakeholders.

Description of the Bank's processes for identifying and assessing climate-related risks

Retail market

We monitor green mortgages, green home improvement loans and EV loans to identify any changes that might indicate a reduction in climate risk. Data from Eiendomsverdi provides insight into properties in our RM portfolio, including energy performance ratings, heating scores, year of construction and estimated fossil fuel share. We assess physical climate risks such as rising sea levels, flooding, landslides, avalanches and surface runoff, as well as transition risk by estimating the energy consumption and CO₂ emissions of each property.

Corporate market

The ESG model is a key tool for assessing the ESG risk facing our corporate customers. The model has been jointly developed by the SpareBank 1 Alliance, and it aims to uncover credit risk associated with ESG, with customers being rated on a scale from 1 to 10. The questions in the ESG model are adapted to the industry the customer operates in, and they also assess climate risk (physical climate risk and transition risk), social risk factors (e.g. labour rights and human rights), and management and control (governance). The ESG model shall be used as a tool by our advisers when interacting with customers, partly in order to perform an ESG assessment, but also so as to discuss the risks in the customer's industry and identify which actions the customer can take to reduce their ESG risk.

We require the ESG risk level of all customers with more than NOK 3 million in credit to be classified using the ESG model. The risk classification shall be updated at least once a year and in the event of any significant changes. The risk level is classified as low, medium or high.

Description of the Bank's processes for managing climate-related risks

The Bank has processes for monitoring and managing climate-related risks, both in its own operations and in its business areas. Climate risk is monitored through annual measurements of its own greenhouse gas emissions, which provides a basis for establishing specific targets and strategies to reduce emissions and adapt to climate change. This work contributes directly to the Bank's goal of reducing its carbon footprint.

For the corporate market, climate risk is analysed at the customer and portfolio level using the ESG model, while for the retail market, data such as energy performance ratings and CO₂ emissions are used to assess physical climate risk and transition risk. These analyses help the Bank to identify and address risk, as well as providing a basis for targeted actions.

Climate risk is thoroughly integrated into the Bank's enterprise risk management system and it is included in the strategic planning process. The Board of Directors receives regular updates, and the sustainability working group monitors progress in order to ensure compliance with internal goals, the sustainability strategy and the Paris Agreement. The Bank has a long-term aim of expanding this process to include nature risk, which will become an increasingly important aspect of our sustainability strategy in the future.

Metrics and targets

Description of the metrics used by the Bank to assess climate-related risks and opportunities in line with its strategy and risk management process

Retail market

The RM uses green products such as green mortgages, green home improvement loans and loans for EVs to assess climate-related opportunities and risks. The Bank regularly reviews the performance of these products. Comparing the sale of green products with traditional, non-green products gives us an indication of trends and of how we are progressing towards our targets.

Climate risks in the RM have received increasing attention. Data from Eiendomsverdi makes it possible to assess the exposure of the properties in the portfolio to physical climate risk and transition risk. This includes information about the estimated energy performance ratings of properties which do not have official ratings, and a survey of how exposed properties are to physical climate risks such as surface runoff, sea level rise, landslides, flooding and quick clay slides.

Estimated energy performance ratings for properties which did not previously have one put the Bank in a better position to understand exposure to transition risk from stricter climate-related rules, such as the EU's new Energy Performance of Buildings Directive. Detailed information about physical climate risk improves our

ability to take informed decisions, so that we can adapt and be proactive in our dealings with customers and in response to climate change.

Corporate market

The financed emissions of the portfolio have been calculated using the methodology of the Partnership for Carbon Accounting Financials (PCAF) and Finance Norway's guidelines for calculating financed emissions. The table below gives a summary of the financed emissions of the CM portfolio by industry.

Financed emissions (in tCO ₂ e)	Lending in NOK millions	Scope 1+2	Weighted data quality	Emission intensity (tCO ₂ e per MNOK of lending)	Scope 3
Fisheries/fishing industry	2,014	78,988	4.13	39.2	36,992
Aquaculture	623	36,568	4.03	58.7	16,607
Hotel and tourism industry	515	808	4.12	1.6	4,405
Industry and mining	2,095	15,755	4.04	7.5	33,663
Culture, entertainment and leisure	128	534	4.20	4.2	1,023
Services	133	41	4.05	0.3	234
Transport	656	12,737	4.12	19.4	7,098
Commerce/retail	475	2,367	4.17	5.0	12,895
Energy/Electrical power	555	6,851	4.35	12.3	2,614
Property development	6,142	1,946	4.49	0.3	22,851
Building and construction	475	2,400	4.18	5.1	28,176
Road vehicles	172	806	4.09	4.7	4,391
Other	613	964	4.21	1.6	3,057
Agriculture	1,782	95,192	3.00	53.4	146,043
Commercial property		2,217	3.00		2,415
Total for corporate market	16,378	258,174		15.8	322,465

Calculations show that the Bank is most exposed to financed greenhouse gas emissions from agriculture, fishing, aquaculture and transport, which alone represent 87 percent of the financed emissions (scope 1+2) in the corporate market.

Method

For properties in the retail market, emissions are estimated using energy performance ratings and estimated energy performance ratings, which qualify for a PCAF data quality score of 3. For properties in the corporate market and agriculture, the method is based on Finance Norway's guidelines on calculating financed emissions, and the resulting emissions data have a data quality score of 3. For the remaining industries, PCAF emission factors have been used, which almost always results in a data quality score of 4 (figures from financial statements) or 5 (average values). We are continuously striving to improve the data quality and are working to improve it in both our upstream and downstream value chain.

Results and future activities

The estimates for financed emissions provide valuable insight into the industries with the highest emissions. Nevertheless, there is a high degree of uncertainty associated with the data, since the calculations are based on estimated values. This creates challenges in terms of monitoring progress and assessing the impact of actions.

In order to reduce the uncertainties, in 2025 the Bank will begin systematically collecting actual emission data from its largest customers. This will provide a more accurate and realistic picture of the financed emissions, and will provide a better basis for future actions and prioritisations.

It has been difficult to compare emission data over time, as the methodology used to calculate financed emissions has changed several times over the past three years. This has made it harder to identify clear trends or to evaluate the impact of climate mitigation measures. In order to address this, the Bank will work with the other banks in the SpareBank 1 Alliance to develop a joint methodology for calculating financed emissions. This collaborative project is expected to ensure more consistent and comparable results.

In addition working on methodologies, the Bank will continue to use the data it has to identify the most emission-intensive sectors in its portfolio. The insights obtained play an important role in the Bank's work on its transition plan for climate change mitigation, which is published in the Bank's sustainability library at ssf.no/berekraft.

Own operations

Learn more about this in the "Energy and GHG accounts 2024" section of this sustainability appendix.

Description of the targets used by the Bank to manage climate-related risks and opportunities and performance against targets

The Bank's strategic aim is to integrate climate risk management into all aspects of its operations. Through its overall strategy and sustainability strategy, the Bank is focusing on managing its climate-related risks and opportunities, with a goal of achieving net zero by 2050. That involves changing various parts of our operations.

Retail market

The Bank aims to offer a wide range of products that promote sustainable investments. Over recent years we have observed a significant improvement in the sale of green products. Note that up until 31.12.2024 green home improvement loans were converted into green mortgages after a set time; from 2025 onwards this will change, with these loans being rebranded and remaining a green loan product throughout their term to maturity.

Targets	2021	2022	2023	2024
By the end of 2024, we shall have NOK 5 billion of green mortgages and green home improvement loans	Green mortgages: NOK 730 million Green home improvement loans: NOK 1.5 million	Green mortgages: NOK 2.6 billion Green home improvement loans: NOK 7 million	Green mortgages: NOK 3.95 billion Green home improvement loans: NOK 12.5 million	Green mortgages: NOK 3.76 billion Green home improvement loans: NOK 7.1 million

The Bank has also increased the focus of its customers and advisers on sustainability. Customer advisers to the RM have attended an e-learning course on climate risk. Sustainability has also been high up the agenda at professional training events for advisers, particularly in relation to investment funds and saving. Advisers have also received training on energy performance ratings for homes, which improves their ability to provide good advice in this area.

Corporate market

In the CM, the Bank has identified the biggest climate-related risks and opportunities in its loan portfolio. In recent years, we have put a lot of work into developing and refining our ESG and climate risk assessments in conjunction with credit underwriting. In 2024 the focus was on improving quality and implementing the ESG module for credits without an ESG classification. On account of the Bank joining SpareBank, the previous ESG and climate risk module has been replaced by the SpareBank 1 Alliance's ESG model. The figures below show the position at 31.10.2024 with the old ESG module. We do not yet have figures for the new ESG model.

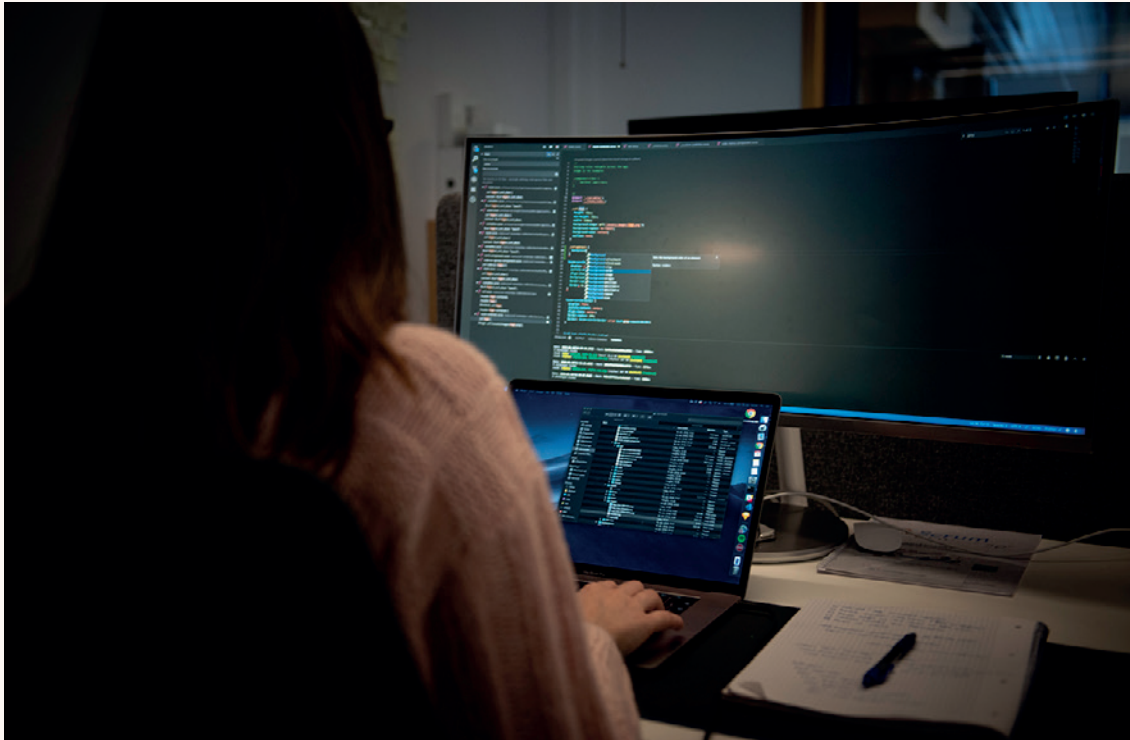
Based on risk assessments at 31.12.2024, the ESG and climate risk in the CM portfolio is distributed as follows:

Estimated climate risk	Loans at 31.12.2024	ESG score as % of loans at 31.12.2024	ESG score as % of loans at 31.12.2023	Change from 2023 to 2024
Very low risk	3 073	16,83 %	11,70 %	5,13 %
Low risk	9 876	54,8 %	46,40 %	7,68 %
Moderate risk	1 847	10,12 %	11,40 %	– 1,28 %
High risk	65	0,36 %	0,10 %	0,26 %
Very high risk	10	0,05 %	0,00 %	0,05 %
Unclassified	3 391	18,57 %	30,40 %	– 11,83 %
Total	18 262	100 %	100%	

Our sustainability strategy set goals of clarifying our positions and of establishing requirements and expectations for our customers and ourselves with respect to sustainability. In 2024, the Board adopted the Bank's first transition plan for climate change mitigation, which describes how the Bank plans to achieve its goal of net zero emissions by 2050.

Looking ahead, the goal is to continue to strengthen and improve ESG and climate risk assessments. In addition, it will be vital to update and train our customer advisers, due to the continuous stream of new updates to climate policy, both in Norway and internationally. We recognise that there is still some way to go before we achieve our goal of NOK 300 million of green business loans and green agricultural loans, and the Bank has maintained that goal in its new sustainability strategy for 2025 through to the end of 2026.

Report on due diligence



Introduction

The Transparency Act, which came into force on 1 July 2022, shall “promote enterprises’ respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services”. The Act shall also “ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions”.

Under the Act, large enterprises in Norway shall “carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. Due diligence shall be carried out regularly and in proportion to the size of the enterprise, the nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.”

Purpose of this report

This report explains the due diligence processes carried out by SpareBank 1 Sogn og Fjordane over the period 01.01.–31.12.2024. Its purpose is to provide relevant information about the Bank's operations and how it works to prevent and manage adverse impacts on fundamental human rights and decent working conditions. The report also gives information about our findings and the actions taken by the Bank.

Human rights and labour rights

Fundamental human rights are established by, for example, the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO Core Conventions on fundamental rights and principles at work. In order to provide decent working conditions, an enterprise must safeguard fundamental human rights and health and safety. In addition, employees must receive a living wage.

Due diligence assessments

The bank carries out due diligence to identify, prevent, mitigate and report on how the Bank manages actual and potential adverse impacts linked to its own operations, its supply chain and the operations of its business partners.

SpareBank 1 Sogn og Fjordane adheres to the OECD Guidelines for Multinational Enterprises in its due diligence. Work on due diligence is a continuous process. Due diligence processes are wide-ranging and involve the whole Group. Our assessments shall help to address our obligations in relation to the most significant risks associated with our operations.

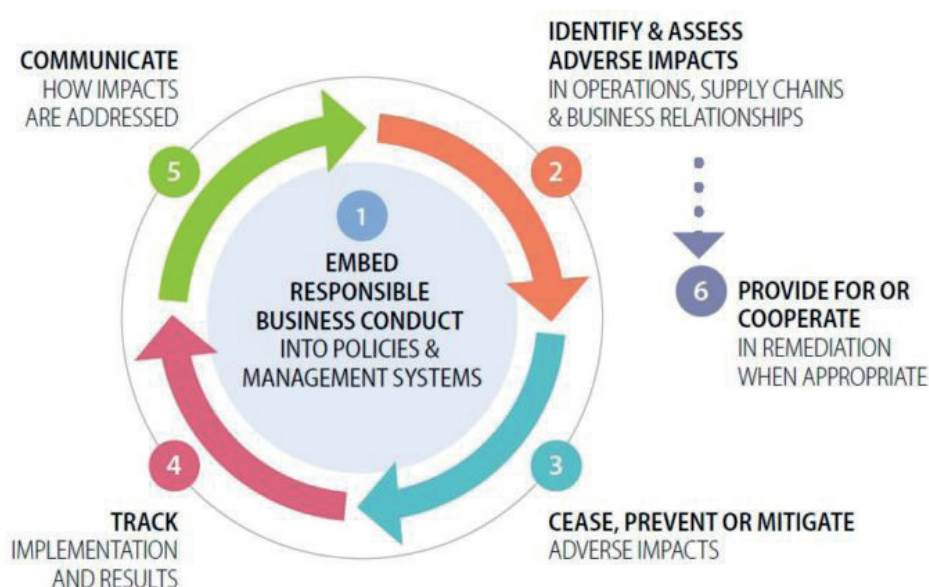
Due diligence processes shall be preventive. The aim is first and foremost to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships (OECD, 2019).

The Bank bases its work on the assumption that due diligence should be:

- preventive, with the aim being to avoid causing or contributing to adverse impacts.
- risk-based, with priorities being set based on severity and the likelihood of harm.
- an ongoing and repetitive process that must be continuously improved.

The figure below summarises the various stages of the due diligence process as set out in the OECD guidelines:

FIGURE 1. DUE DILIGENCE PROCESS AND SUPPORTING ACTIVITIES



Contents and scope of this report

Our report is split into two main parts: part 1 covers our supply chain and business partners and part 2 covers our own workforce.

This is a joint report for the whole Group, with SpareBank 1 Sogn og Fjordane as the parent company. Unless otherwise specified, the information relates to the Group as a whole.

The Bank has its head office in Førde, and it has 12 regional branches which offer services and products related to financing, savings, estate agency and insurance. The Bank offers a wide range of financial products and services, including loans, deposits, insurance through Fremtind, leases and secured loans through SpareBank 1 Finans Midt-Norge AS, and investment funds through SpareBank 1 Forvaltning.

The Bank is subject to the Transparency Act, and this is the third report it has published on its due diligence processes.

Embedding, guidelines, roles and responsibilities

SpareBank 1 Sogn og Fjordane has embedded its work in relation to human rights and decent working conditions through several internal and external documents. There are also several documents describing how the implementation of the Transparency Act shall be put into practice. Guidelines on the Transparency Act are adopted by the Board and reviewed each year.

The Board, which has overall responsibility for the Bank complying with the Transparency Act, shall ensure that

the Bank helps to promote fundamental human rights and decent working conditions.

Various people have responsibility for implementing different aspects of the Act. In the case of internal matters and employees, the HR Director has overall responsibility for assessing the risks linked to our own operations. For suppliers, partners and contractual relationships, the CFO has overall responsibility for due diligence.

The procurement manager is responsible for assessing suppliers and business partners. The sustainability officer and procurement manager jointly carry out the due diligence processes and monitor suppliers based on the risk assessments.

List of internal and external steering documents that inform the Bank's work in relation to fundamental human rights and working conditions:

- Ethical guidelines (internal)
- Sustainability Strategy 2022-2024
- Policy for equality, diversity and inclusion
- SSF's remuneration policy
- Ethical guidelines
- Health and safety policy (internal)
- Employee handbook (internal)
- Procedures for reporting censurable conditions (internal)
- Procurement strategy (internal)
- Policy for CSR and sustainability in procurement
- Guidelines on Transparency Act (internal)
- CSR and sustainability policy for the CM
- Marketing policy

For more information about SpareBank 1 Sogn og Fjordane and sustainability see: <https://www.sparebank1.no/nn/sogn-fjordane/om-oss/berekraft.html>

Suppliers and business partners

Promoting sustainable procurement is an important aspect of running our business responsibly and sustainably. We strive hard to avoid causing adverse environmental, social and financial impacts through our purchases. Our guidelines require all suppliers to reduce their greenhouse gas emissions, promote the efficient use of resources and safeguard good working conditions.

Embedding

Our work in relation to the Transparency Act is embedded into our procurement processes and contracts. We require suppliers to provide details of their subcontractors, follow ethical guidelines, report nonconformities, rectify nonconformities and accept our right to cancel in the event of failure to comply. Areas of priority include freedom of association, elimination of child labour and fair working conditions.

Roles and responsibilities

The CFO has overall responsibility for carrying out due diligence in accordance with the Transparency Act. The table below shows areas of responsibility for activities aimed at suppliers and business partners.

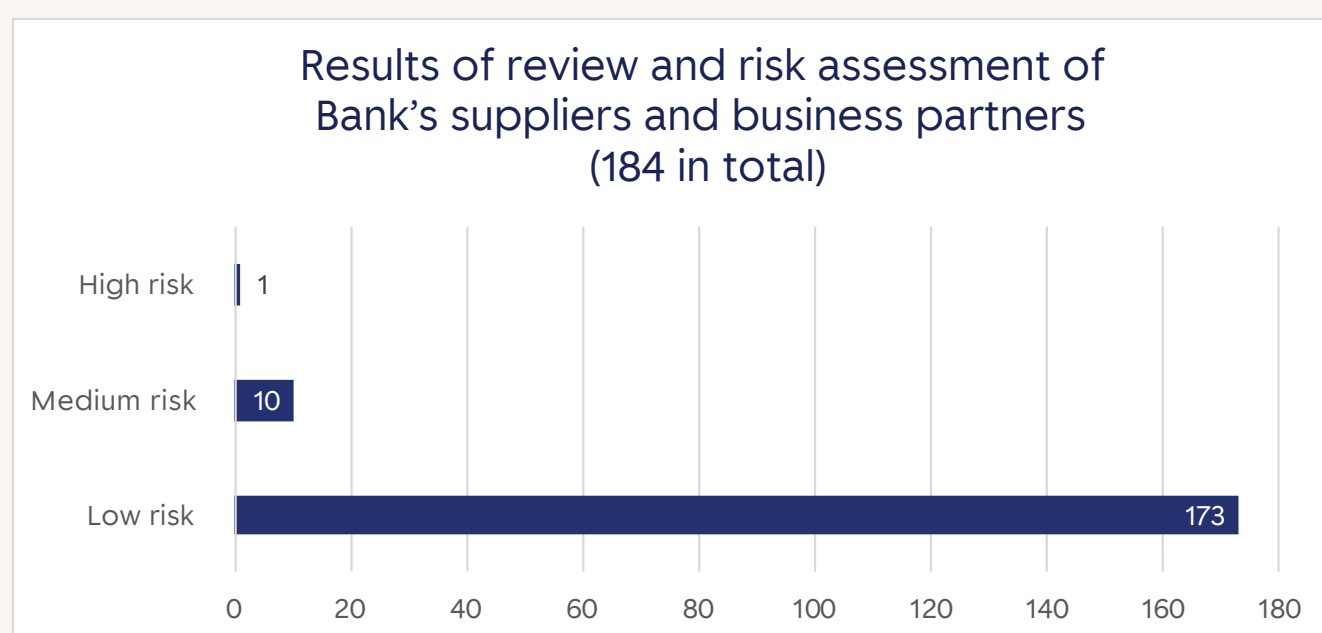
Activity	Responsibility
Overall responsibility	Board of Directors
Responsibility for carrying out due diligence processes	CFO
Assessing the Bank's suppliers and business partners	Procurement manager
Carrying out due diligence and overseeing suppliers	Procurement manager and sustainability officer
Information and reporting duty	Director of Communications together with the sustainability officer

Identifying and assessing risks of adverse impacts in our supply chain and at business partners

As a result of the Bank joining the SpareBank 1 Alliance, in 2024 there were a number of changes to our suppliers. This includes the Bank signing agreements with several new suppliers, as well as terminating its relationships with some past suppliers. The SpareBank 1 Alliance has a number of joint suppliers and business partners at the alliance level. The Alliance's procurement department carries out due diligence for these suppliers and publishes its own report in accordance with the Transparency Act.

At the end of 2024, SpareBank 1 Sogn og Fjordane had agreements with 280 suppliers and business partners. These suppliers cover a wide range of services, including IT, property services, insurance and financial services. Supply chains include both local and international enterprises.

Areas of risk are prioritised based on a combination of geographic location, type of services and products, volume of business and past documented risks. The due diligence process carried out towards the end of 2024 found the following distribution by risk class for the 184 suppliers who were assessed:



When prioritising areas of risk, we have used the following criteria: geographic location and cross-border supply chains; product category; being subject to Norwegian legislation; power and ability to exert influence; and relationship with the supplier.

There are various reasons why due diligence has not been carried out for some suppliers. The Bank has several joint suppliers to the Alliance who are covered by SpareBank 1's own due diligence processes. Subcontractors of services, systems and products are assessed at the level of the main supplier.

Our review and risk assessment of suppliers identified 11 suppliers with an elevated risk, one of whom had a high risk and 10 of whom had a medium risk.

During the spring of 2025, the Bank will send out questionnaires to the one high-risk supplier and two of the medium-risk suppliers. These suppliers operate in the following industries/areas:

- Office supplies and ICT equipment: 1
- Cleaning and canteen service: 1

Actual (identified) adverse impacts in our supply chain and at our business partners

SpareBank 1 Sogn og Fjordane has not identified any specific cases of breaches of human rights or decent working conditions through our due diligence processes.

We have identified an elevated risk in some instances, such as a supplier of office supplies and ICT equipment. In order to manage this risk, we will follow up the supplier by sending out a questionnaire to obtain documentation.

Actions taken to cease, prevent and mitigate adverse impacts

Ceasing, preventing and mitigating adverse impacts and harm involves successfully responding to the findings of due diligence processes. The Bank's most significant adverse impact on human rights or decent working conditions must be given top priority. This does not mean that other risks are unimportant or are not managed.

The nature of the Bank's involvement is the key to taking appropriate action. Any actual adverse impacts or harm which the Bank has caused or contributed to must be ceased, prevented and mitigated. Enterprises that are directly linked to adverse impacts must use their influence to get their business partners (e.g. suppliers) to cease, prevent and mitigate them.

If any nonconformities with the Bank's requirements are identified, an assessment is made as to whether to terminate the relationship with the supplier or draw up a plan for improvement. In most cases the best approach is to bring about improvements to working conditions by working with the supplier and ensuring that the plan for improvement is implemented as agreed.

Systems for receiving and managing requests for information

SpareBank 1 Sogn og Fjordane has established a system and guidelines for receiving and managing requests for information in accordance with the Transparency Act. This system ensures that all requests are managed in an efficient, transparent and responsible manner.

The Bank has created a page on its website where customers can ask questions about the Transparency Act. The page can be accessed here: <https://www.sparebank1.no/nn/sogn-fjordane/om-oss/berekraft/leverandorane-vare.html>

All requests must be made in writing. When a request arrives at the dedicated e-mail address for this purpose, the message will go to the Director of Communications, Sustainability Officer and Procurement Manager. As the people responsible, they will jointly decide who should respond to the individual request.

The Bank undertakes to respond to requests within a reasonable length of time, and the standard deadline is 3 weeks. If the quantity or type of information requested makes it challenging to respond within 3 weeks, the response can be delayed for up to 2 months. In such cases, the Bank will explain the reason for the delay and inform the person when they can expect a response.

Own workforce

Embedding

The Bank wants to be an attractive place to work, where both our employees and our organisational culture represent important competitive advantages. We are working proactively to further develop our business culture, by cooperating closely with employee representatives, consulting on working conditions, acting to increase job satisfaction and providing training. This work is embedded in the Bank's strategic documents, such as its ethical guidelines, pay policy and procedures for self-assessment.

Roles and responsibilities

The HR department has primary responsibility for ensuring that the Bank complies with relevant laws and regulations covering working conditions. This includes performing self-assessments, which are required by the Financial Supervisory Authority of Norway, and ensuring that all employees are familiar with, and adhere to, the ethical guidelines. The Bank's recruitment committee, which includes employee representatives, manages all recruitment processes that are not for staff defined as senior executives.

Whistleblowing procedures

The Bank has whistleblowing procedures to ensure that employees can report censurable conditions safely and confidentially. This includes procedures for how such cases shall be handled, with an emphasis on protecting whistleblowers and ensuring that any necessary actions are implemented quickly and effectively.

Reviewing and assessing risks, and taking corrective action, in relation to our own operations

The Bank regularly reviews and assesses the risk of breaches of human rights and decent working

conditions. Amongst other things, this includes risk assessments in relation to discrimination, harassment and other censurable conditions.

On the back of these assessments, actions are taken to prevent and mitigate risks. This work is backed up by annual reports and audits to ensure continuous improvement.

In 2024, the Bank implemented several actions to ensure it maintains a good working environment. Annual employee satisfaction surveys show that the Bank has a good working environment, in comparison to the industry and workplaces in general, with improving employee satisfaction and commitment.

The Bank has also focused on skills development, with five hours of obligatory training for all members of staff in the e-learning tools Motimate and Utsikt, covering topics such as anti-money laundering, IT security, data protection, competition law and the

annual confirmation of the Bank's ethical guidelines. No cases of internal financial crime or cases of discrimination or harassment were reported in 2024. There were no reported occupational lost time injuries.

For more information about our workforce, see the section on Our Proficient Team in the 2024 annual report.

Remediation

The Bank has a duty to engage in responsible and ethical business conduct in accordance with the OECD guidelines. The Bank has guidelines and policies covering remediation in the event of any breaches of the guidelines.

To date, we have not identified any actual adverse impacts or harm caused by the Bank, so there has been no need for remediation.





Carbon Accounting Report 2024

SpareBank 1 Sogn og Fjordane

This report provides an overview of the organisation's greenhouse gas (GHG) emissions, which is an integrated part of the organisation's climate strategy. GHG emission accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual GHG emission accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

This report comprises the head office in Førde as well as the sales offices.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO₂-equivalents (tCO₂e). The GHG emissions analysis is based on the international standard, A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-1

Reporting Year Energy and GHG Emissions

Emission source	Description	Consumption	Unit	Energy (MWh)	Emissions tCO ₂ e	% share
Transportation total				23.3	5.6	-
Diesel (NO)		1,261.0	liters	12.4	2.8	-
Petrol		1,187.0	liters	11.0	2.8	-
Scope 1 total				23.3	5.6	-
Electricity total				830.6	22.4	-
Electricity Nordic mix		830,553.0	kWh	830.6	22.4	-
District heating location total				315.3	0.6	-
District heating NO/Bergen		285,883.0	kWh	285.9	0.4	-
District cooling NO/Bergen		29,400.0	kWh	29.4	0.2	-
District heating general total				13.8	0.1	-
Electric heat/cooling pump Nordic (output)		13,772.0	kWh	13.8	0.1	-
Scope 2 total				1,159.6	23.2	-
Purchased goods and services total				-	21.8	-
Debit card	plastic	5,401.0	Qty	-	0.2	-
Debit card, bioplastic		39,275.0	Qty	-	1.6	-
Office supplies incl paper		420,736.0	NOK	-	20.0	-
Capital goods total				-	277.0	0.1 %
Signs	Bank signs	1,097,794.0	NOK	-	28.5	-
Printed circuit and electronic assembly	installation of bank signs	112,061.0	NOK	-	1.2	-
Software		6,176,056.0	NOK	-	51.3	-
Office furniture	Pods	1,970,097.0	NOK	-	49.1	-
Office furniture	Office chairs	280,576.0	NOK	-	7.0	-
Office furniture	Staff cabinet	830,421.0	NOK	-	20.7	-
Office chair (A1-3)	Office chairs	80.0	Qty	-	10.1	-
Monitor 49"		147.0	Qty	-	102.3	0.1 %
Headphones, Jabra Evolve2 75 (A1-3)	Headset	9.0	Qty	-	0.1	-
Audio and video equipment	Conference equipment	286,449.0	NOK	-	2.4	-
Printer, laser, color	Printer	8.0	Qty	-	0.5	-
Laptop, HP 14 (A1-3)	Computer	25.0	Qty	-	3.9	-
Fuel-and-energy-related activities total				-	6.0	-
Diesel (WTT)	Diesel	1,261.0	liters	-	0.8	-
Petrol (WTT)	Gasoline	1,187.0	liters	-	0.7	-
Electricity Norway (upstream)		699,426.0	kWh	-	4.5	-
Upstream transportation and distribution total				-	18.7	-
Postal service	Postage	2,423,495.0	NOK	-	18.7	-
Waste total				-	0.1	-
Mixed waste, recycled		4,250.0	kg	-	-	-
Paper waste, recycled	Paper pulp	13,255.0	kg	-	0.1	-
Paper waste, recycled	Paper, cardboard, carton	945.0	kg	-	-	-
Plastic waste, recycled		95.0	kg	-	-	-
EE waste, recycled		620.0	kg	-	-	-

Business travel total			-	47.2	-	
Air travel, domestic		37,727.0	kgCO ₂ e	-	37.7	-
Air travel, continental	Nordics and Europe	2,530.0	kgCO ₂ e	-	2.5	-
Mileage all. car (NO)	Fossil cars	26,114.0	km	-	1.7	-
Mileage all. el car Nordic	Electric cars	162,765.0	km	-	0.8	-
Hotel nights, Nordic		587.0	nights	-	4.4	
Employee commuting total			-	168.7	0.1 %	
Electric car Nordic		963,980.0	km	-	4.9	-
Car, diesel (avg.)		749,265.0	km	-	127.2	0.1 %
Car, Plug-in Hybrid Electric Vehicle (PHEV)		174,348.0	km	-	18.9	-
Bus (NO)		285,526.0	pkm	-	17.1	-
Ferry, foot passengers		22,833.0	pkm	-	0.4	-
Train (NO)	Train/ Tram commuting	11,826.0	pkm	-	0.1	-
End-of-life treatment of sold products total			-	0.5	-	
EoL: Plastic waste, incinerated	Debit card (plastic)	27.0	kg	-	0.1	-
EoL: Plastic waste, incinerated	Debit card (bioplastic)	196.4	kg	-	0.5	-
Investments total			-	262,274.0	99.8 %	
Carbon dioxide (CO2)	Property (private market)	4,100.0	tonne	-	4,100.0	1.6%
Carbon dioxide (CO2)	Property development	1,946.0	tonne	-	1,946.0	0.7 %
Carbon dioxide (CO2)	Property (business market)	2,217.0	tonne	-	2,217.0	0.8 %
Carbon dioxide (CO2)	Agriculture	95,192.0	tonne	-	95,192.0	36.2 %
Carbon dioxide (CO2)	Fishing/fishing industry	78,988.0	tonne	-	78,988.0	30.1 %
Carbon dioxide (CO2)	Aquaculture	36,568.0	tonne	-	36,568.0	13.9 %
Carbon dioxide (CO2)	Industry and mining	15,755.0	tonne	-	15,755.0	6.0 %
Carbon dioxide (CO2)	Energy	6,851.0	tonne	-	6,851.0	2.6 %
Carbon dioxide (CO2)	Building and construction	2,400.0	tonne	-	2,400.0	0.9 %
Carbon dioxide (CO2)	Retail trade	2,367.0	tonne	-	2,367.0	0.9 %
Carbon dioxide (CO2)	Transport	12,737.0	tonne	-	12,737.0	4.8 %
Carbon dioxide (CO2)	Hotels and tourism	808.0	tonne	-	808.0	0.3 %
Carbon dioxide (CO2)	Services, Car, Culture, Entertainment and Leisure Activities, Other	2,345.0	tonne	-	2,345.0	0.9 %
Scope 3 total			-	262,813.9	100.0 %	
Total*			1,182.9	262,842.7	100.0 %	
KJ*			4,258,603,980.0			
*The total numbers for MWh and KJ include only Scope 1 + Scope 2						

Reporting Year Market-Based GHG Emissions

Category	Unit	2024
Electricity Total (Scope 2) with Market-based calculations	tCO ₂ e	-
Scope 2 Total with Market-based electricity calculations	tCO ₂ e	0.7
Scope 1+2+3 Total with Market-based electricity calculations	tCO ₂ e	262,820.2

In 2024, SpareBank 1 Sogn og Fjordane had total greenhouse gas emissions of 262 842.7 tons of CO₂ equivalents (tCO₂e). This is a reduction of 9 633.1 tCO₂e, corresponding to 3.5% compared to 2023.

Greenhouse gas emissions in 2024 had the following distribution:

Scope 1: 5.6 tCO₂e (0.002%)

Scope 2: 23.2 tCO₂e (0.009%)

Scope 3: 262 813.9 tCO₂e (99.99%)

The reduction in total emissions is primarily due to a reduction in category 15 investments in Scope 3. In Scope 1 and 2, a decrease in emissions has been recorded, corresponding to 6.7 tCO₂e (Scope 1) and 18.9 tCO₂e (Scope 2). The decrease in emissions from Scope 1 and 2 mainly comes from a lower consumption of fuel reported in Scope 1, as well as lower consumption of electricity reported in Scope 2.

Scope 1

Mobile combustion: Actual consumption of fossil fuel in the company's vehicles (owned, leased, rented).

Total fuel consumption in 2024 was 1 261 liters of diesel. This amounts to a total of 5.6 tCO₂e and corresponds to a decrease of 54.5% compared to 2023 with 12.3 tCO₂e. The significant decrease is due to the replacement of the bank's own fleet.

Scope 2

This significant decrease in consumption of electricity and heat pump/cooling is due to the beginning of a renovation and remodeling work at the headquarter in Førde since the summer 2024, where this location has not been used for the last 6-7 months of 2024. The employees are expected to move back to the office in 2025 once the renovation is completed.

Electricity: Measured consumption of electricity in owned or rented premises/buildings for all departments. The table on page 2 shows greenhouse gas emissions from electricity calculated with the location-based emission factor Nordic mix. Emissions from electricity consumption have decreased by 45.6 % compared to 2023, going from 41.2 to 22.4 tCO₂e. This corresponds to a decrease of 641.7 MWh. Electricity with a market-based factor is presented in the table on page 4 of this report. The practice of presenting emissions from electricity consumption with two different emission factors is further explained under Scope 2 in Methodology and sources on page 12. SpareBank 1 Sogn og Fjordane purchased guarantees of origin for its electricity consumption of 830.6 MWh in 2024. Therefore, the emissions related to electricity consumption with a market-based factor will be 0.

District heating and cooling: Use of district heating and cooling in owned/leased buildings. The consumption of district heating and cool increased by 39.1 MWh from 2023 to 2024, which corresponds to an increase of 0.3 tCO₂e.

Heat pump: Use of a heat pump in owned/rented buildings. Total greenhouse gas emissions from the use of heat pumps ended up at 0.1 tCO₂e, which corresponds to a decrease of 43.4 MWh from 2023 to 2024.

Scope 3

Purchased goods and services: SpareBank 1 Sogn og Fjordane has reported emissions for its 44 676 issued bank cards in 2023. There is an augmentation of 4 246 in the number of cards issued compared to 2023. Bank cards are an essential part of a bank's business and are replaced every 3-4 years for all customers.

The emissions linked to the bank cards produced an emission of 1.8 tCO₂e, which amounts to an augmentation of 0.2 tCO₂e compared to the previous year. In 2024, the bank used a larger proportion of bioplastics in its production of bank cards. Of the 44 676 cards issued in total, 39 275 cards were registered with a larger proportion of bioplastic. This category has a decrease of 16.2%, which is due to a reduction in the emission factor for office supplies between 2023 and 2024.

Capital goods: A total of 277.0 tCO₂e emissions was reported for purchased capital goods in 2024. This represents a decrease of 41.5 % compared to 2023. This reduction is mainly due to the lower cost of the purchased goods.

Fuel-and-energy-related activities: A total of 6.0 tCO₂e emissions has been recorded for fuel-and-energy related activities in 2024 despite a decrease of emission related to transportation owned by SpareBank 1 Sogn og Fjordane (see Scope 1). The main reason is due to the reporting of electricity upstream emissions which were not reported in previous years.

Upstream transportation and distribution: This category relates to the transportation expenses of the bank cards produced. A total of 18.7 tCO₂e emissions was recorded in 2024, representing a decrease of 63.6% compared to 2023. The value of the emission factor for postal services was modified between 2023 and 2024, which could explain this reduction.

Waste: Reported waste in kg divided into different waste fractions, as well as treatment method (recycled, energy recovered, landfill). Waste accounted for emissions of less than 0.1 tCO₂e in 2024, representing a significant decrease of 5.9 tCO₂e or 98.3% compared to 2023. The decrease is mainly due to the headquarters, where waste emissions are reported, having been out of use for the last 6-7 months of 2024 due to renovations. SpareBank 1 Sogn Fjordane can expect the emissions related to waste to increase again when the employees move back to the headquarters once renovations are completed in 2025.

Business travel: A total of 47.2 tCO₂e emissions were recorded for business travels in 2024, representing an increase of 73.5% compared to 2023, when emissions were 27.2 tCO₂e. The increase is mainly due to the rise of domestic flights in 2024. This large increase in business travel, including domestic flights and hotel stays, is linked to SpareBank 1's conversion. In 2024, the bank transitioned from Sparebanken Sogn og Fjordane to SpareBank 1 Sogn og Fjordane, leading to an increased need for employees to travel across the country to connect with colleagues in the SpareBank 1 Alliance. Kilometer allowances were given for 26 114 km with fossil cars, and 162 675 km with electric cars. In total, this resulted in emissions of 2.5 tCO₂e in 2024, compared to 2.7 tCO₂e in 2023. The bank's employees spent a total of 587 hotel nights in Norway in 2024, an increase of 291 nights compared to 2023, corresponding to a 98.3% rise. Emissions associated with hotel stays accounted for 4.4 tCO₂e in 2024, representing an increase of 2.2 tCO₂e compared to 2023.

Employee commuting: Employee commuting refers to emissions associated with employees' travel between their homes and the headquarters in Førde. A total emission of 168.7 tCO₂e was recorded in 2024. Data from the 2024 commuting survey was used for both 2023 and 2024. The difference in emissions between 2023 and 2024 is caused by changes associated with some of the emission factors used in this category.

Use of sold products: Emissions associated with the collection, transport, and treatment of bank cards issued in 2024 at the end of their lifespan. There was a change in the type of emission factor between 2023 and 2024 to a more appropriate one, which explains the 68.8% reduction in emissions.

Investments: The bank has included emissions for its lending portfolio in 2024. This represents a significant footprint and contributes to a substantial increase in emissions. A total of 262 274 tCO₂e has been recorded for investments, accounting for 99.98% of SpareBank 1 Sogn og Fjordane's total greenhouse gas emissions. A decrease in emissions of 9 390 tCO₂e between 2023 and 2024 was observed. The changes from 2022 to 2023 are due to new methods for calculating financed emissions. There are also new methods for categorizing the lending portfolio. Emissions have been recorded for the following industries in 2024: agriculture, real estate development, fisheries/fish industry, aquaculture, industry and mining, energy, construction, retail trade, transport, hotels and tourism, culture, entertainment, and leisure activities. The industries with the largest share of emissions are agriculture (36.2%) and fisheries/fish industry (30.1%).

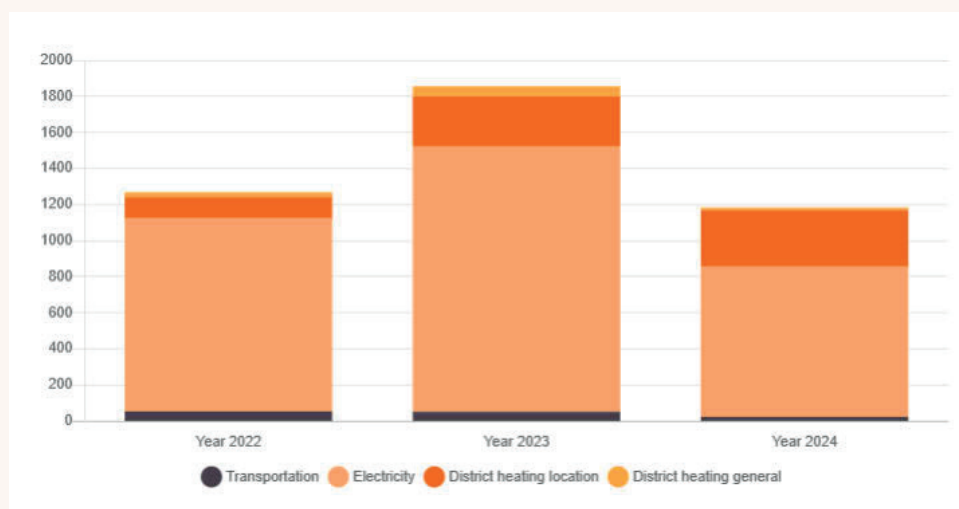
Annual GHG Emissions

Category	Description	2022	2023	2024	% change from previous year
Transportation total		11.4	12.3	5.6	-54.5 %
Diesel (NO)		7.4	8.0	2.8	-65.0 %
Petrol		4.0	4.3	2.8	-34.9 %
Scope 1 total		11.4	12.3	5.6	-54.5 %
Electricity location-based total		27.8	41.2	22.4	-45.6 %
Electricity Nordic mix		27.8	41.2	22.4	-45.6 %
District heating location total		0.2	0.3	0.6	100.0 %
District heating NO/Bergen		0.2	0.3	0.4	33.3 %
District cooling NO/Bergen		-	-	0.2	100.0 %
District heating general total		0.2	0.5	0.1	-80.0 %
Electric heat/cooling pump Nordic (output)		0.2	0.5	0.1	-80.0 %
Scope 2 total		28.2	42.1	23.2	-44.9 %
Purchased goods and services total		2.0	26.0	21.8	-16.2 %
Debit card		1.7	0.5	0.2	-60.0 %
Debit card, bioplastic		0.3	1.1	1.6	45.5 %
Office supplies incl paper		-	24.4	20.0	-18.0 %
Capital goods total		-	473.3	277.0	-41.5 %
Signs	Bank signs	-	-	28.5	100.0 %
Printed circuit and electronic assembly	Installation of bank signs	-	-	1.2	100.0 %
Software		-	-	51.3	100.0 %
Software	Software, total access	-	51.9	-	-100.0 %
Ventilation equipment		-	51.0	-	-100.0 %
Office furniture	Pods	-	-	49.1	100.0 %
Office furniture	Office chairs	-	-	7.0	100.0 %
Office furniture	Staff cabinet	-	-	20.7	100.0 %
Office furniture	Office and cabin furniture	-	24.1	-	-100.0 %
Other electrical equipment	Alarm bank cabin	-	2.6	-	-100.0 %
Office chair (A1-3)	Office chairs	-	-	10.1	100.0 %
Office chair (A1-3)	Office chairs jan., may., okt.,	-	7.5	-	-100.0 %
Building, repair and maintenance	Sandane renovation	-	109.9	-	-100.0 %
Building, repair and maintenance	Renovation Bergen + kitchen change Sandane	-	20.0	-	-100.0 %
Monitor 49"		-	-	102.3	100.0 %
Monitor 49"		-	132.2	-	-100.0 %
Headphones, Jabra Evolve2 75 (A1-3)	Headset	-	-	0.1	100.0 %
Headphones, Jabra Evolve2 75 (A1-3)		-	0.7	-	-100.0 %
Audio and video equipment	Conference equipment	-	1.5	2.4	60.0 %
Car compact (electric)	New el car	-	14.4	-	-100.0 %
Printer, laser, color	Printer	-	-	0.5	100.0 %
Laptop, HP 14 (A1-3)	Computer	-	-	3.9	100.0 %
Laptop, HP 14 (A1-3)	Computer, HP	-	54.0	-	-100.0 %
Apple MacBook Pro 16"	Computer, Apple	-	0.6	-	-100.0 %
Monitor 34"	PC-screen, 43"	-	0.5	-	-100.0 %
Wireless telecommunications	Network boxes	-	2.2	-	-100.0 %

Fuel-and-energy-related activities total		-	3.3	6.0	81.8 %
Diesel (WTT)		-	2.2	0.8	-63.6 %
Petrol (WTT)	Gasoline	-	1.1	0.7	-36.4 %
Electricity Norway (upstream)		-	-	4.5	100.0 %
Upstream transportation and distribution total		-	51.4	18.7	-63.6 %
Postal service	Postage	-	-	18.7	100.0 %
Postal service	Postage	-	51.4	-	-100.0 %
Waste total		4.7	6.0	0.1	-98.3 %
Paper waste, recycled		0.1	-	-	-
Paper waste, recycled	Paper pulp	-	-	0.1	100.0 %
Paper waste, recycled	Paper, cardboard, carton	-	-	-	-
Paper waste, recycled	Secure shredding	-	0.3	-	-100.0 %
Mixed waste, recycled		-	-	-	-
Plastic waste, recycled		-	-	-	-
Plastic waste, recycled		-	-	-	-
EE waste, recycled		-	-	-	-
EE waste, recycled		-	-	-	-
Residual waste, incinerated		4.4	-	-	-
Residual waste, incinerated		-	5.5	-	-100.0 %
Cardboard waste, recycled	Cardboard press	-	0.1	-	-100.0 %
Metal waste, recycled		0.1	-	-	-
Metal waste, recycled		-	-	-	-
Business travel total		29.8	27.2	47.2	73.5 %
Air travel, domestic		15.4	-	-	-
Air travel, domestic		-	19.7	37.7	91.4 %
Air travel, continental		0.8	-	-	-
Air travel, continental	Flights abroad	-	2.7	-	-100.0 %
Air travel, continental	Nordics and Europe	-	-	2.5	100.0 %
Mileage all. car (NO)		12.4	-	-	-
Mileage all. car (NO)	Fossil cars	-	1.8	-	-100.0 %
Mileage all. car (NO)		-	-	1.7	100.0 %
Mileage all. el car Nordic		-	-	-	-
Mileage all. el car Nordic	Electric cars	-	0.9	-	-100.0 %
Mileage all. el car Nordic		-	-	0.8	100.0 %
Hotel nights, Nordic	Norway	1.2	-	-	-
Hotel nights, Nordic		-	2.2	-	-100.0 %
Hotel nights, Nordic		-	-	4.4	100.0 %
Employee commuting total		-	168.5	168.7	0.1 %
Electric car Nordic		-	-	4.9	100.0 %
Electric car Nordic		-	5.1	-	-100.0 %
Car, diesel (avg.)	Fossil cars	-	-	127.2	100.0 %
Car, diesel (avg.)		-	127.2	-	-100.0 %
Car, Plug-in Hybrid Electric Vehicle (PHEV)		-	-	18.9	100.0 %
Car, Plug-in Hybrid Electric Vehicle (PHEV)		-	16.3	-	-100.0 %
Bus (NO)		-	-	17.1	100.0 %
Bus (NO)		-	19.4	-	-100.0 %
Ferry, foot passengers		-	-	0.4	100.0 %
Ferry, foot passengers		-	0.4	-	-100.0 %
Train (NO)	Train/ Tram commuting	-	-	0.1	100.0 %

Train (NO)		-	0.1	-	-100.0 %
End-of-life treatment of sold products total		-	1.6	0.5	-68.8 %
Debit card	Plastic	-	0.5	-	-100.0 %
Debit card, bioplastic		-	1.1	-	-100.0 %
EoL: Plastic waste, incinerated	Debit card (plastic)	-	-	0.1	100.0 %
EoL: Plastic waste, incinerated	Debit card (bioplastic)	-	-	0.5	100.0 %
Investments total		325,140.0	271,664.0	162,003.0	-40.4 %
Carbon dioxide (CO2)	Agriculture	126,940.0	68,548.0	95,192.0	38.9 %
Carbon dioxide (CO2)	Residential property	-	4,920.0	-	-100.0 %
Carbon dioxide (CO2)	Commercial property	-	6,736.0	-	-100.0 %
Carbon dioxide (CO2)	Property (private market)	-	-	4,100.0	100.0 %
Carbon dioxide (CO2)	Property development	-	-	1,946.0	100.0 %
Carbon dioxide (CO2)	Fishing and aquaculture	29,500.0	-	-	-
Carbon dioxide (CO2)	Fishing/fishing industry	-	39,198.0	78,988.0	101.5 %
Carbon dioxide (CO2)	Property (business market)	-	-	2,217.0	100.0 %
Carbon dioxide (CO2)	Industry and mining and extraction	100,320.0	-	-	-
Carbon dioxide (CO2)	Aquaculture	-	17,983.0	36,568.0	103.3 %
Carbon dioxide (CO2)	Electricity, gas, steam, and hot water supply	29,730.0	-	-	-
Carbon dioxide (CO2)	Industry and mining	-	35,794.0	15,755.0	-56.0 %
Carbon dioxide (CO2)	Building and construction business	12,460.0	-	-	-
Carbon dioxide (CO2)	Energy	-	18,525.0	6,851.0	-63.0 %
Carbon dioxide (CO2)	Sale and operation of real estate	480.0	-	-	-
Carbon dioxide (CO2)	Building and construction	-	18,002.0	2,400.0	-86.7 %
Carbon dioxide (CO2)	Other transport and storage, pipe transport	11,860.0	-	-	-
Carbon dioxide (CO2)	Retail trade	9,190.0	17,191.0	2,367.0	-86.2 %
Carbon dioxide (CO2)	Transport	-	30,834.0	12,737.0	-58.7 %
Carbon dioxide (CO2)	Service sectors	590.0	-	-	-
Carbon dioxide (CO2)	Hotels and tourism	-	3,662.0	808.0	-77.9 %
Carbon dioxide (CO2)	Accommodation and catering business	3,780.0	-	-	-
Carbon dioxide (CO2)	Services, Car, Culture, Entertainment and Leisure Activities, Other	-	10,271.0	-	-100.0 %
Carbon dioxide (CO2)	Other	290.0	-	-	-
Carbon dioxide (CO2)	Services, Car, Culture, Entertainment and Leisure Activities, Other	-	-	2,345.0	100.0 %
Scope 3 total		325,176.6	272,421.4	262,813.9	-3.5 %
Total		325,216.1	272,475.8	262,842.7	-3.5 %
Percentage change			-16.2 %	-3.5 %	

Annual energy consumption (MWh) Scope 1 & 2



Annual Market-Based GHG Emissions

Category	Unit	2022	2023	2024
Electricity Total (Scope 2) with Market-based calculations	tCO ₂ e	-	6.2	-
Scope 2 Total with Market-based electricity calculations	tCO ₂ e	0.3	7.1	0.7
Scope 1+2+3 Total with Market-based electricity calculations	tCO ₂ e	325,188.3	272,440.8	262,820.2
Percentage change			-16.2 %	-3.5 %

Annual Key Energy and Climate Performance Indicators

Name	Unit	2022	2023	2024	% change from previous year
Scope 1 + 2 emissions (tCO ₂ e)		39.6	54.3	28.8	-47.1 %
Total emissions (s1+s2+s3) (tCO ₂ e)		325,216.1	272,475.8	262,842.7	-3.5 %
Total energy scope 1 + 2 (MWh)		1,268.2	1,856.8	1,182.9	-36.3 %

Methodology and sources

The Greenhouse Gas Protocol Initiative (GHG protocol) is developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is according to A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards explaining how to calculate and report GHG emissions. The reporting considers the following greenhouse gases, all converted into CO₂ equivalents: CO₂, CH₄ (methane), N₂O (laughing gas), SF₆, HFCs and PFCs.

This analysis is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes. When using the control approach to consolidate GHG emissions, companies shall choose between either the operational control or financial control criteria. Under the control approach, a company accounts for the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 Mandatory reporting includes all direct emission sources where the organisation has operational control. This includes all use of fossil fuels for stationary combustion or transportation, in owned, leased or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2 Mandatory reporting includes indirect emissions related to purchased energy; electricity or heating/cooling where the organisation has operational control. The electricity emissions factors used in CEMAsys is based on national gross electricity production mixes on a 3 years rolling average (IEA Stat). The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, which reflects the common Nord Pool market area. Emission factors per fuel type are based on assumption in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA stat.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption.

Primarily two methods are used to “allocate” the GHG emissions created by electricity generation to the end consumers of a given grid. These are the *location-based* and the *market-based* method. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

Businesses who report on their GHG emissions will now have to disclose both location-based emissions from the production of electricity and the market-based emissions related to the potential purchase of Guaranties of Origin (GoO).

The purpose of this amendment in the reporting method is on one hand to show the impact of energy efficiency and saving measures, and on the other hand to display how the acquisition of GoOs affect the GHG-emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factor using this method is determined by whether the business acquires GoOs or not. When selling GoOs, the supplier certifies that the electricity is produced by only renewable sources, which has an emission factor of 0 grams of CO₂e per kWh. However, for electricity without the guarantee of origin, the emission factor is based on the remaining electricity production after all GoOs for renewable energy are sold. This is called a *residual mix*, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Scope 3 Voluntary reporting of indirect emissions from purchased products or services in the value chain. The scope 3 emissions are a result of the company's different activities, which are not controlled by the company, i.e. they're indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc. In general, the GHG report should include information that users, both internal and external to the company need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary that reflects the substance and economic reality of the company's business relationships.

References:

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WBCSD/WRI (2015). GHG protocol Scope 2 guidance: An amendment to the GHG protocol corporate standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

This list of references may not be complete. Depending on the use of the CEMAsys emission factors database, there are a number of different local and national sources. If necessary, please contact CEMAsys Help Desk for further details.

GRI-indeks

Area of focus	GRI indicator	Description	Source	Where	Comments/direct reporting
STANDARD GRI INDICATOR	ORGANISATION AND REPORTING PRACTICE				
	2-1	Organisational details	Annual report	Directors' report. Quick facts about SpareBank 1 Sogn og Fjordane	
	2-2	Entities included in the organisation's sustainability reporting	Annual report	Quick facts about SpareBank 1 Sogn og Fjordane, Note 1 Accounting principles, section on Subsidiaries and associates, Note 32 Subsidiaries and associates	
	2-3	Reporting period, frequency and contact point			2024, annual, henrik.hundershagen@ssf.no
	2-4	Restatements of information			No changes
	2-5	Current practice for external assurance of reporting			No external verification of the report
	ACTIVITIES AND WORKERS				
	2-6	Activities, value chain and other business relationships	Annual report	Quick facts about SpareBank 1 Sogn og Fjordane. Directors' report. Strategy; promoting sustainable development	There were significant changes to the enterprise's structure and supply chain during the reporting period. In 2024, the Bank became part of the SpareBank 1 Alliance
	2-7	Employees	Annual report	Directors' report.	
	2-8	Workers who are not employees			Use of contract staff is insignificant
	GOVERNANCE				
	2-9	Governance structure and composition	Annual report	Organisation and corporate governance; corporate governance	
	2-10	Nomination and selection of the highest governance body	Annual report	Organisation and corporate governance; corporate governance	
	2-11	Information about the Chair of the Board of Directors	Annual report	Organisation and corporate governance, Board of Directors	
	2-12	Role of the Board of Directors and Senior Management Team in overseeing the management of impacts	Annual report	Organisation and corporate governance; corporate governance. Business areas and corporate social responsibility, promoting sustainable development	
	2-13	Delegation of responsibility for managing impacts	Annual report and sustainability appendix	Organisation and corporate governance; corporate governance. Strategy; promoting sustainable development. Sustainability appendix, TCFD report	

Area of focus	GRI indicator	Description	Source	Where	Comments/direct reporting
STANDARD GRI INDIKATORAR	GOVERNANCE (CONT.)				
	2-14	Board of Directors' approval of sustainability reporting	Annual report	Strategy; promoting sustainable development	
	2-15	Conflicts of interest	Annual report	Directors' report. Organisation and corporate governance; corporate governance	
	2-16	Communication of critical concerns to the Board of Directors	Annual report	Directors' report. Organisation and corporate governance; corporate governance	
	2-17	Board of Directors' collective knowledge about the sustainability strategy	Annual report	Strategy; promoting sustainable development	
	2-18	Evaluation of the performance of the Board of Directors	Annual report	Note 26	
	2-19	Remuneration policies	ssf.no	Remuneration policy available at www.ssf.no/berekraftsportal/berekraftsbibliotek/	
	2-20	Process to determine remuneration	Annual report	Corporate governance. Remuneration policy available at www.ssf.no/berekraftsportal/berekraftsbibliotek/	
	2-21	Annual total compensation ratio	Annual report	Organisation and corporate governance; corporate governance	
	STRATEGY, POLICIES AND PRACTICES				
	2-22	Statement on sustainable development strategy	Annual report	Promoting sustainable development	
	2-23	Policy commitments	ssf.no	www.ssf.no/berekraftsportal/berekraftsbibliotek/	
	2-24	Embedding policy commitments	Annual report	Strategy; promoting sustainable development	
	2-25	Grievance mechanisms and processes to remediate negative impacts	Annual report	Organisation and corporate governance; corporate governance.Strategy; promoting sustainable development	
	2-26	Whistleblowing and other mechanisms for seeking advice and raising concerns	Annual report	Organisation and corporate governance; corporate governance.Strategy; promoting sustainable development	
	2-27	Compliance with laws and regulations			Organisation and corporate governance; corporate governance.Strategy; promoting sustainable development
	2-28	Membership of associations	Annual report	Strategy; promoting sustainable development	
	STAKEHOLDERS				
	2-29	Approach to stakeholder engagement	Annual report	Strategy; promoting sustainable development	
	2-30	Collective bargaining agreements			79% of employees are covered by collective bargaining agreements. The remainder are covered by a local company agreement and relevant legislation.
	3-3	Approach to material topics	Annual report	Strategy, promoting sustainable development, Our material topics	

Area of focus	GRI indicator	Description	Source	Where	Comments/direct reporting
ANTI-CORRUPTION AND FINANCIAL CRIME	ECONOMIC PERFORMANCE				
	201-1	Direct economic value generated and distributed	Annual report	About SSF; key figures, consolidated. About SSF; CEO's review. Income statement, equity statement	
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability appendix	TCFD report	
	201-3	Pension obligations and other benefits			Not material to the Bank
	201-4	Financial assistance received from government			Not material to the Bank
	FINANCIAL CRIME AND ANTI-CORRUPTION				
	3-3	Approach to material topics	Annual report	Strategy; promoting sustainable development	
	ANTI-CORRUPTION				
	205-1	Transactions assessed for risks	Annual report	Business areas and corporate social responsibility; financial crime	
	205-2	Communication and training about anti-corruption policies and procedures	Annual report	Business areas and corporate social responsibility; financial crime	
	205-3	Confirmed incidents of corruption and actions taken	Annual report	Business areas and corporate social responsibility; financial crime	
OUR EMPLOYEES	SOCIETY				
	Employees				
	3-3	Approach to material topics	Annual report	Strategy; promoting sustainable development	
	ARBEIDSFORHOLDET				
	401-1	Number of new employees and staff turnover	Annual report	Business areas and corporate social responsibility; our proficient team	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Annual report	Note 26	The savings programme for permanent employees involving equity certificates is described in Note 26. Beyond that, permanent employees receive special rates on loans, savings products and insurance services. These benefits do not apply to temporary employees.
	401-3	Parental leave	Annual report	Business areas and corporate social responsibility; our proficient team	

Area of focus	GRI indicator	Description	Source	Where	Comments/direct reporting
OUR EMPLOYEES	SOCIETY (CONT.)				
	DIVERSITY AND EQUAL OPPORTUNITY				
	404-1	Average hours of training per year per employee	Annual report	Business areas and corporate social responsibility; our proficient team	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Annual report	Business areas and corporate social responsibility; our proficient team	
	404-3	Percentage of employees receiving regular performance and career development reviews	Annual report	Business areas and corporate social responsibility; our proficient team	100 %
	DIVERSITY AND EQUAL OPPORTUNITY				
	405-1	Diversity of governance bodies and management	Annual report	Directors' report; pay, equality and diversity. Business areas and corporate social responsibility; our proficient team	
	405-2	Pay gap between men and women	Annual report	Directors' report; pay, equality and diversity. Business areas and corporate social responsibility; our proficient team	
	NON-DISCRIMINATION				
	406-1	Incidents of discrimination and corrective actions taken	Annual report	Business areas and corporate social responsibility; our proficient team	
ENVIRONMENT	ENVIRONMENT				
	EMISSIONS AND COMPLIANCE WITH ENVIRONMENTAL REGULATIONS				
	3-3	Approach to material topics	Annual report	Strategy; promoting sustainable development	
	EMISSIONS				
	305-1	Direct GHG emissions	Annual report	Strategy; promoting sustainable development, Sustainability appendix: Energy and GHG accounts 2024	
	305-2	Indirect GHG emissions – from energy consumption	Annual report	Strategy; promoting sustainable development, Sustainability appendix: Energy and GHG accounts 2024	
	305-3	Indirect GHG emissions – other	Annual report	Strategy; promoting sustainable development, Sustainability appendix: Energy and GHG accounts 2024	
	305-4	GHG emissions intensity	Annual report	Strategy; promoting sustainable development, Sustainability appendix: Energy and GHG accounts 2024	
	305-5	Reduction of GHG emissions	Annual report	Strategy; promoting sustainable development, Sustainability appendix: Energy and GHG accounts 2024	

Information about the company

SPAREBANKEN SOGN OG FJORDANE

ADDRESS:	Naustdalsvegen 4 6800 Førde
TEL. NO.:	+47 57 82 97 00
WEBSITE:	www.ssf.no
E-MAIL:	kundesenter@ssf.no
ORGANISATION NUMBER:	946 670 081

CONTACT PEOPLE:

Trond Teigene
CEO
Tel. no.: +47 90 82 50 86

Frode Vasseth
CFO
Tel. no.: +47 951 98 452