

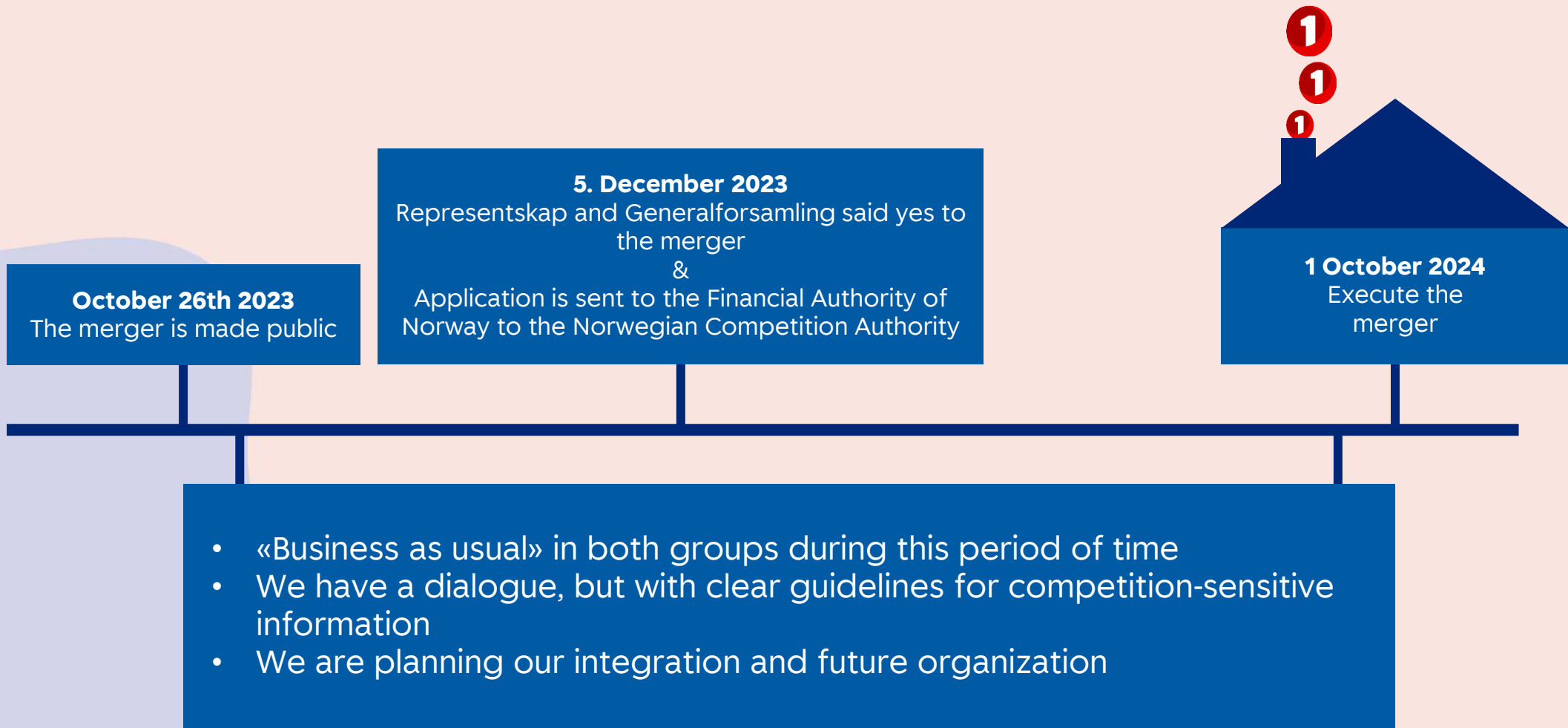
Preliminary annual results and results for the fourth quarter of 2023





We come together to create SpareBank 1 Sør-Norge

«Business as usual» until completion



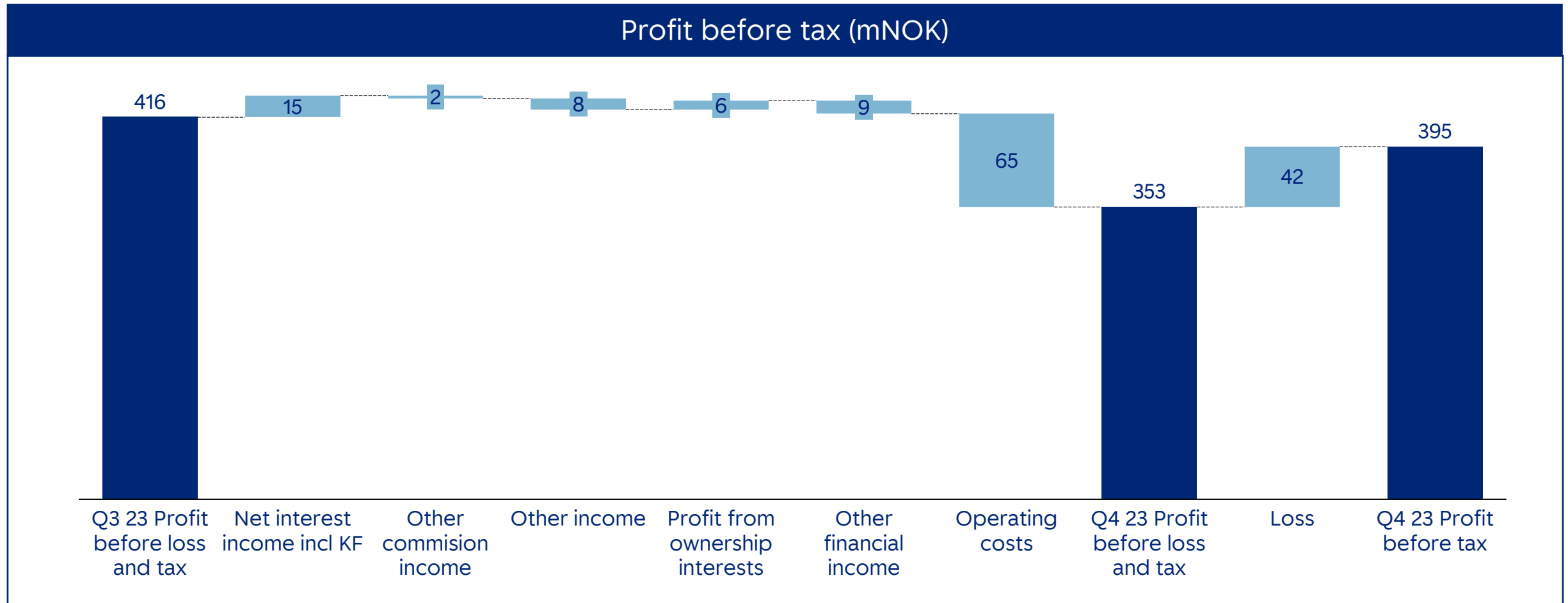


Results for the fourth quarter
and preliminary annual results
of 2023

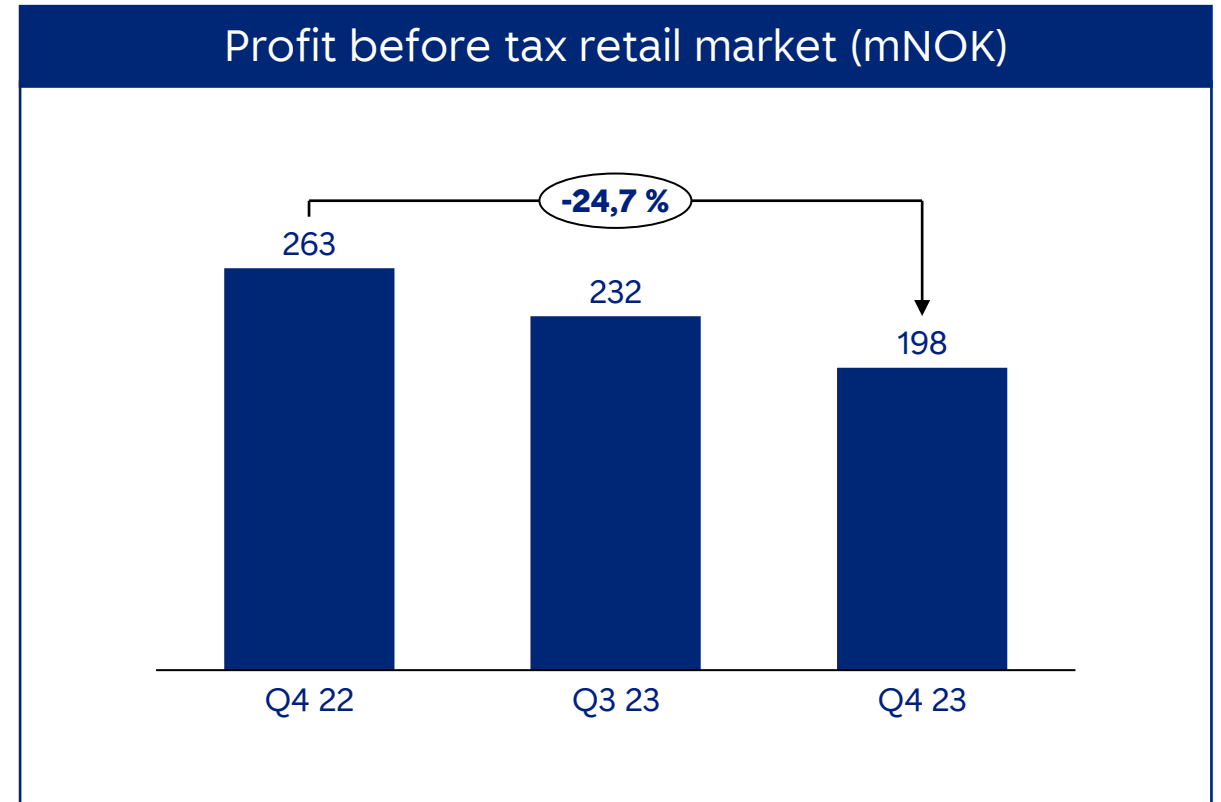
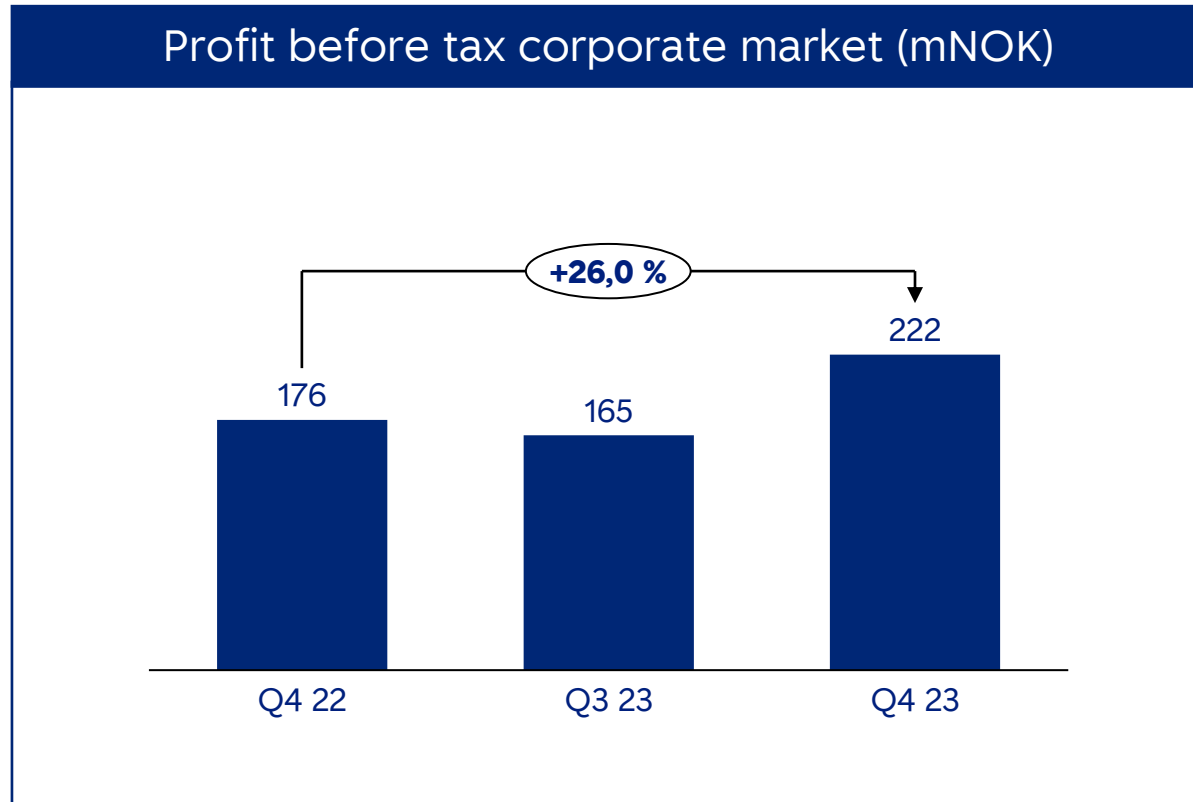
Increased net interest income and loan loss reversals in Q4 2023

- Net interest income, including commission income from credit institutions, increased by 3 percent (NOK 15 million) in the quarter.
- Net commission income reduced by 2 percent (NOK - 2 million) in the quarter.
- Reduced income from subsidiaries by NOK - 13 million in the quarter.
- Weak financial results due to a negative outcome from SB1 Gruppen -17 mnok and valuation of fixed-rate loans and derivatives. The dividend from SB1 Finans Midt Norge for the year 2022 has been recognized in the fourth quarter (NOK 19 million)
- Increased costs excl. one-time cost by NOK 40 million this quarter. Increased costs are mainly attributed to bonus provisions for 2023, as well as some increased expenses related to alliance, IT, and consultancy costs, especially associated with the crisis management project.
- Income recognition of losses this quarter amounted to NOK 42 million hence change in scenario weighing NOK 8 million in corporate market. Confirmed losses (net) NOK 6 million in Q4
- The result in the fourth quarter was NOK 301 million.
- Common equity tier 1 capital adequacy ratio for the group is 19.4 percent, and the leverage ratio is 8.5 percent
- Return on equity for the quarter was 9.3 percent, compared to 9.4 percent in the previous quarter. Taking one-off costs into account, the return on equity in the quarter is 9.8 percent
- Earnings per share for the group this quarter is NOK 1.27 and NOK 1.30 in the parent bank.

Increased net interest income and loan loss reversals

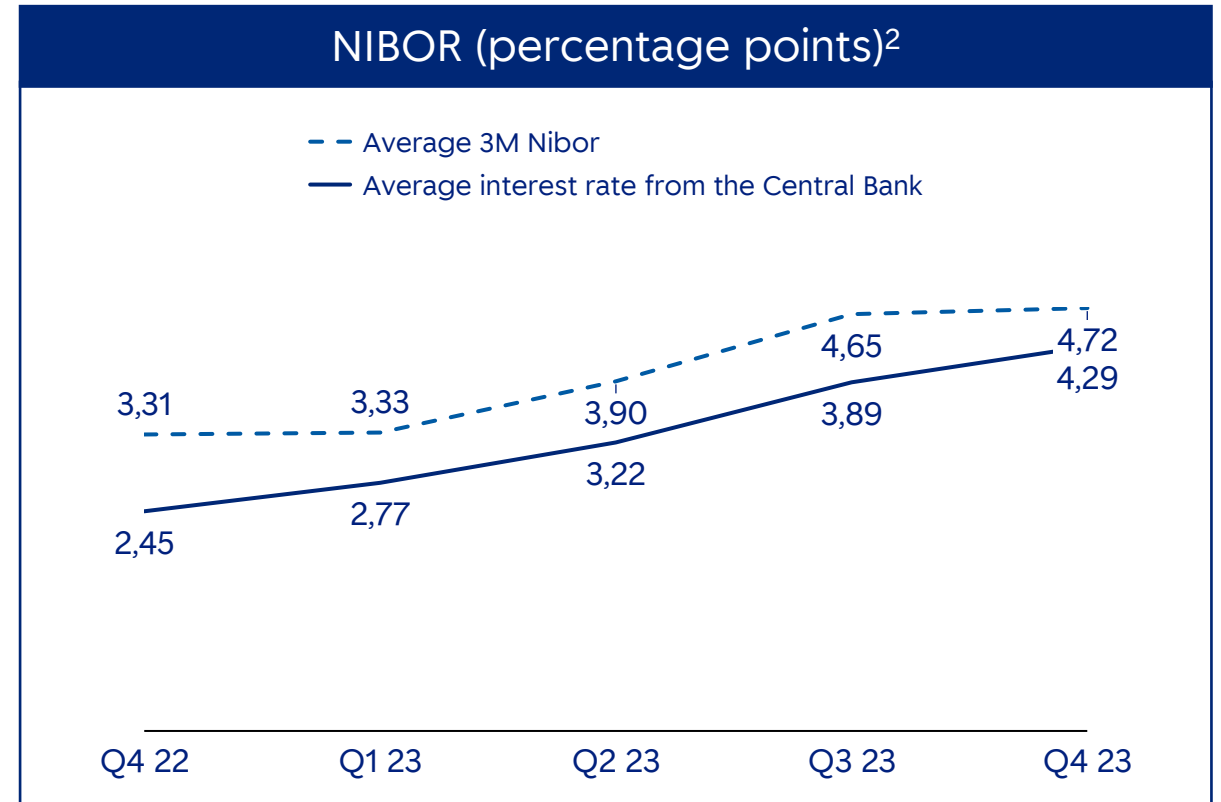
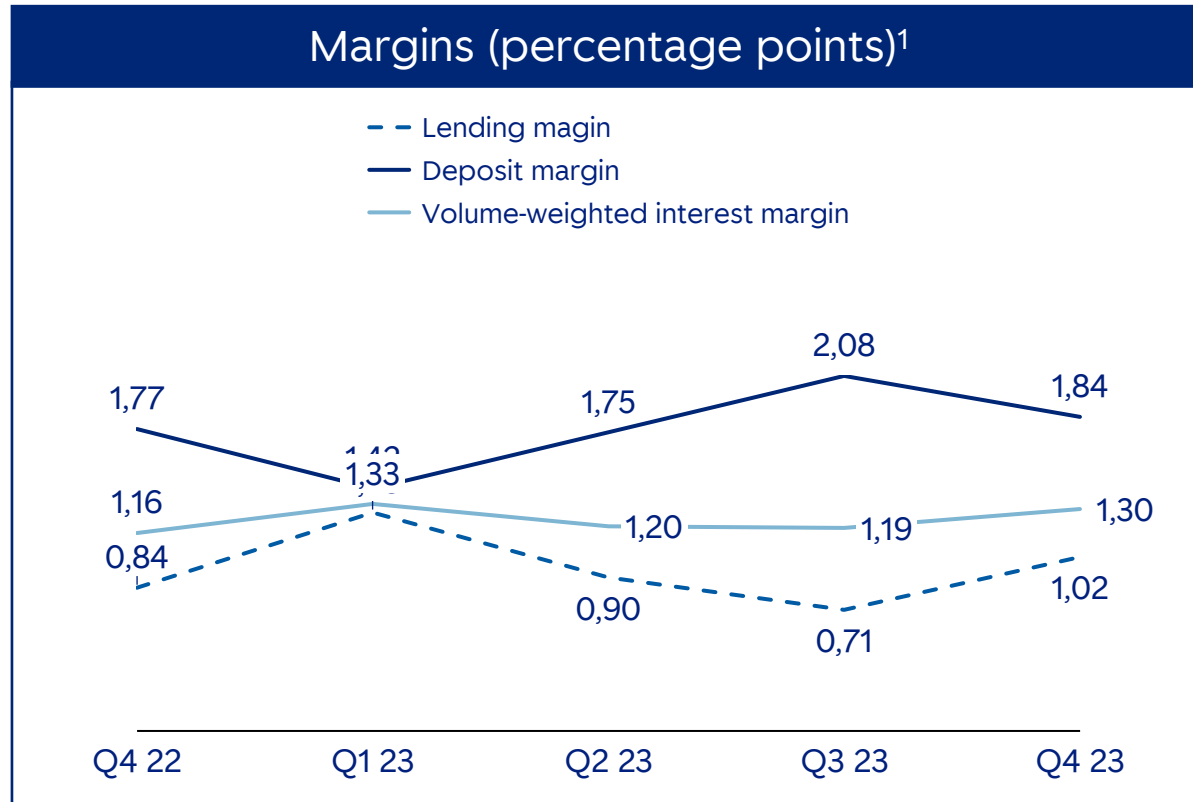


Development of results from the corporate and personal markets



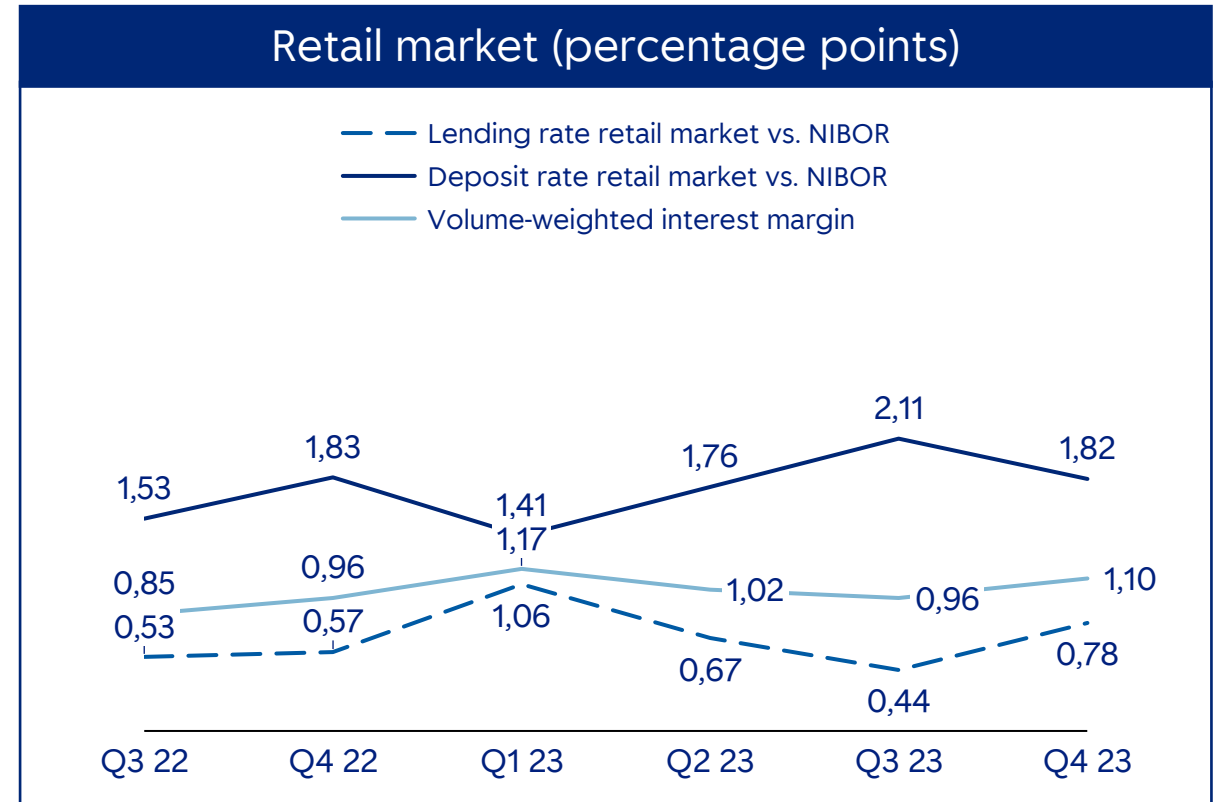
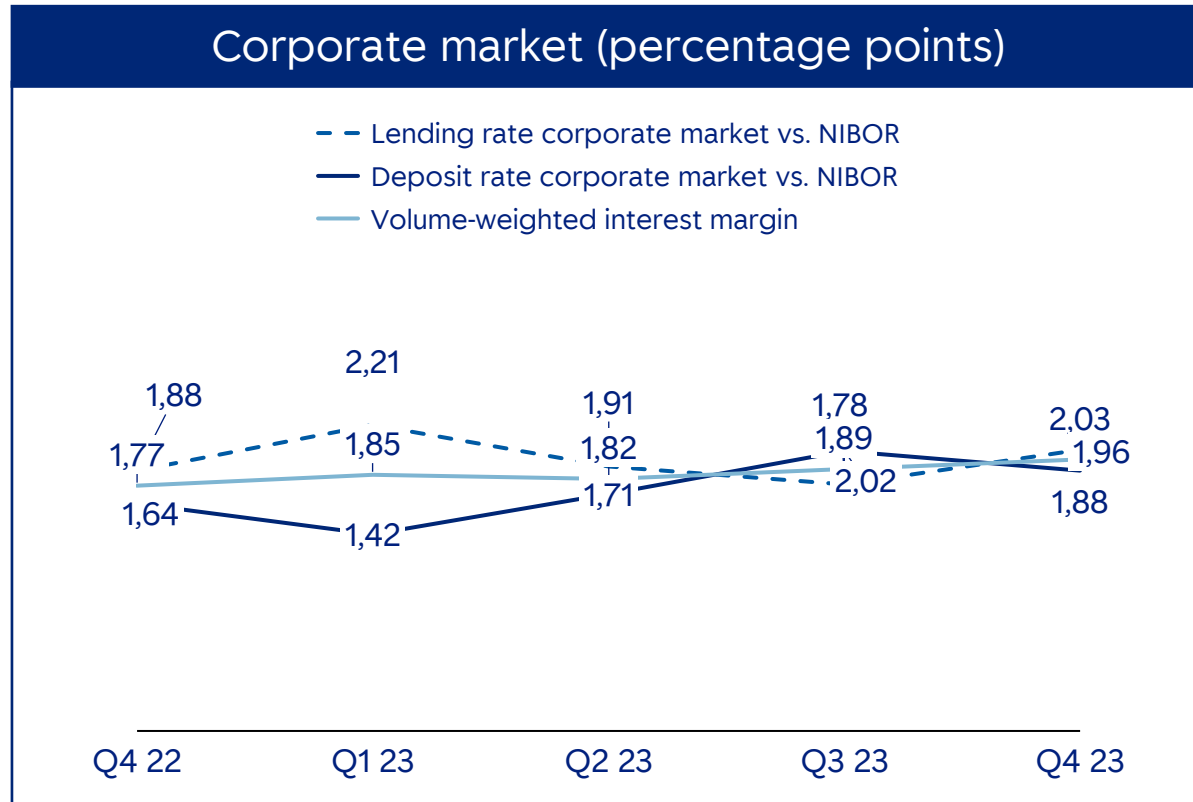
*Results excl. One-off cost

Increased volume weighted interest margin



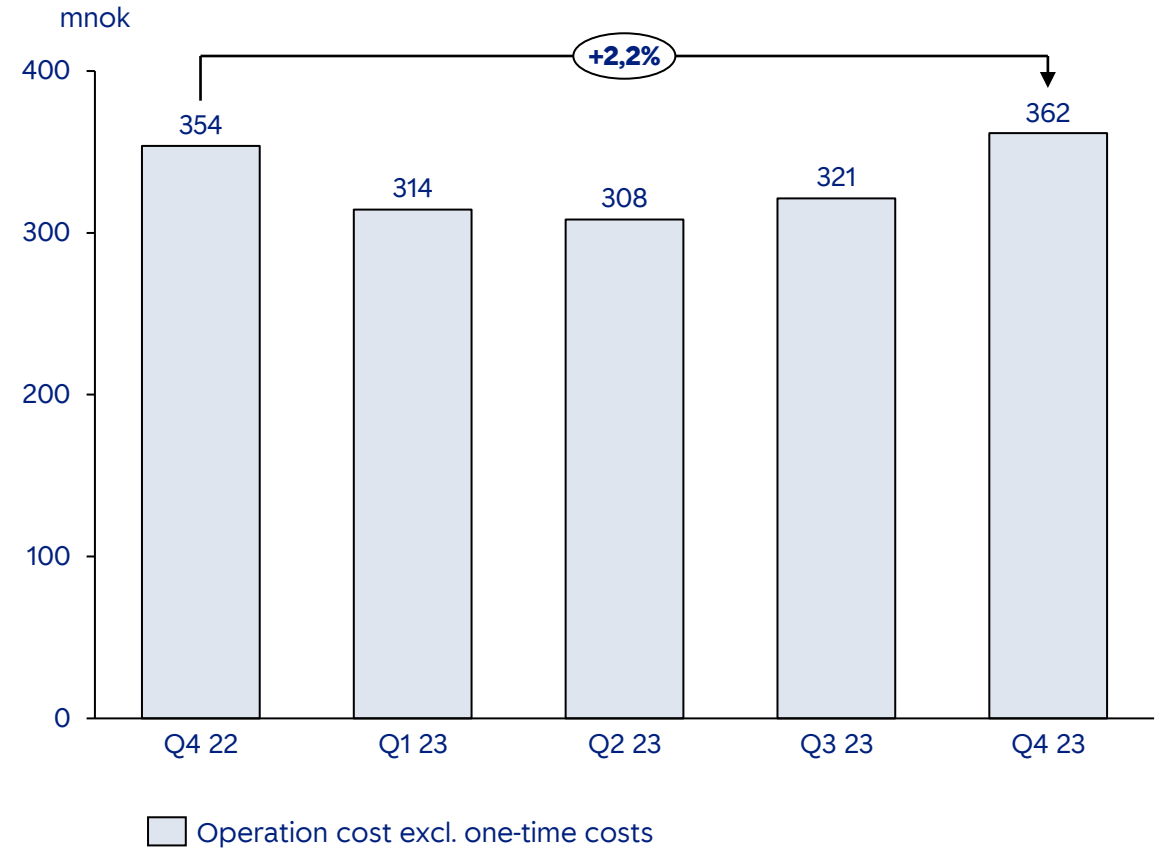
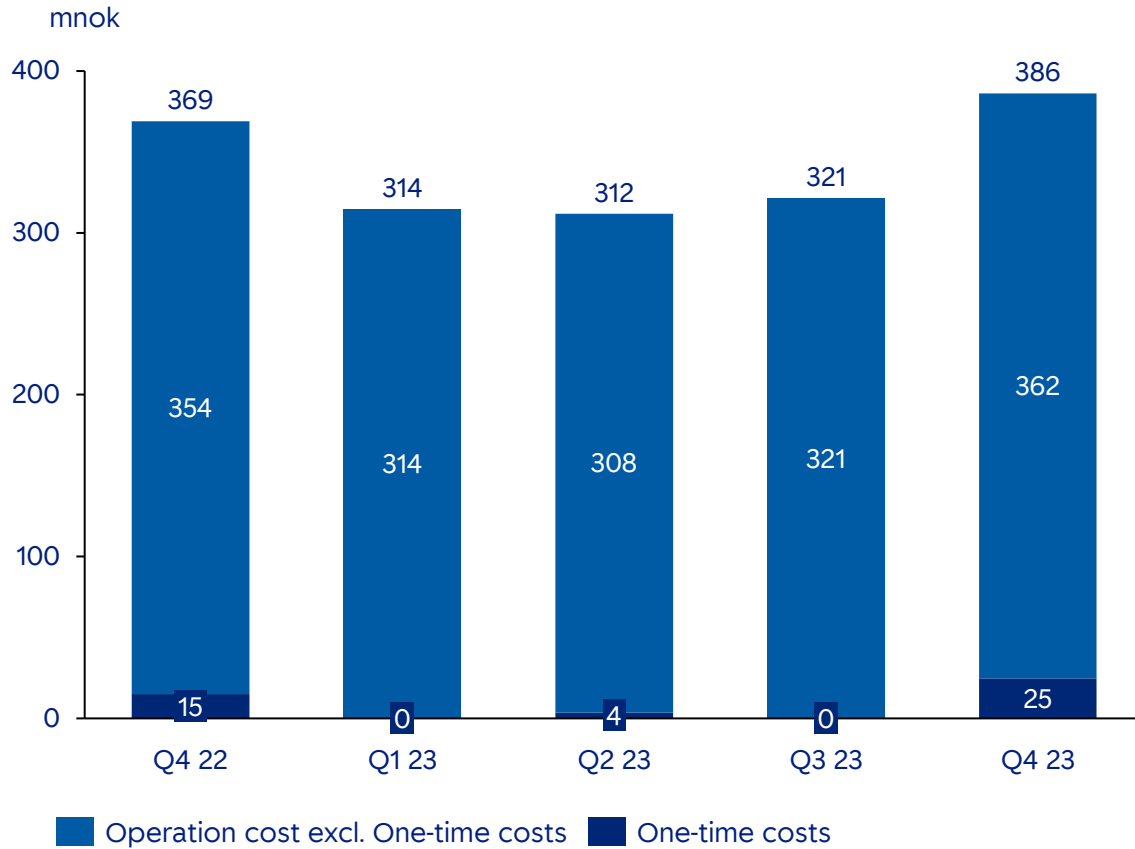
1) Interest on lending includes loans transferred to mortgage co
 2) 3M NIBOR is calculated as average 3M NIBOR in the quarter

Improved lending margins, but reduced deposit

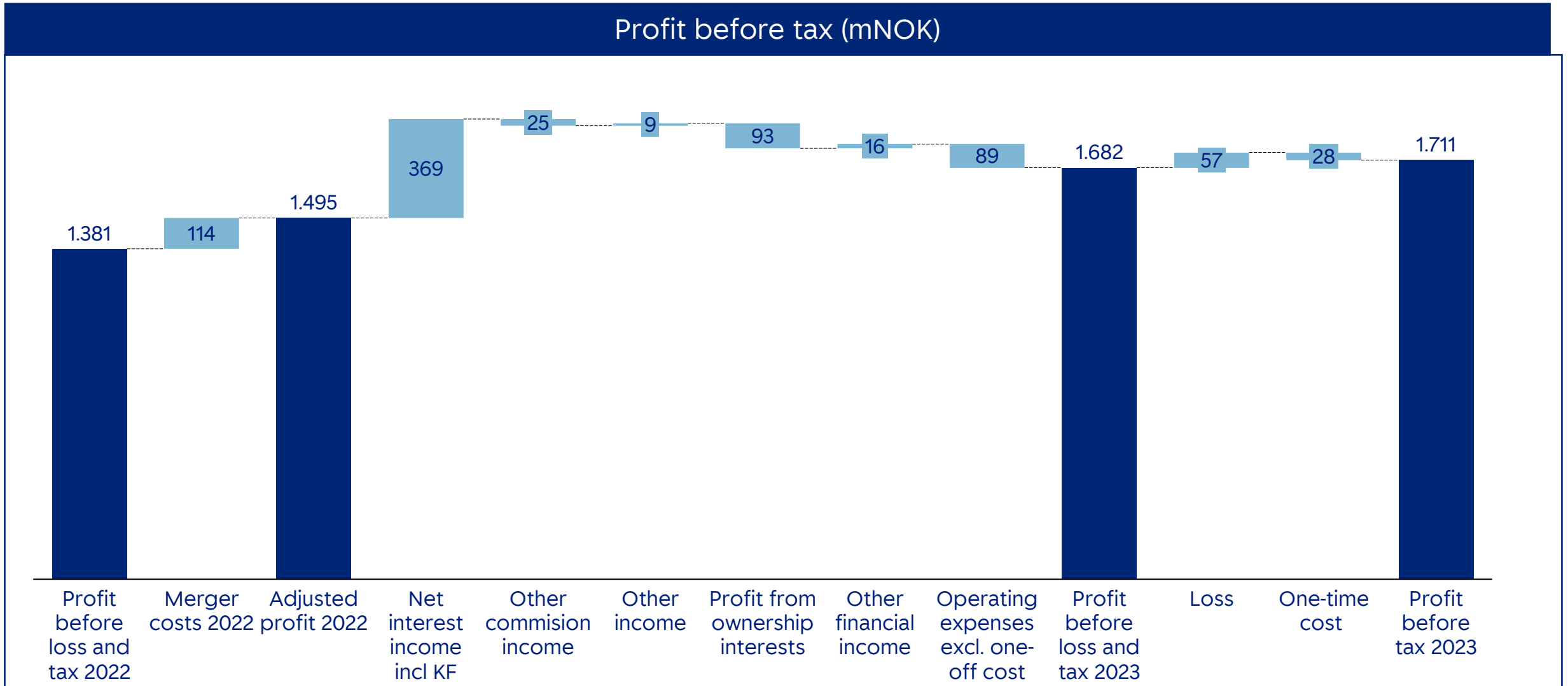


1) Note 3M NIBOR is calculated as averaging 3M NIBOR in the quarter. Interest on lending includes loans transferred to mortgage co. Interest margin for the quarter

Moderate cost growth adjusted for one-time costs



Solid annual result

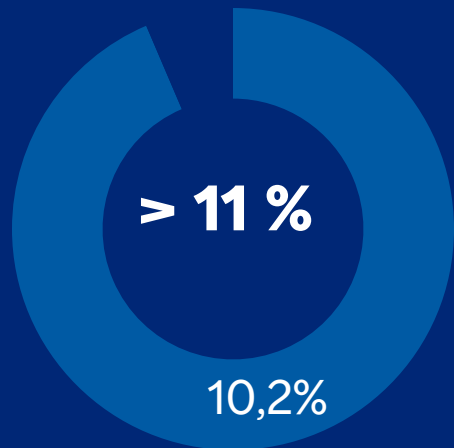


Solid annual result with increased net interest income and income recognition of losses, but weak growth

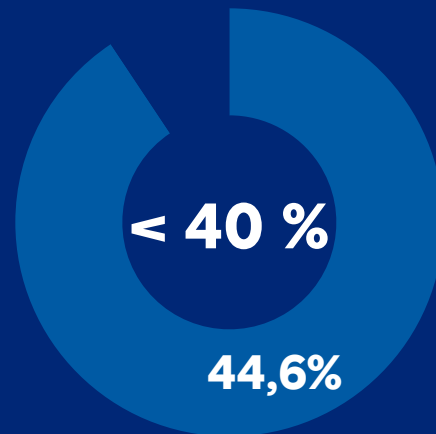
- Net interest income, including commission income from credit institutions, increased by 21 percent (NOK 369 million).
- Net commission income reduced by 6 percent (NOK 2 million).
- Reduced income and results by NOK 13 million.
- Increased income from subsidiaries by NOK 8 million. Full-year impact of acquiring the accounting firm in 2022. Reduced income from real estate brokerage by NOK 24 million.
- Weak financial results due to a negative outcome from SB1 Gruppen -11 mnok and valuation of fixed-rate loans and derivatives. The dividend from co-owned companies is reduced by NOK 30 million in 2023.
- Increased costs excl. one-time cost by NOK 90 million this year. Increased costs are mainly attributed to increased expenses related to alliance, IT, reduced wealth tax and consultancy costs for the implementation and compliance with regulatory requirements, as well as underlying salary and price growth
- Income recognition of losses this quarter amounted to NOK 57 million hence change in scenario weighing NOK 8 million in CM. Confirmed losses (net) NOK 2 million this year
- The result for 2023 was NOK 1 310 million
- Common equity tier 1 capital adequacy ratio for the group is 19.4 percent, and the leverage ratio is 8.5 percent
- Return on equity for 2023 excl. one-time cost was 10.4 percent, compared to 9.6 percent in 2022.
- Earnings per share for the group this year is NOK 5.47 and the parent bank NOK 6.05

Key figures and financial targets

Return on equity
(ROE)

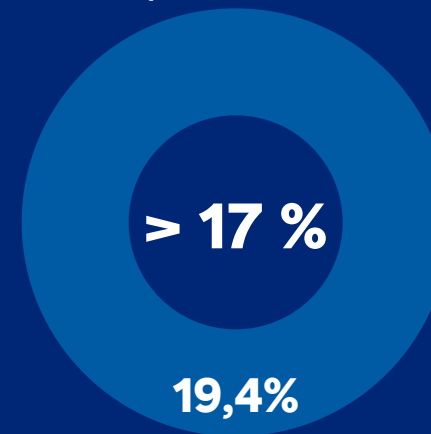


Cost to income

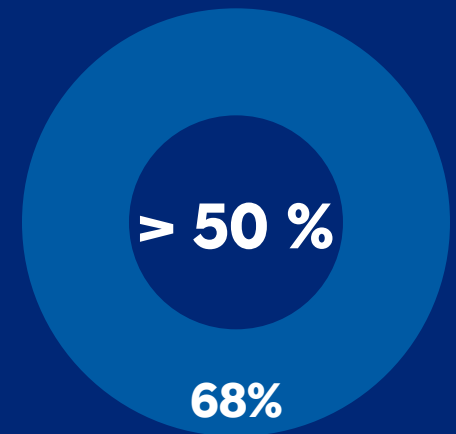


36,8 % parent bank

CET1
capital ratio



Dividend
share

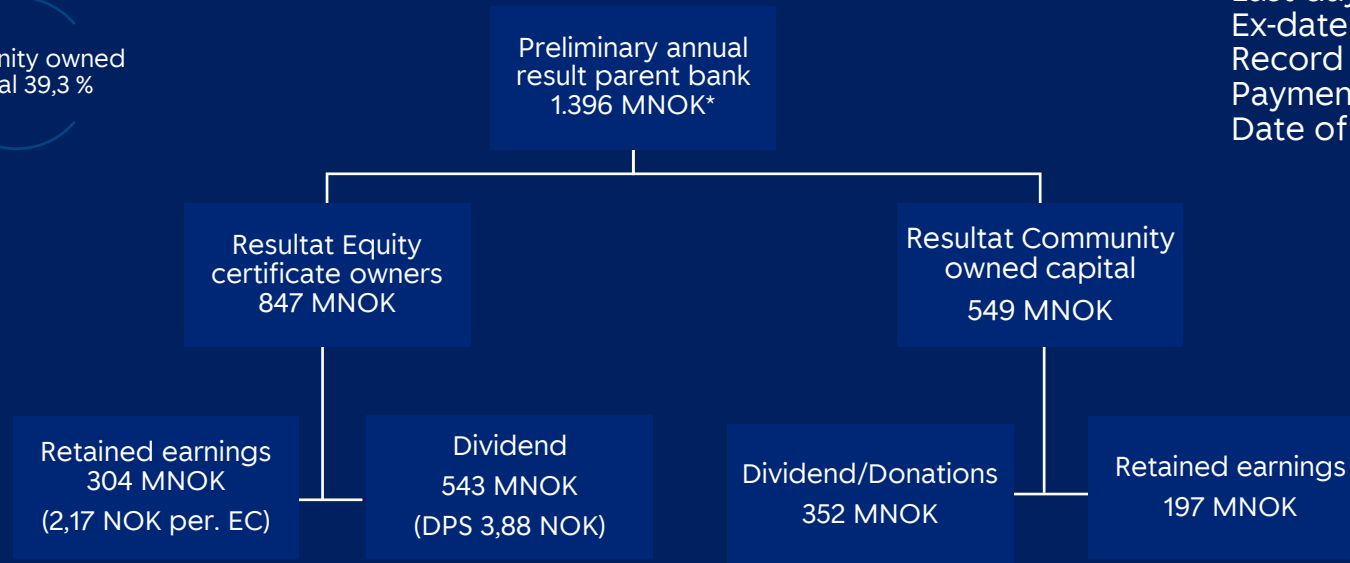


Parent bank 64 %
DPS NOK 3,88

Board of direktor's proposal for dividend

Equity certificate owners
60,7 %

Community owned capital 39,3 %



Last day including right	18. April 2024
Ex-date	19. April 2024
Record date	22. April 2024
Payment date	26. April 2024
Date of approval	18. April 2024

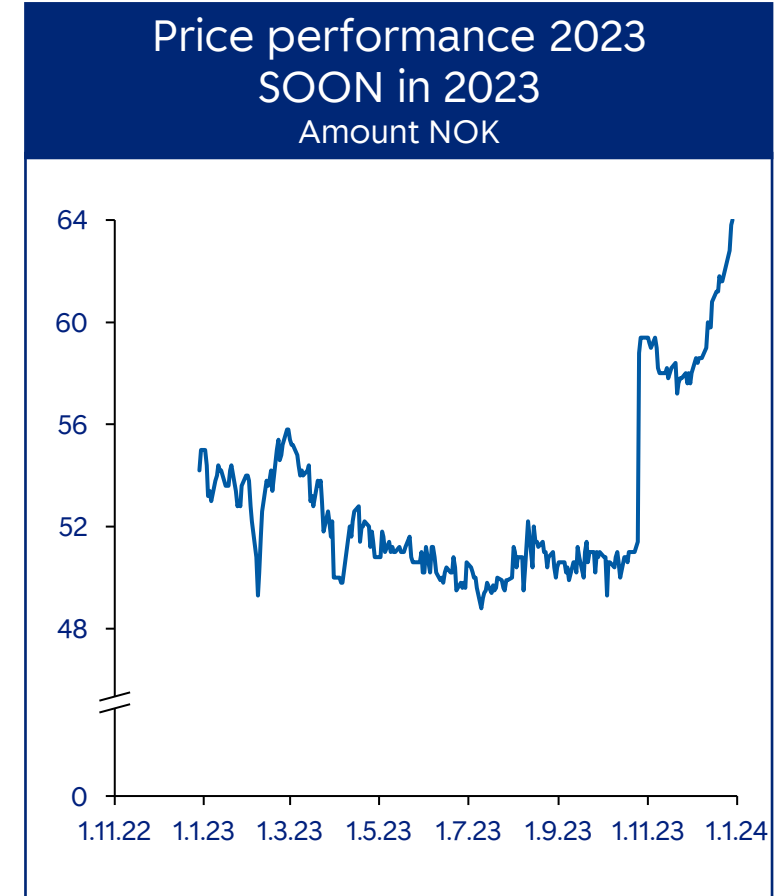
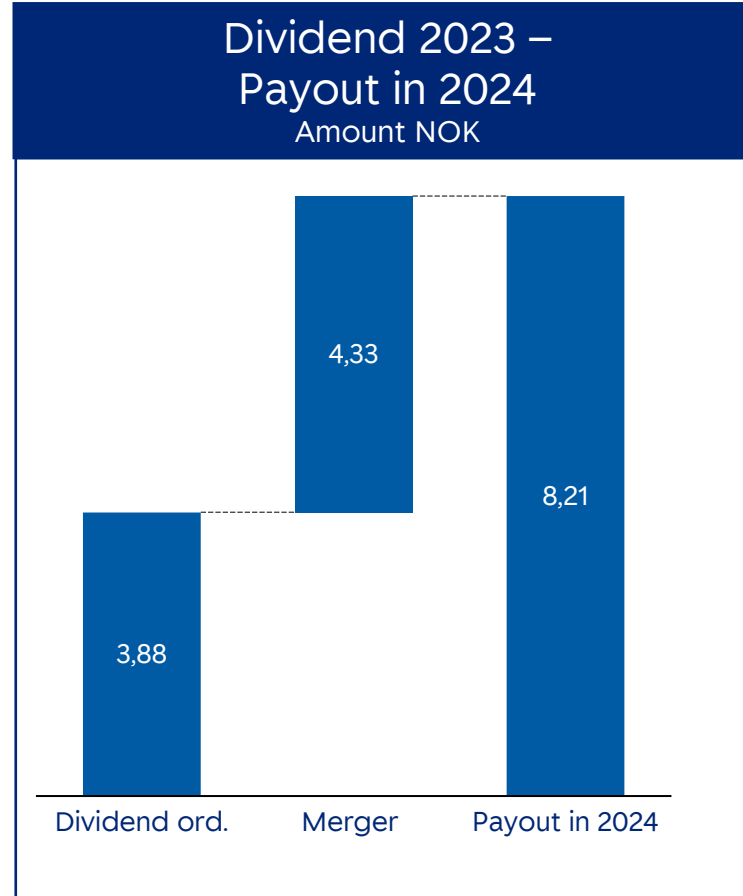
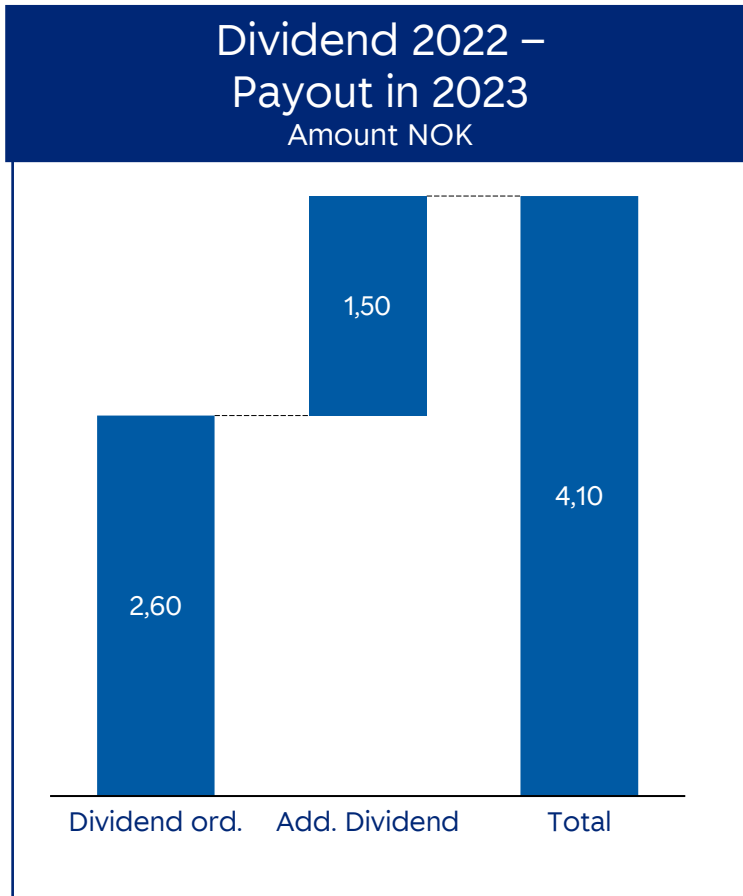
Dividends for 2023 are regulated in point 5.3 of the merger plan. The level of dividend is based on the agreed exchange ratio of 68.88 % to SpareBank 1 SR-Bank and 31.12 % to SpareBank 1 Sørøst-Norge. This means that the size of SOON's dividend for 2023 will be indirectly determined by SR-Bank. The total dividend is based on the dividend decided by SR Bank ("SR Dividend"). The total dividend is then determined as follows:

→ $SR\text{-Dividend} / 0,6888 = \text{Total Dividend}$

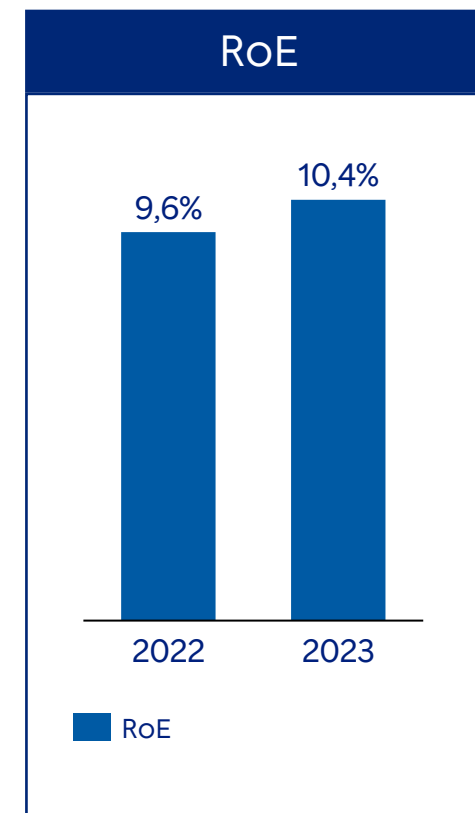
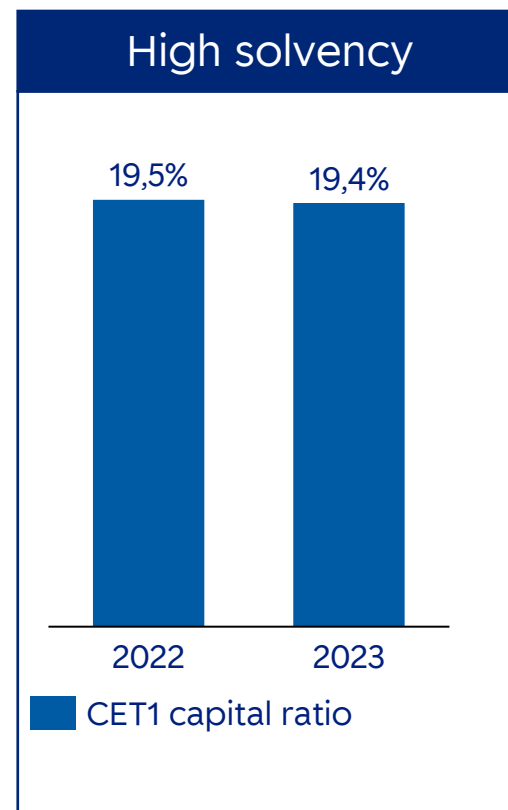
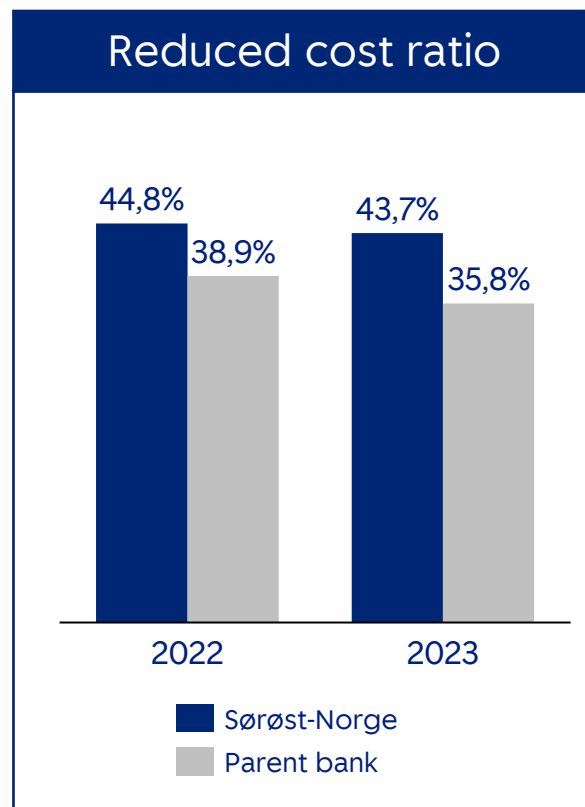
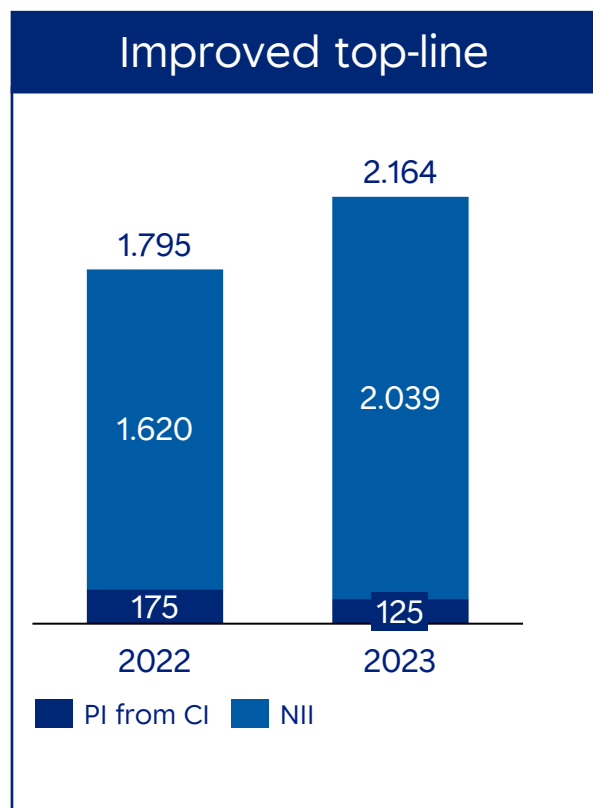
SOON can then distribute an amount in dividends and gifts limited to 31.12 % of the Total Dividend. Dividends for SOON are therefore calculated using the following formula:

→ $Sørøst\text{-Norge Dividend} = 0,3112 * \text{Total Dividend}$

Dividend last 2 years og price performance SOON

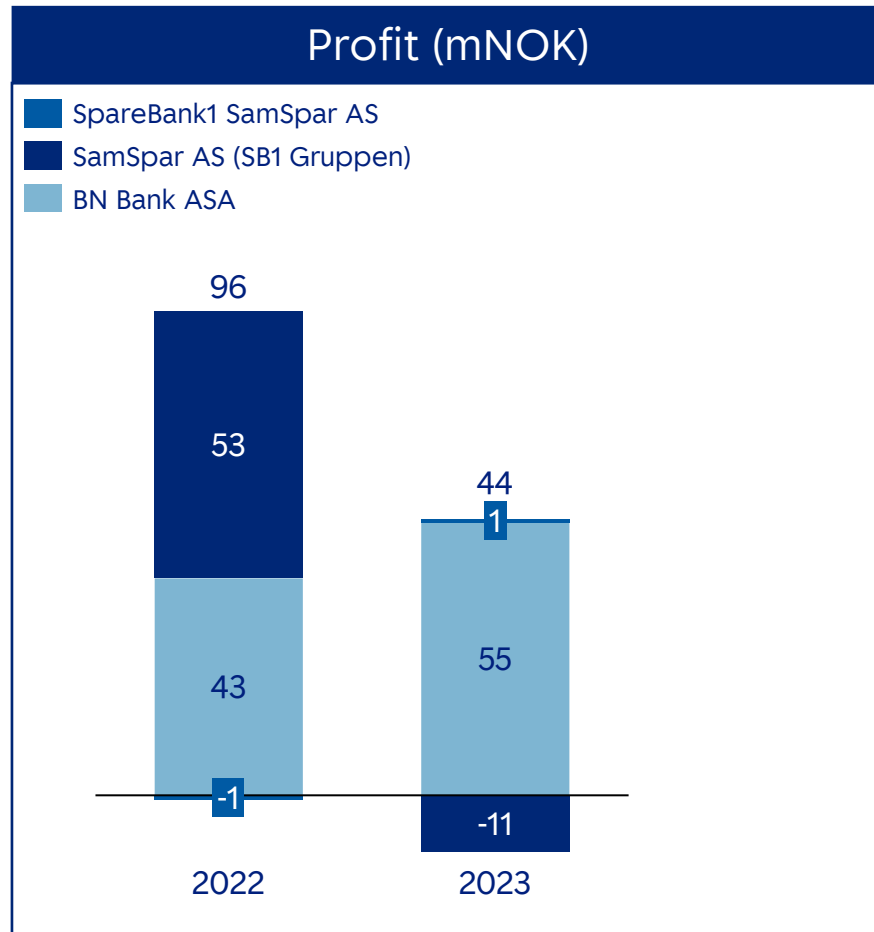


Strong operational performance and high solvency



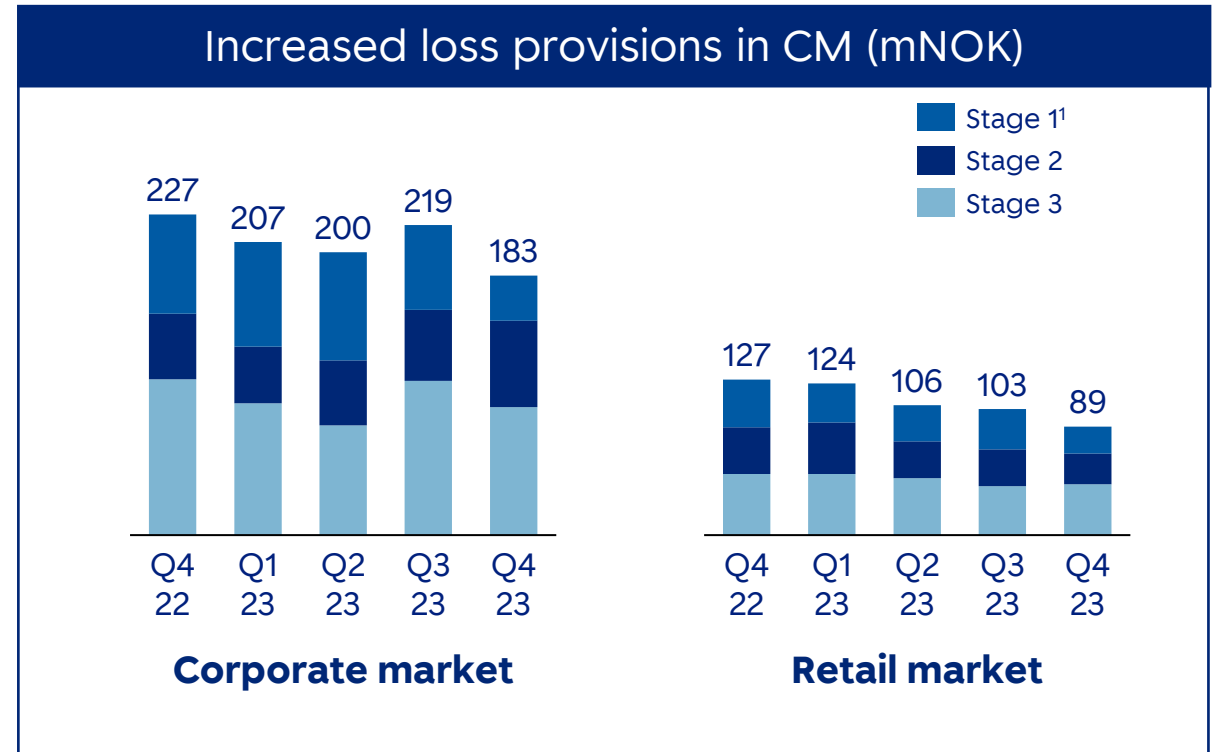
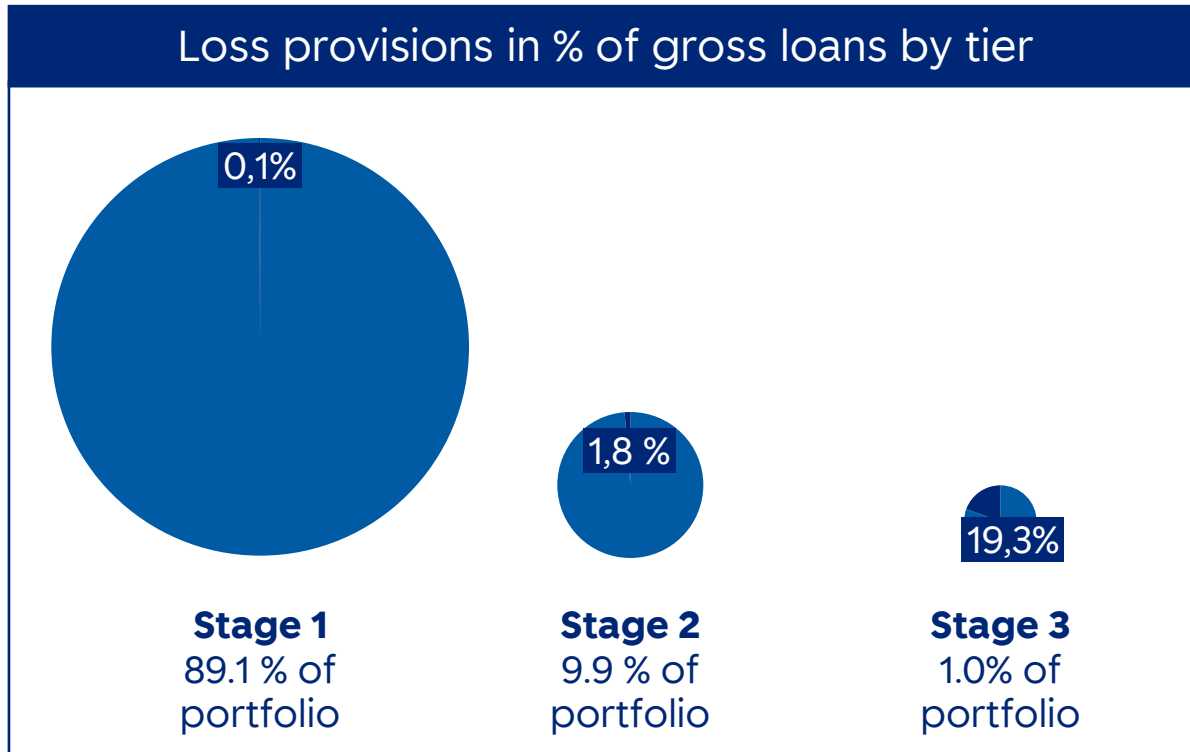
* Excl. One-time cost in the calculation of cost ratio and RoE

Good annual result for BN Bank. Negative results from SB1 Gruppen



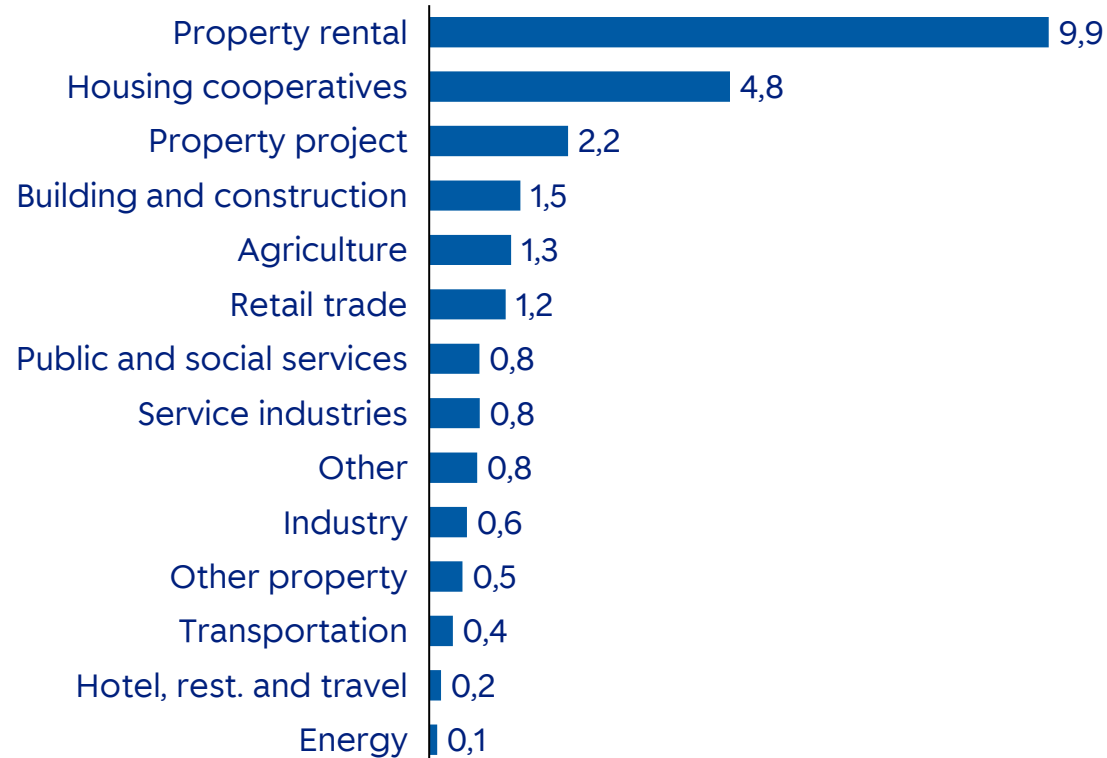
- SpareBank 1 Gruppen has implemented IFRS 17 and IFRS 9 per 1.1.2023. Comparable numbers for 2022 have not been restated to IFRS 17 and IFRS 9.
- SpareBank 1 Gruppen's consolidated net profit after tax for the year 2023 were NOK 246 (1,428) million. The majority's share of the consolidated net profit after tax for the year 2023 were NOK -174 (1,020) million
- SpareBank 1 Gruppen AS has conducted a valuation of the jointly controlled company, Kredinor AS. The updated valuation results in an impairment of the ownership stake and has a negative impact on SpareBank 1 Gruppen's parent and consolidated net profit of NOK 769 million in the 4th quarter of 2023 and for the year 2023.
- A good result for Fremtind AS and SpareBank 1 Forsikring AS, however, contributes positively and offsets parts of the write-down of the equity stake in Kredinor.

Well-diversified portfolio –99.0 percent in stages 1 and 2



No material changes in the composition of the corporate market portfolio

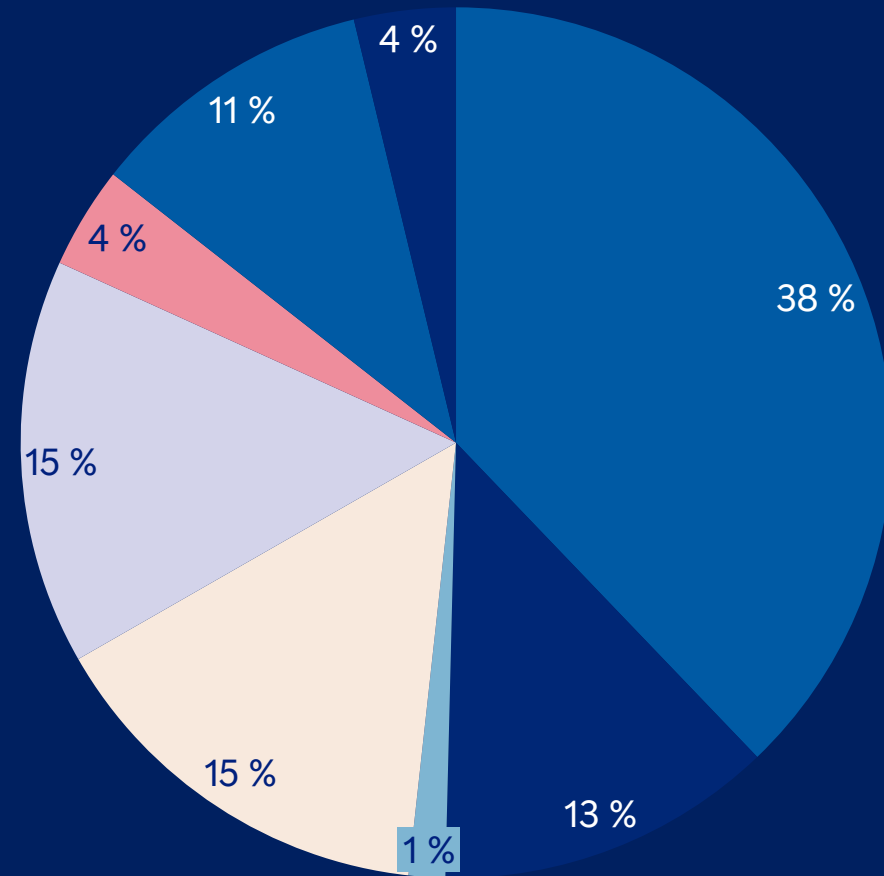
Volume (engagement) per 4th quarter (BNOK)



- Increased in the portfolio compared to the previous quarter from 25.3 BNOK to 25.2 BNOK
- Marginal changes within the various industry sectors
- Continued limited number of new construction projects
- Certain completed construction projects are facing challenges in selling unsold apartments. The bank has in total a low LTV on unsold units in real estate projects (60 percent or lower)
- No significant change in loans with deferred repayments, but some more financings related to land/development properties have been sought for extension due to delayed commencement of planned projects.
- Weak reduction in defaulted and written-down commitments last quarter. A slight increase in commitments overdue between 30 and 60 days, but still low payment defaults in the BM portfolio.
- Weighted PD on fresh engagements is on same level as in the previous quarter

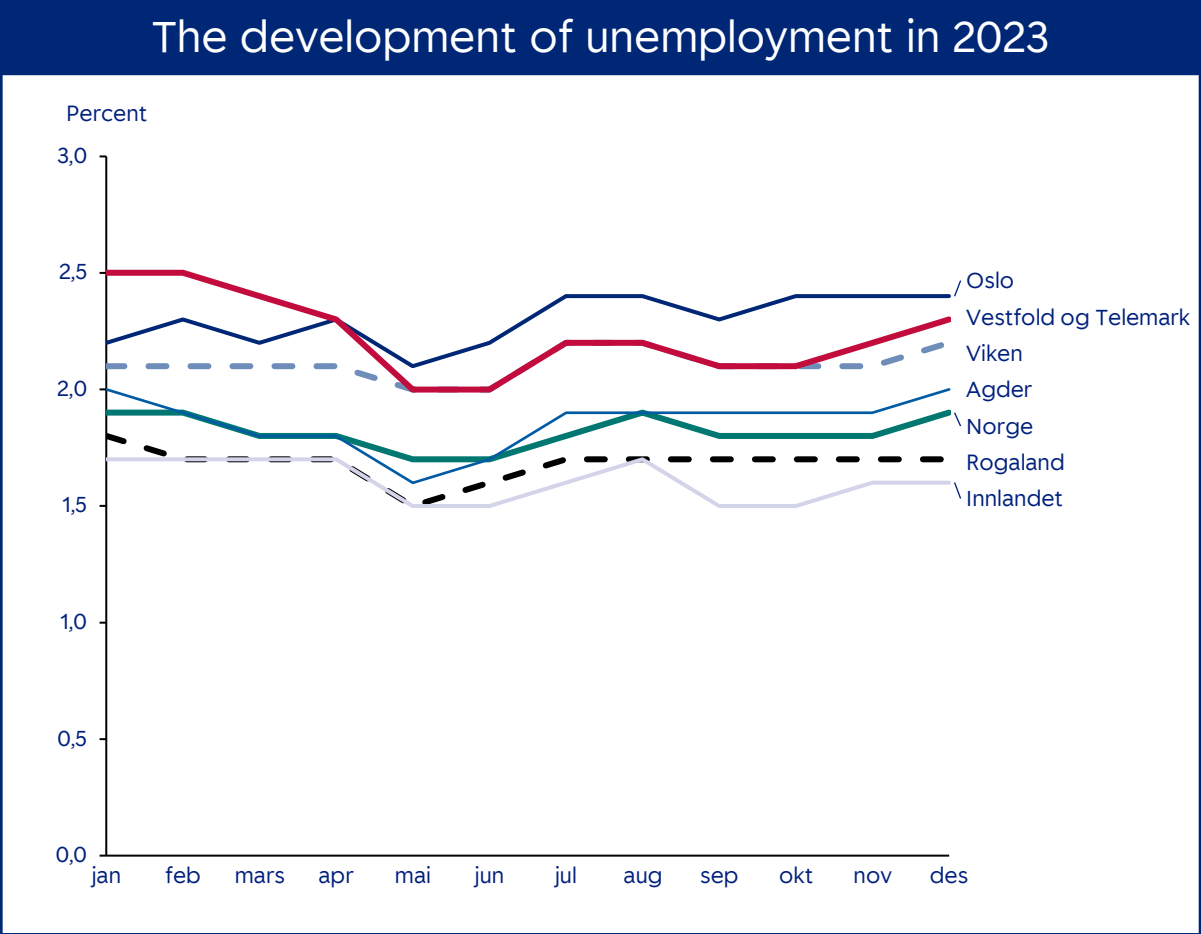
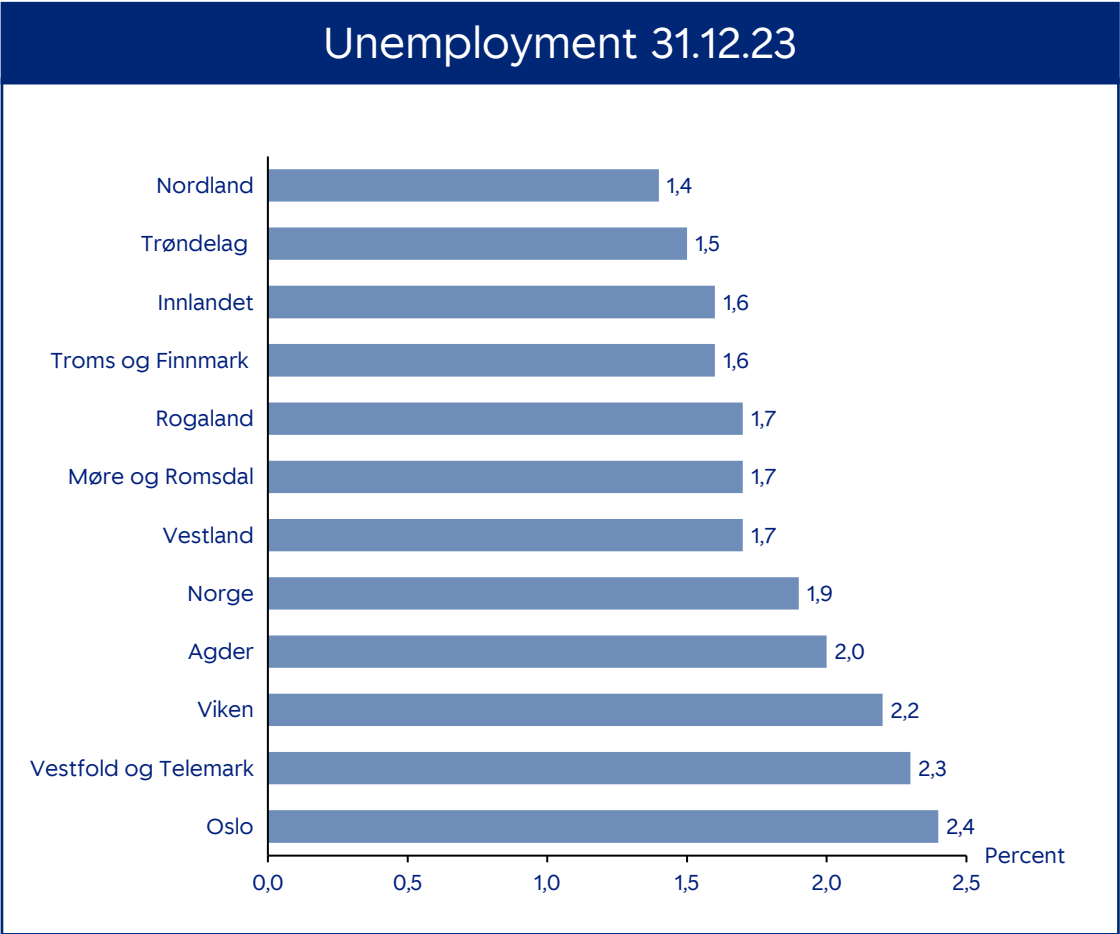
Collective efforts for the community

- The “banks” five foundations allocated almost 190 million NOK to charitable purposes in 2023, compared to just over 100 million NOK in 2022. In addition, the bank provided direct gifts and sponsorships totaling 20 million NOK.
- The distribution across various sectors from the foundations is shown in the figure, where nearly 40 percent is allocated to sports, physical activity, and outdoor recreation



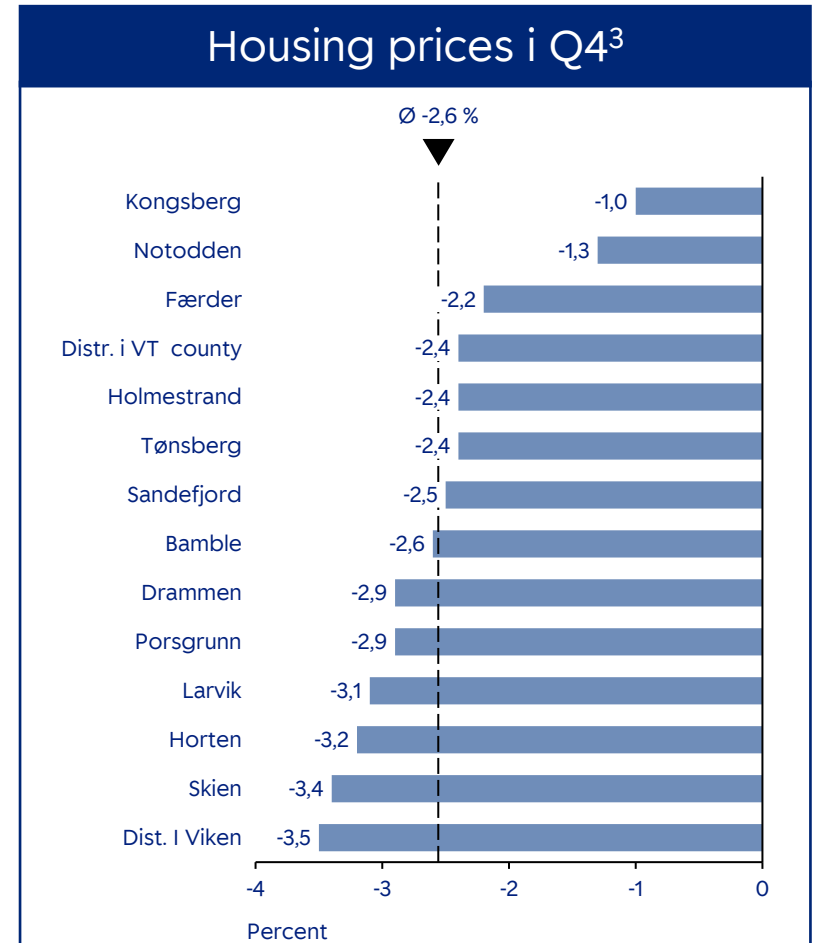
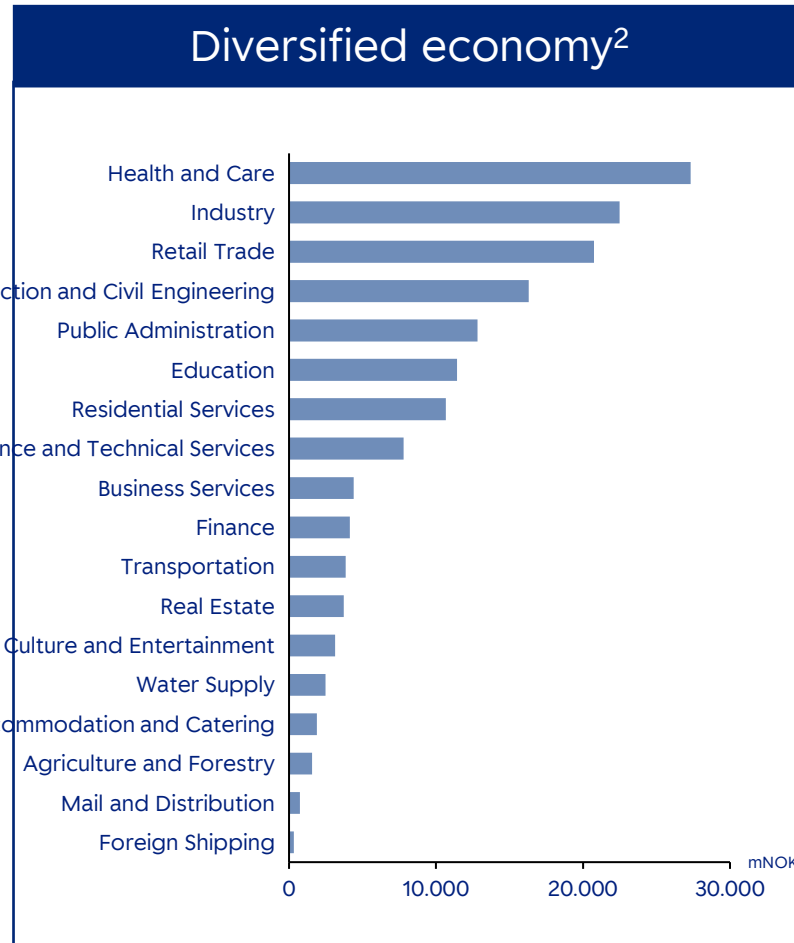
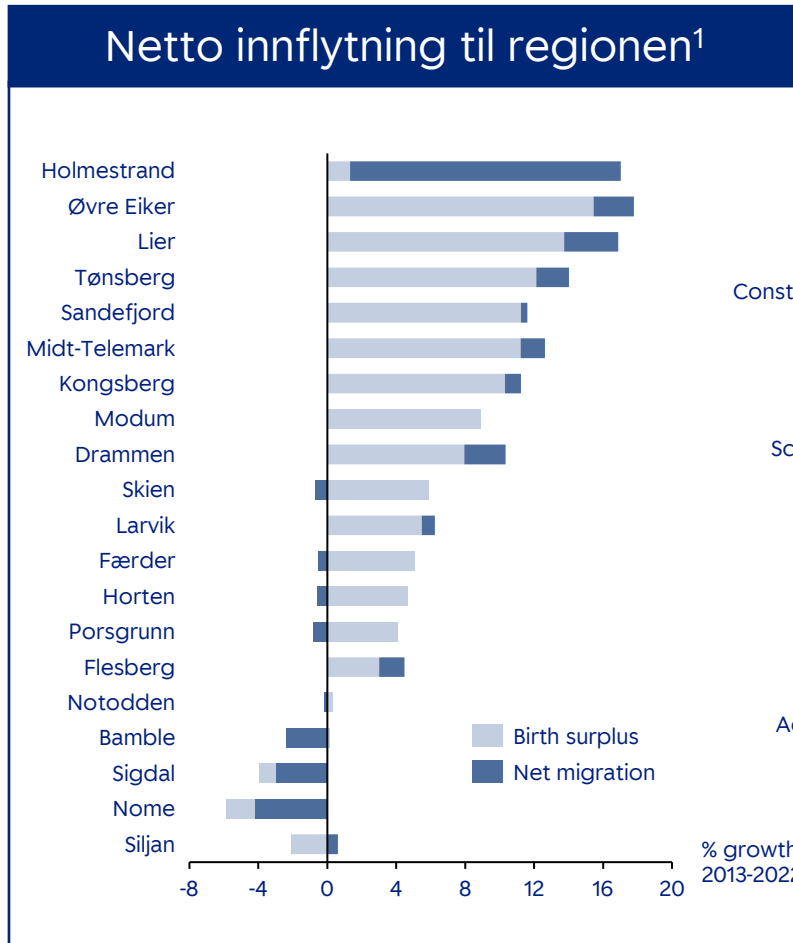
- Sports, physical activity, and outdoor life
- Humanitarian initiatives and health purposes
- Climate and environment, nature conservation
- Expertise, education, and research
- Art and culture
- Business development
- Community, development, and social initiatives
- Other

The unemployment rate remains low, but is increasing



Source: NAV. The percentage of completely unemployed

Well positioned in an attractive region



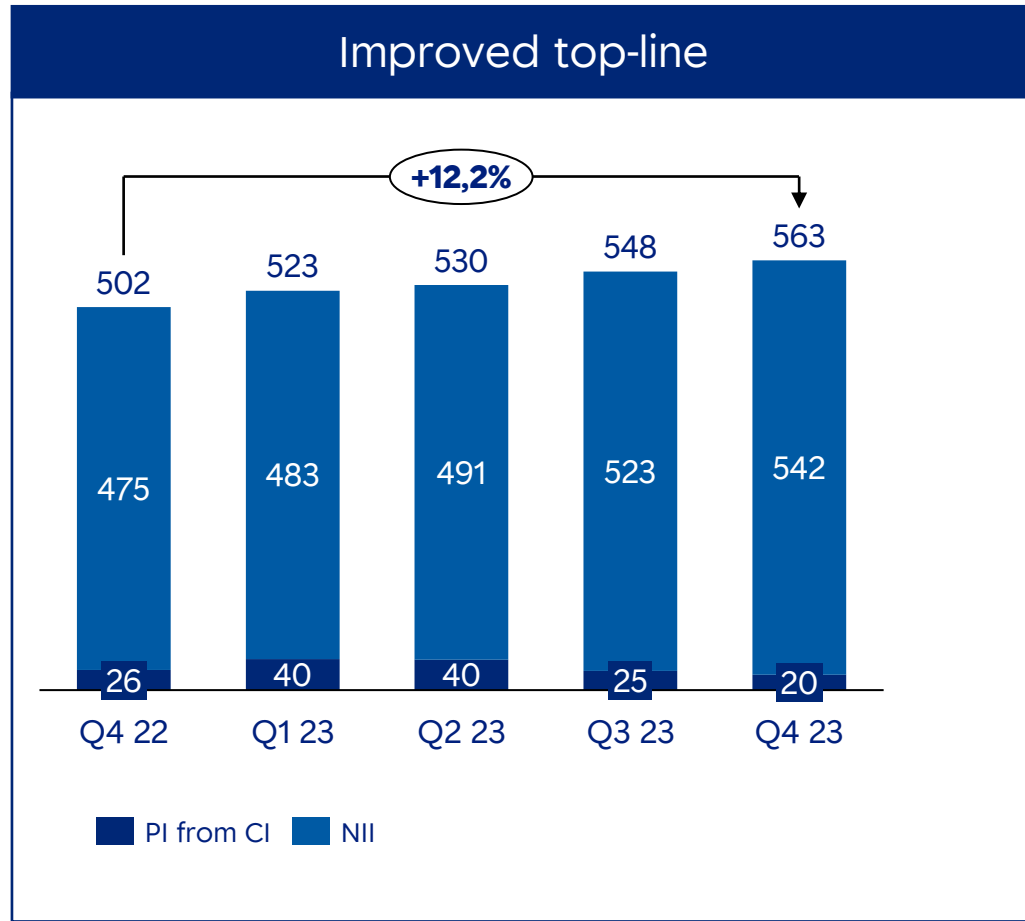
1) Source: Telemarksforskning, K. Vareide. Regional analysis Sørøst-Norge. Buskerud, Telemark, Vestfold. Percentage growth 2013-22
 2) Source SSB. County-level national accounts. Gross Domestic Product at current prices. Vestfold and Telemark
 3) Source : Eiendomsverdi. Regionsrapport 4th quarter 2023

Together
we create
value



Appendix

Increased net interest income

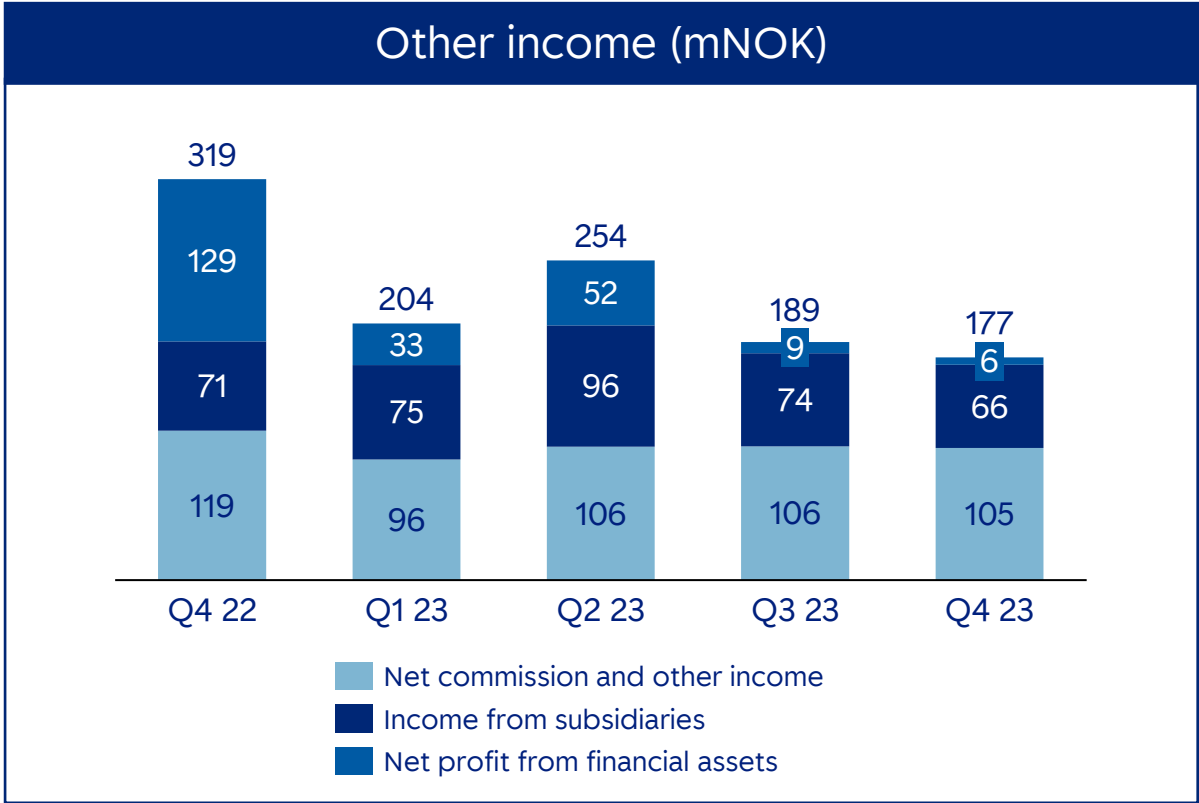
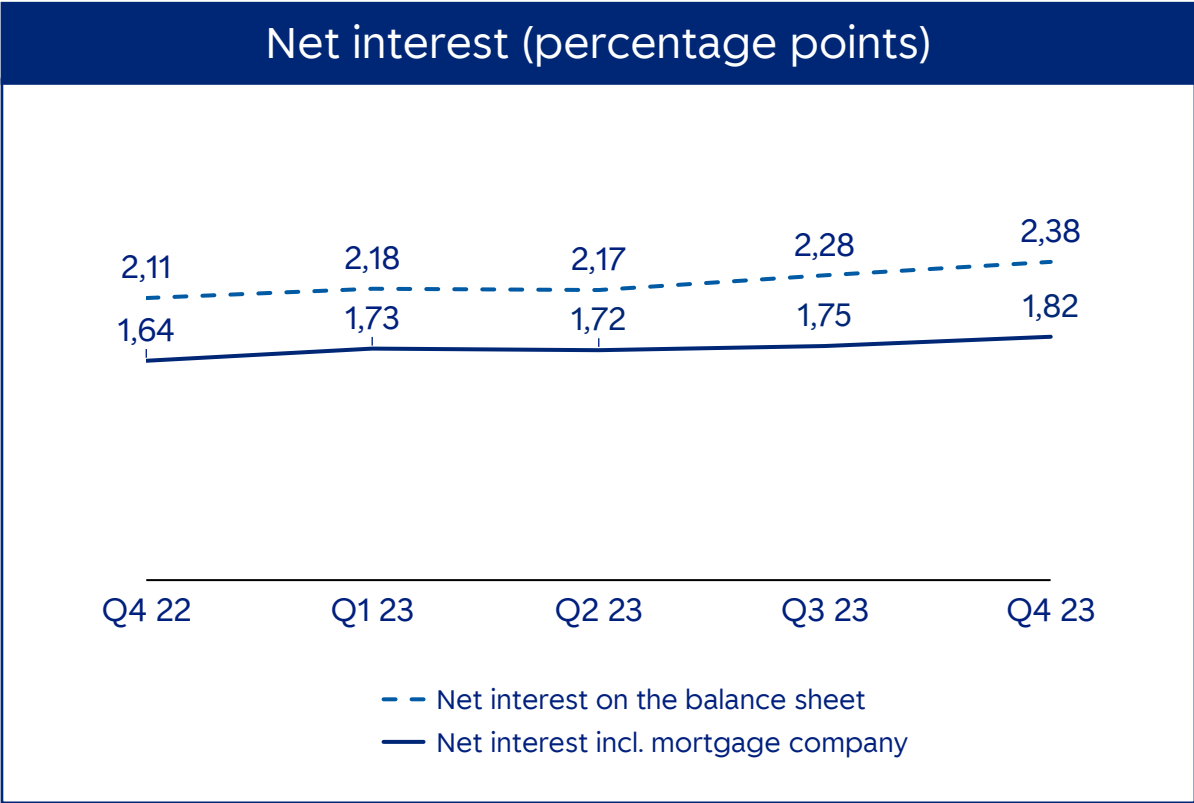


- Increased net interest income by 12,2 percent from the same quarter in 2022 and 2.7 percent compared to the previous quarter
 - driven by higher market interest rates

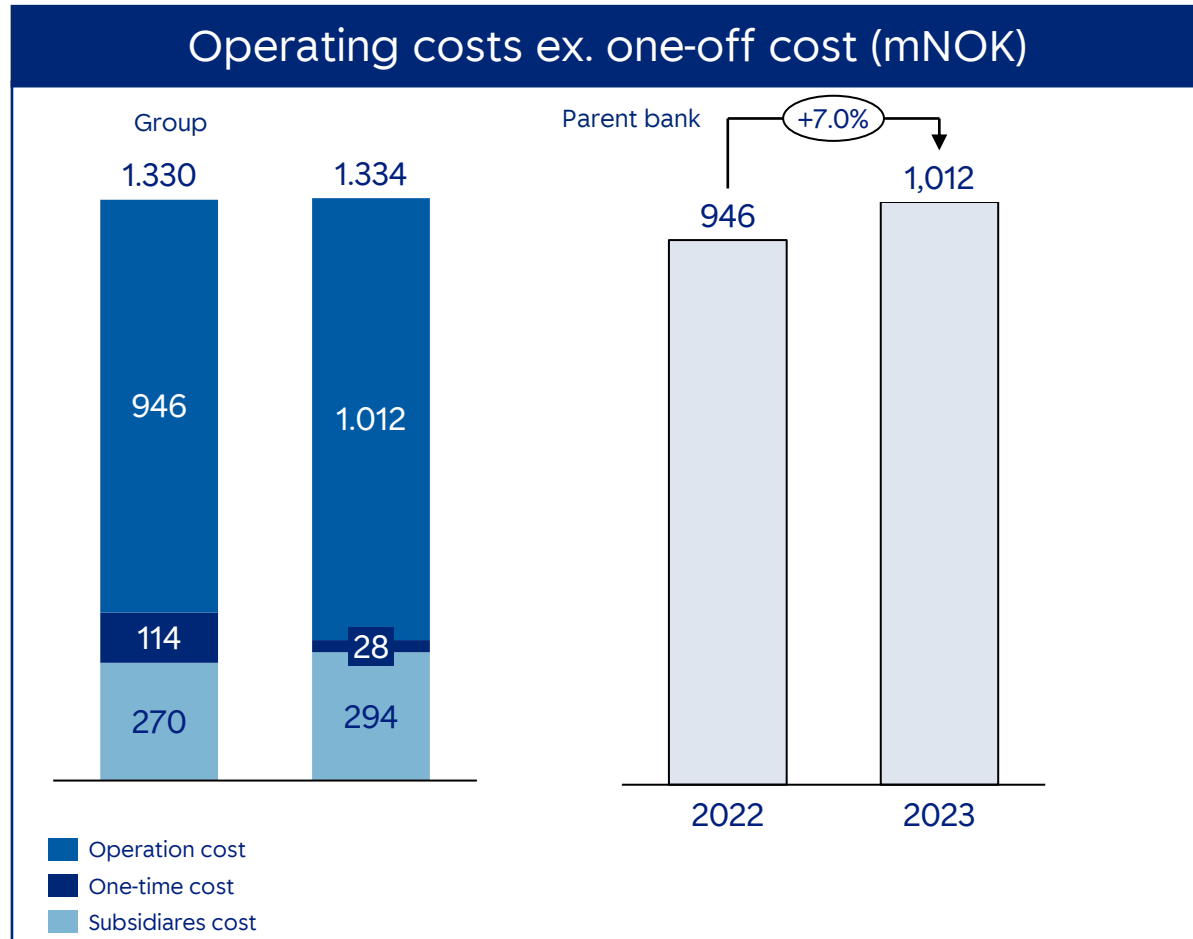
The bank has adjusted customer rates following changes in the Central Bank's interest rates

Norges Bank	15. des. 22	23. mar. 23	4. mai 23	22. jun. 23	17. aug. 23	21. sept. 23	14. des 23
Effect new loans	20. des. 22	29. mar. 23	10. mai 23	27. jun. 23	22. aug 23	27. sep. 23	09. jan. 24
Existing corporate loans and deposits	3. jan. 23	13. apr. 23	25. mai 23	12. jul. 23	6. sep. 23	12. okt. 23	24. jan. 24
Existing retail loans and deposits	31. jan. 23	11. mai 23	22. jun. 23	9. aug. 23	23. okt. 23	28. nov. 23	10. mar. 24

Increased net interest income, while income from subsidiaries has decreased in the quarter



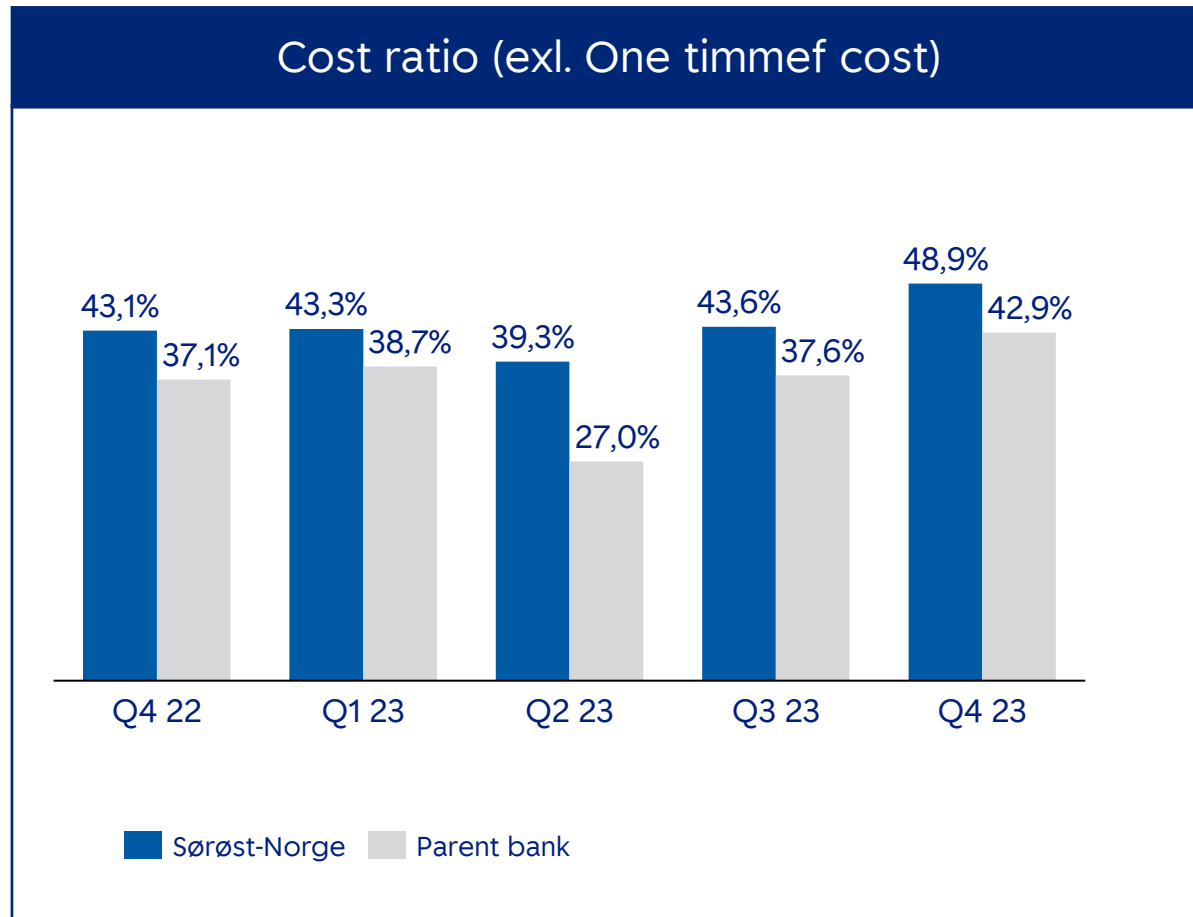
Increased operating costs



Increased costs in the parent bank are mainly due to alliance costs, ICT, consultant costs for implementation and compliance with regulatory requirements as well as underlying wage and price growth.

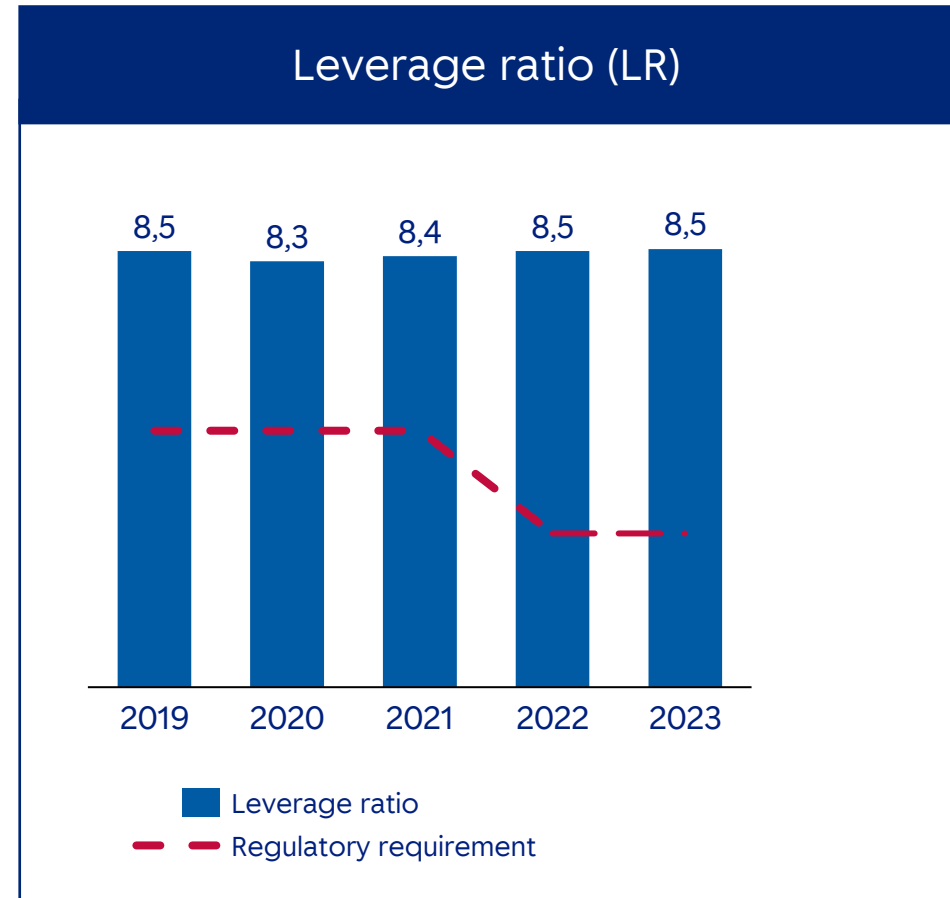
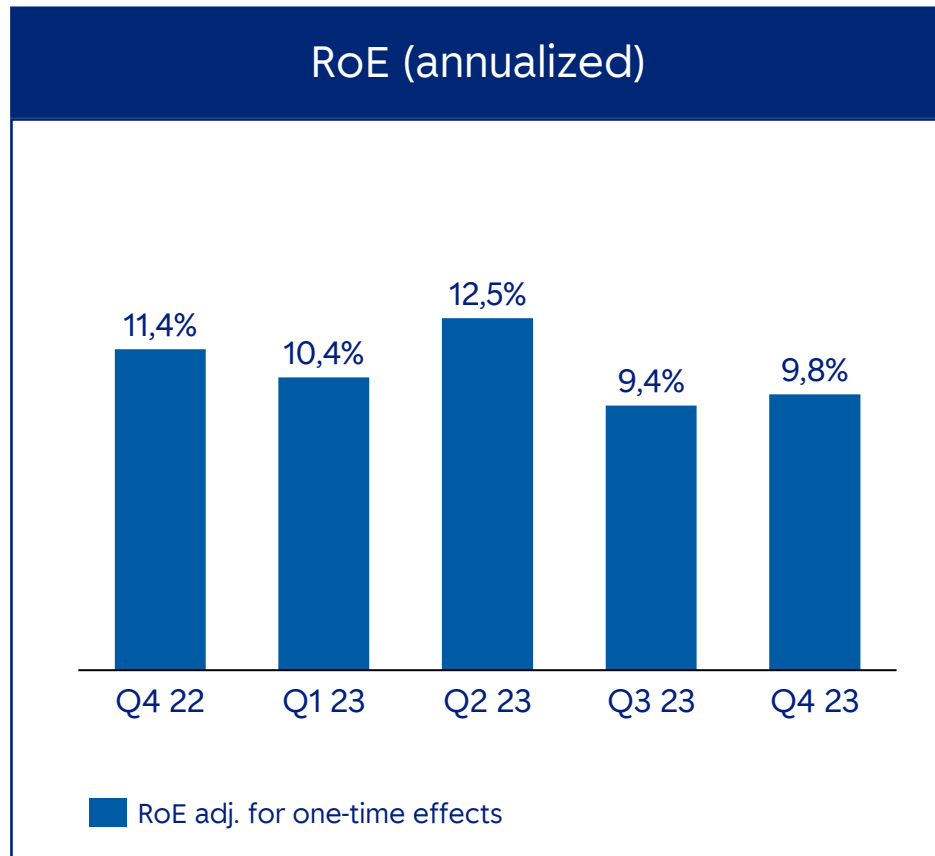
Increased operating costs in the subsidiaries are due to the acquisition of the accounting firm Grenland Gruppen AS with full effect from 2023 as well as general price and salary growth both at brokers and in the accounting firm.

Increased cost ratio mainly as a result of lower financial income in the fourth quarter

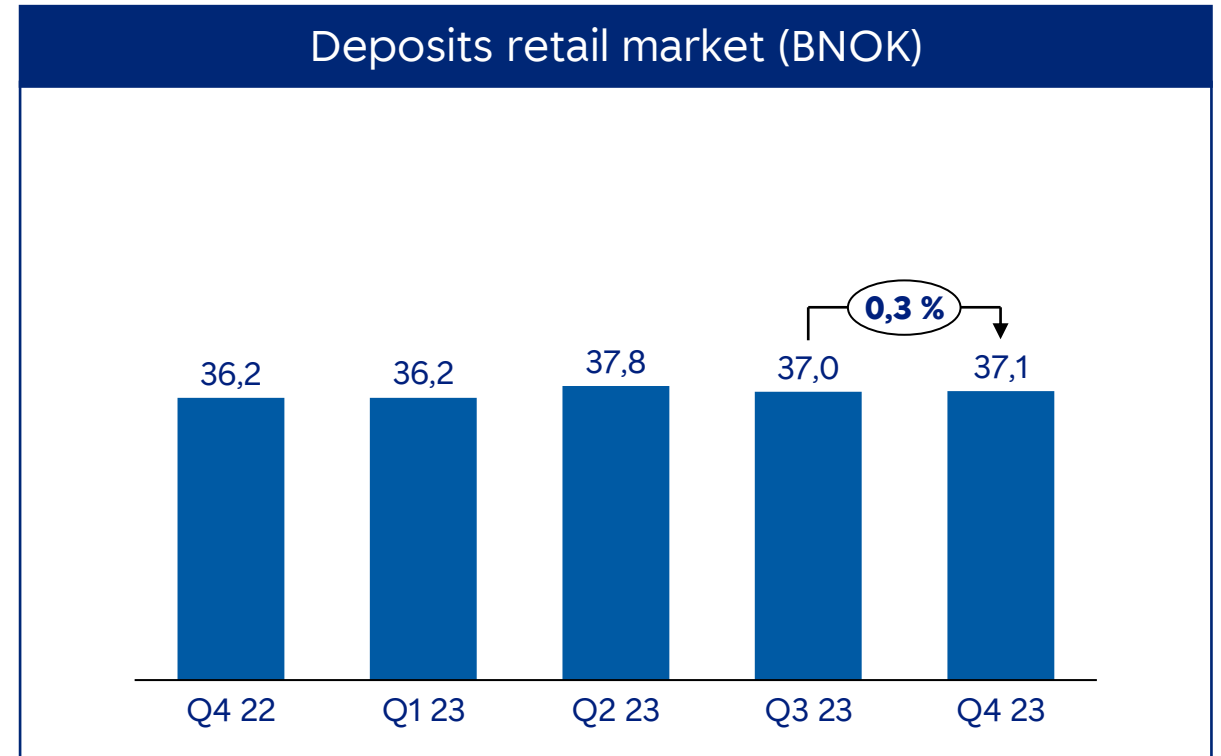
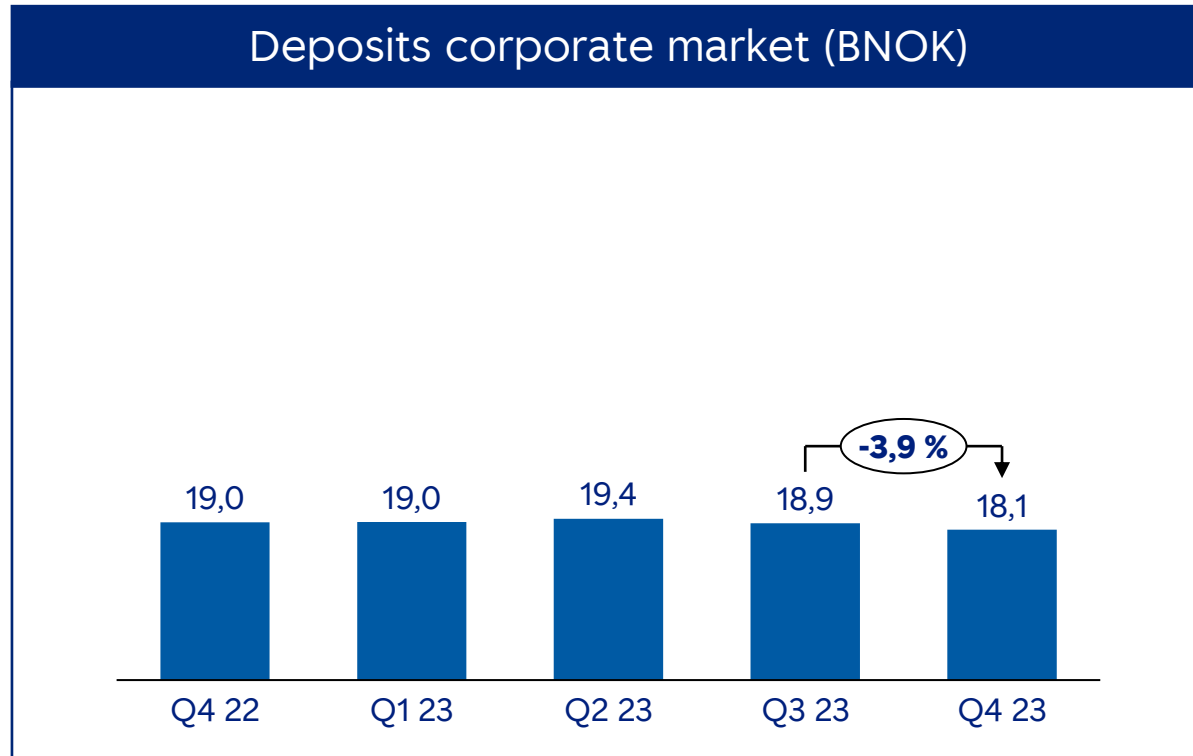


- Lower financial and other income is due to negative results from SpareBank 1 Gruppen. Lower income from property brokerage contributes to an increased cost ratio in addition to generally increased costs in the fourth quarter.
- The cost ratio in the parent bank is 36.8 percent for the year, while for the group it is 44.6 percent.

Increased return on equity and high equity ratio

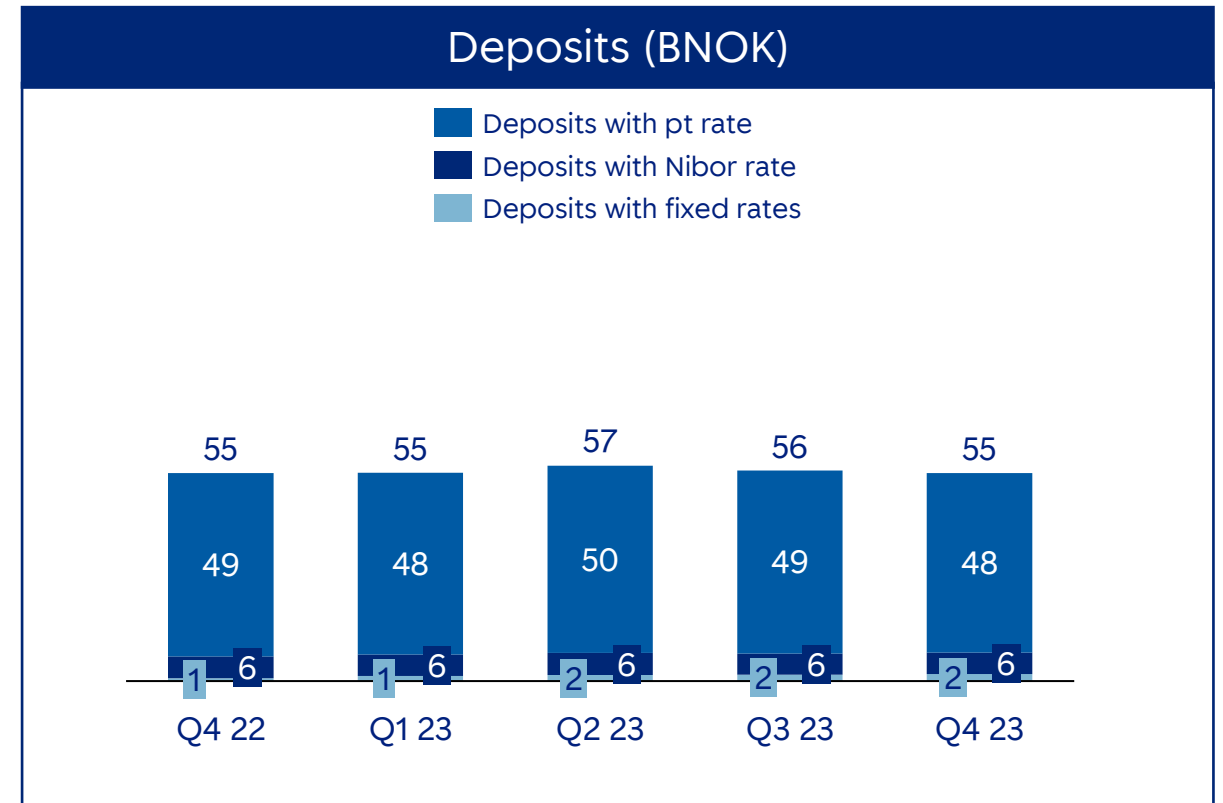
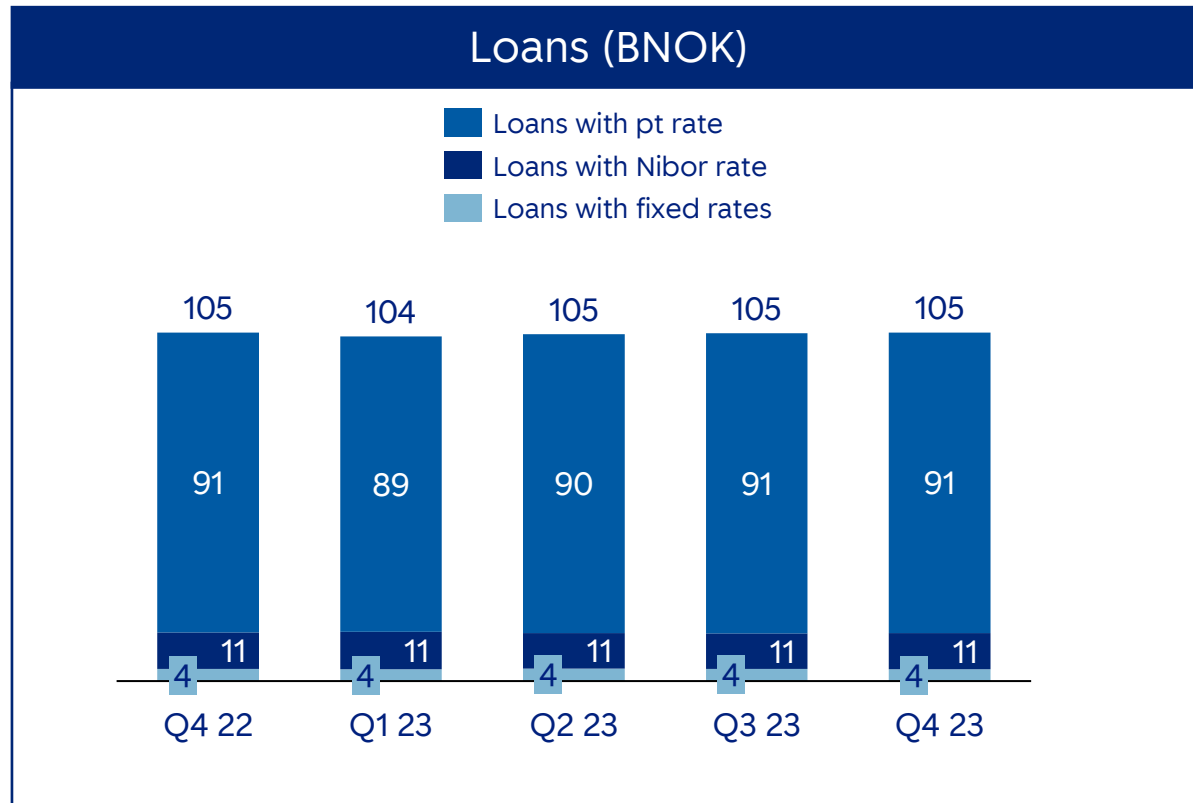


Reduced in deposits in the 4th quarter



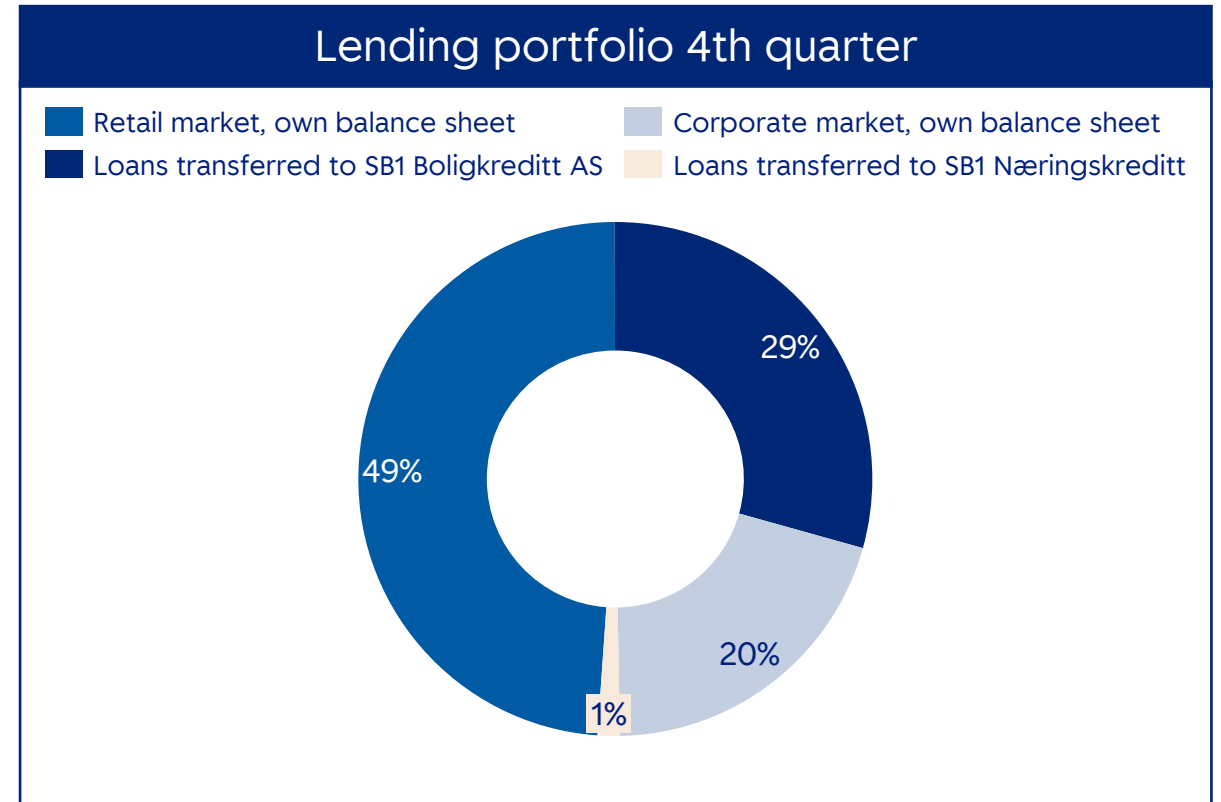
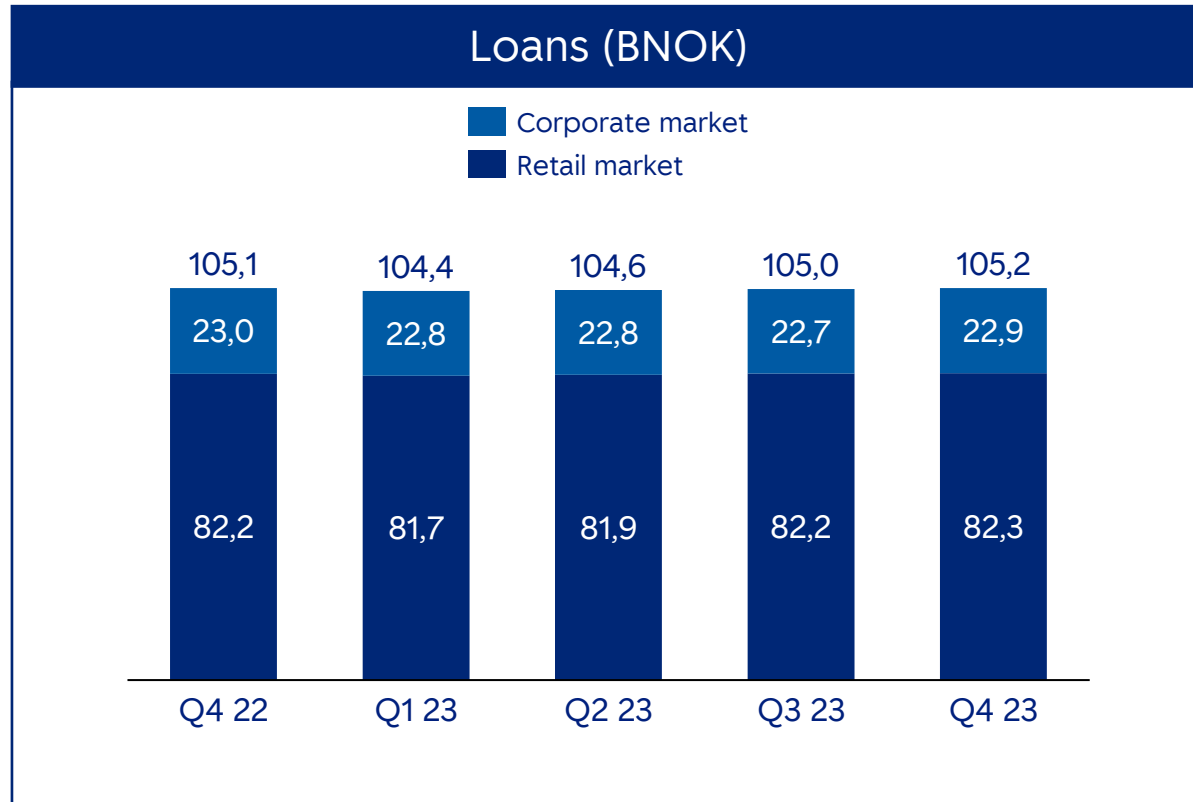
**73 percent of the bank's deposits are within the Deposit Guarantee Scheme –
39 percent CM and 90 percent RM**

Lending and deposit volumes with pt-, fixed and NIBOR rates

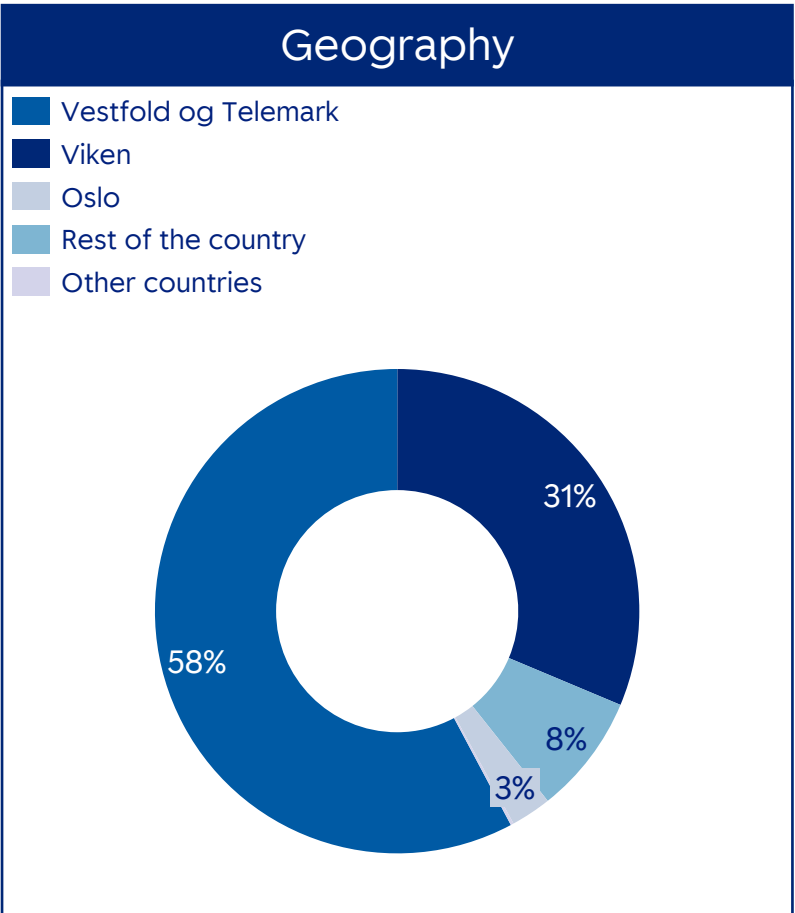
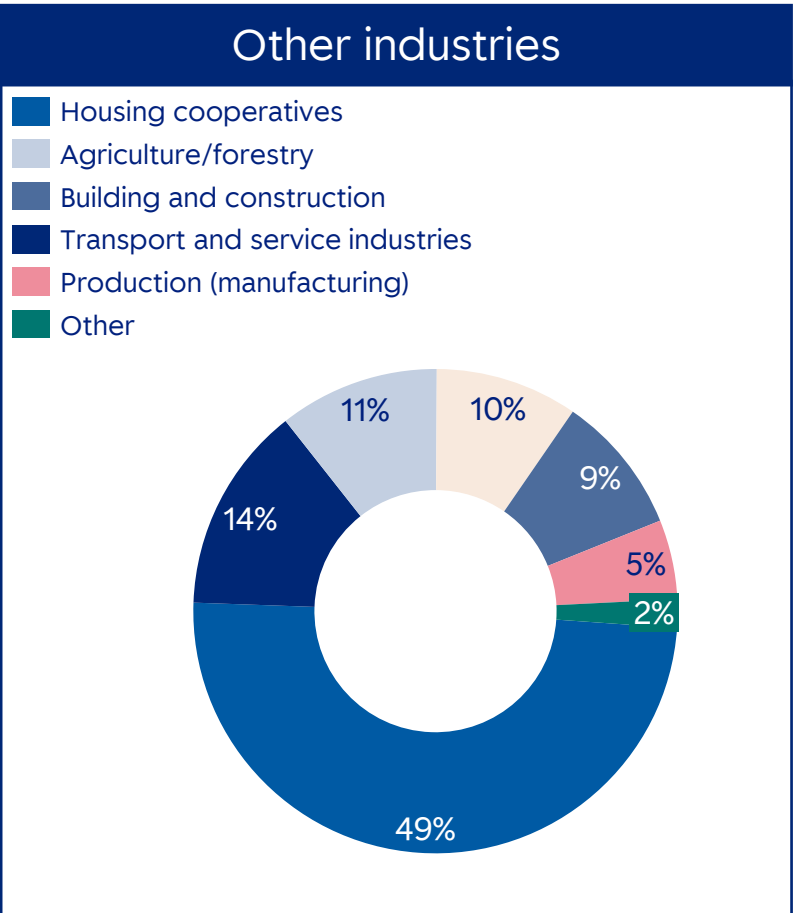
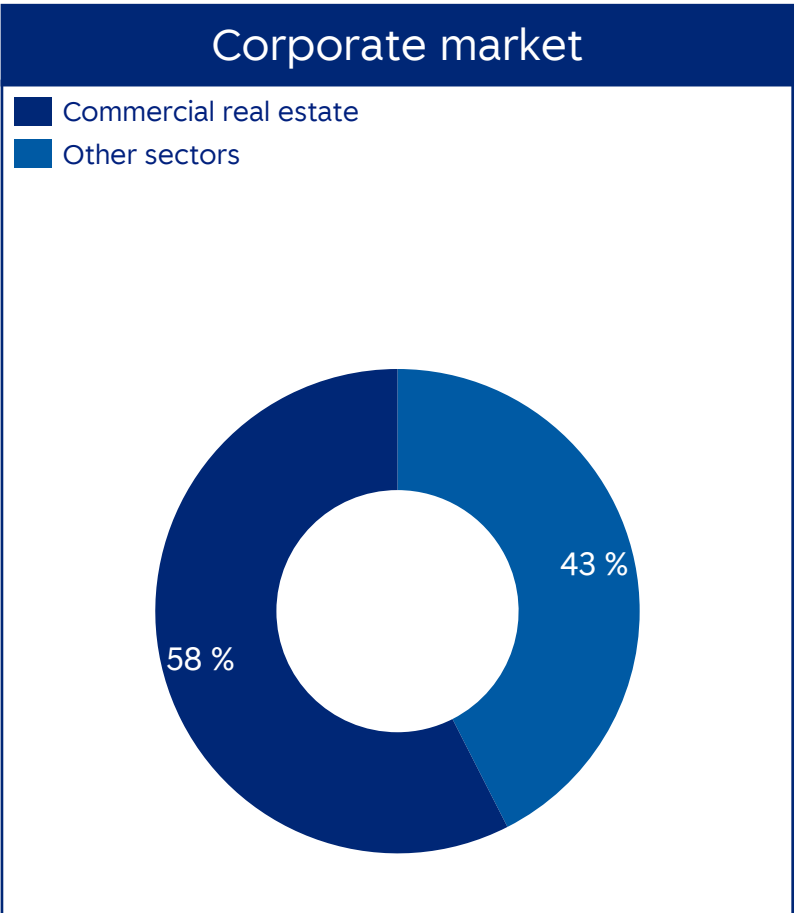


Note; The group's securities portfolio of 9,8 BNOK, book value of funding of 20.9 BNOK and transfers to mortgage company of 32.3 BNOK are with Nibor rate

Big proportion of loans to the retail market

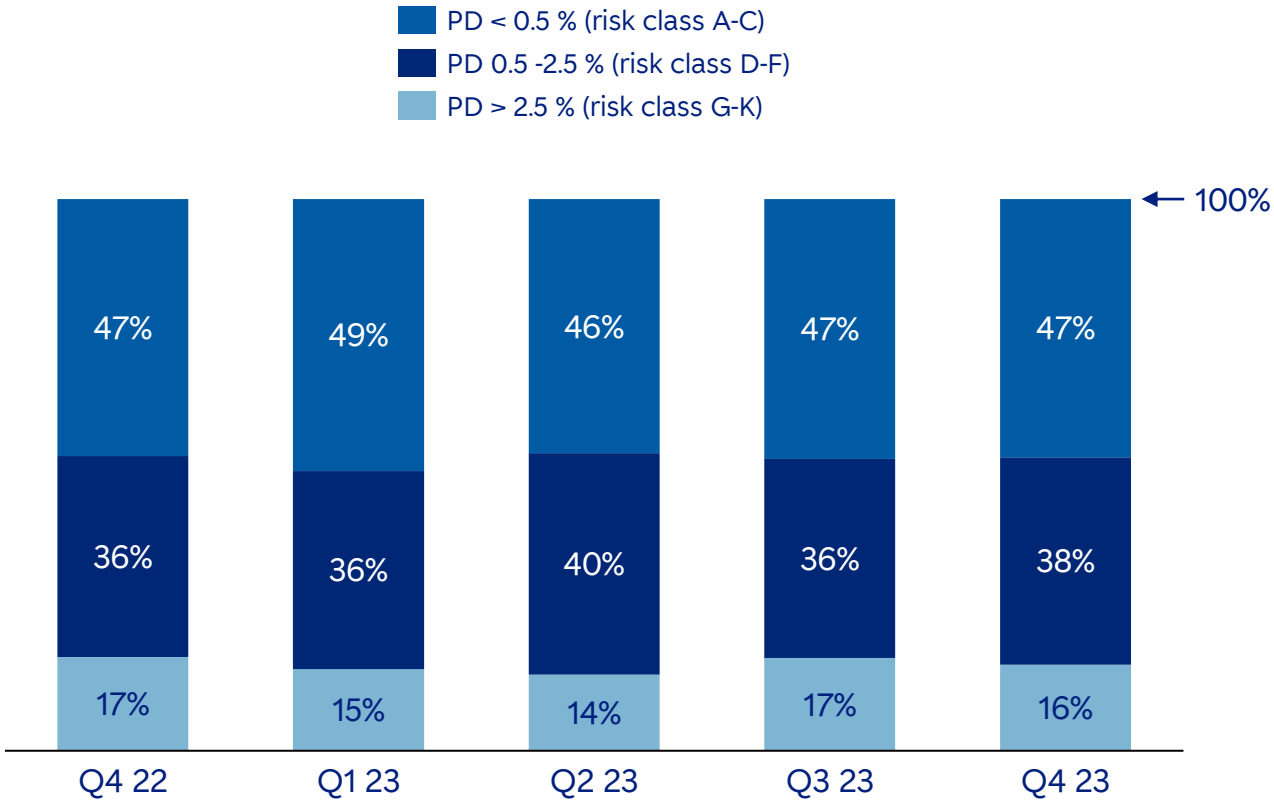


No major changes from the previous quarter in the distribution of the corporate market by sector and geography

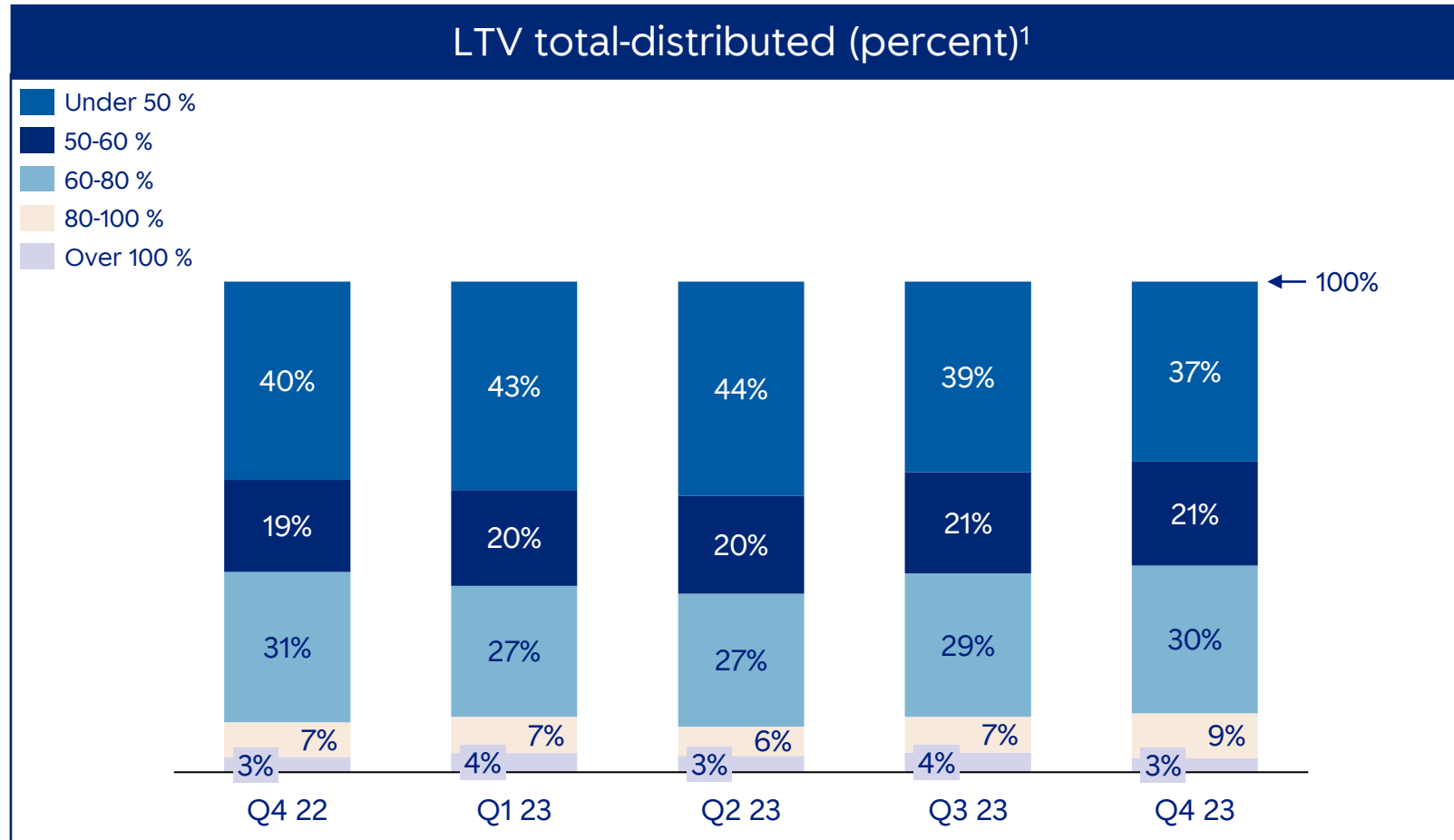


The bank has a solid overweight position in favorable risk class within the corporate market portfolio

Risk profile – loans in corporate market (percent per risk class)



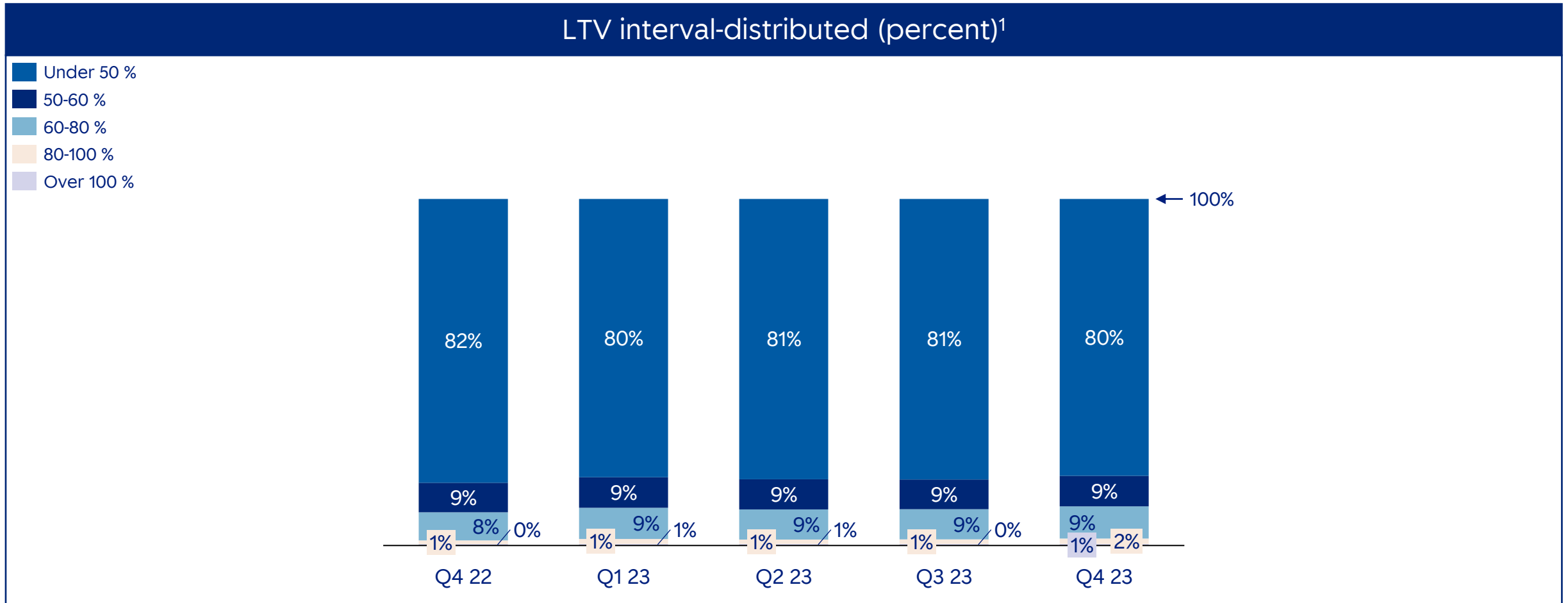
Low leverage on commercial loans secured on property (total-distributed)



- The average LTV on commercial loans secured on property including loans transferred to SB1 Næringskreditt and housing cooperatives is 39.7 %, while LTV on own balance sheet is 40.3 %. LTV ex. Housing cooperatives is 52.1 %
- Commercial loans secured on property inc. housing cooperatives is approx. 17 BNOK and 12 BNOK ex. housing cooperatives

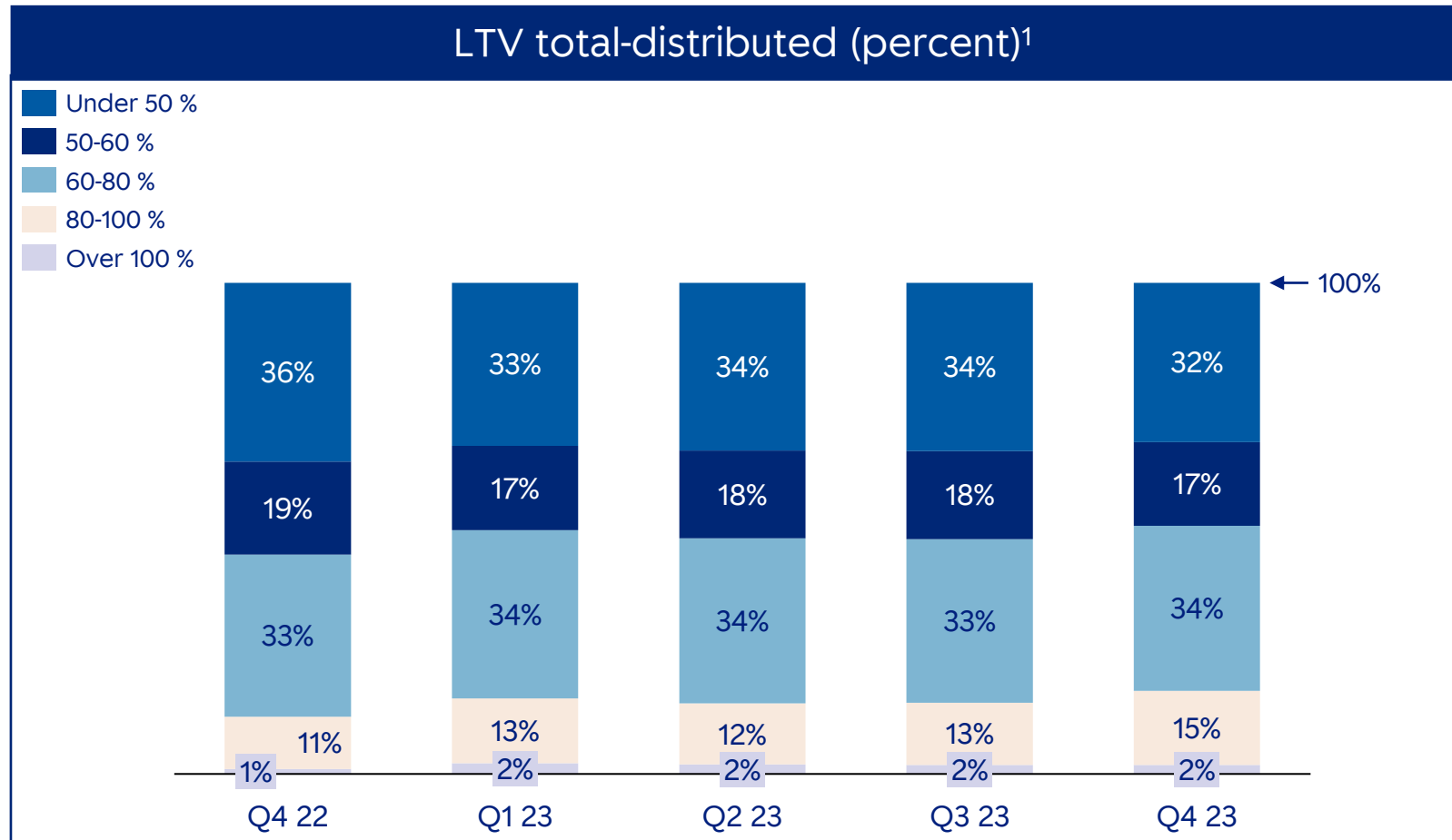
1) The calculation of LTV is based on the market value of the collateral. With total-distributed LTV, the whole of the loan is assigned to the same interval. The figures include portfolio transferred to SpareBank 1 Næringskreditt AS.

Low leverage on commercial loans secured on property (interval-distributed)



1) LTV interval-distributed: The calculation of LTV is based on the market value of the collateral. In the case of interval-distributed LTV, the loan will be distributed / split within the specific intervals in the graph interval. The figures include portfolio transferred to SpareBank 1 Næringskreditt AS

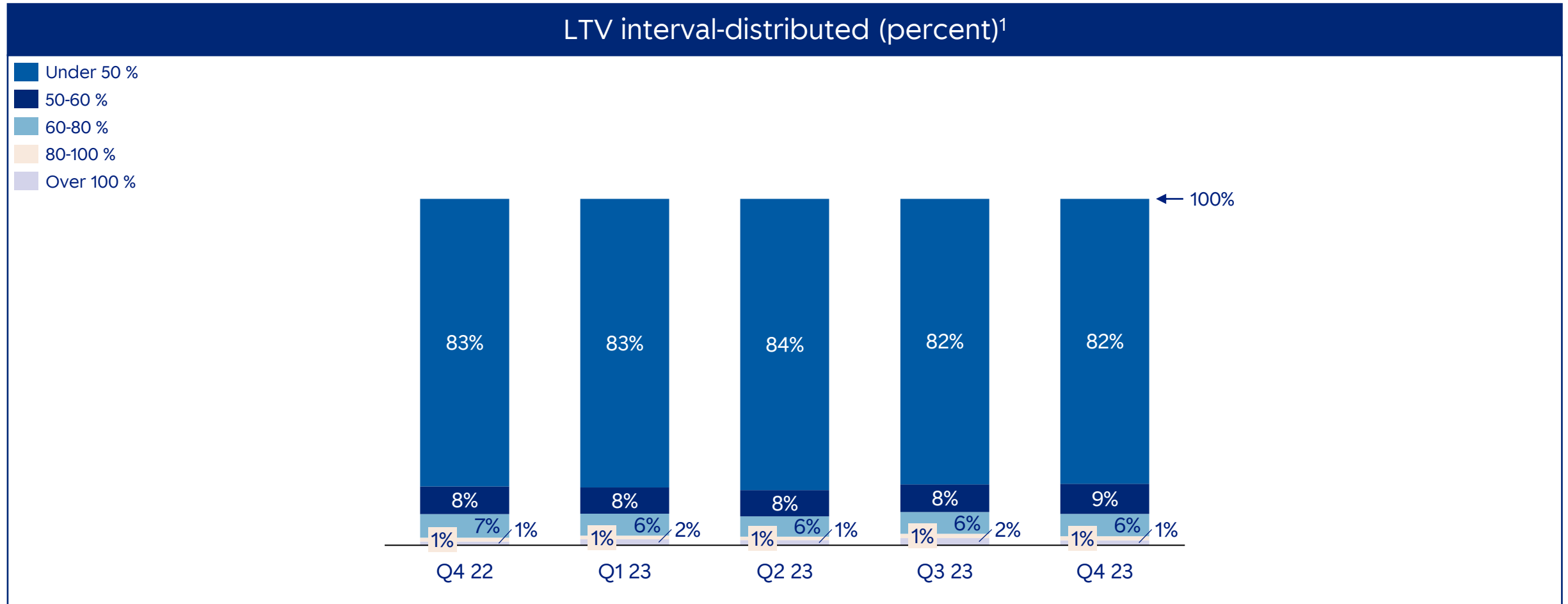
Low risk in the mortgage portfolio (total-distributed)



- The average LTV on the mortgage portfolio incl. loans transferred to SB1 Boligkreditt is 48,2 % which is an increase of 1,1 percentage point compared to the previous quarter (47.1 %)
- Similarly, LTV on own balance sheet has increased from 51,8 % at the end of last quarter to 52.8 % at the end of this quarter

1) Loan-to-value ratio for mortgages incl. BK – LTV total-distributed: The calculation of LTV is based on the market value of the collateral. With total-distributed LTV, the whole of the loan is assigned to the same interval. The figures include portfolio transferred to SpareBank 1 Boligkreditt AS

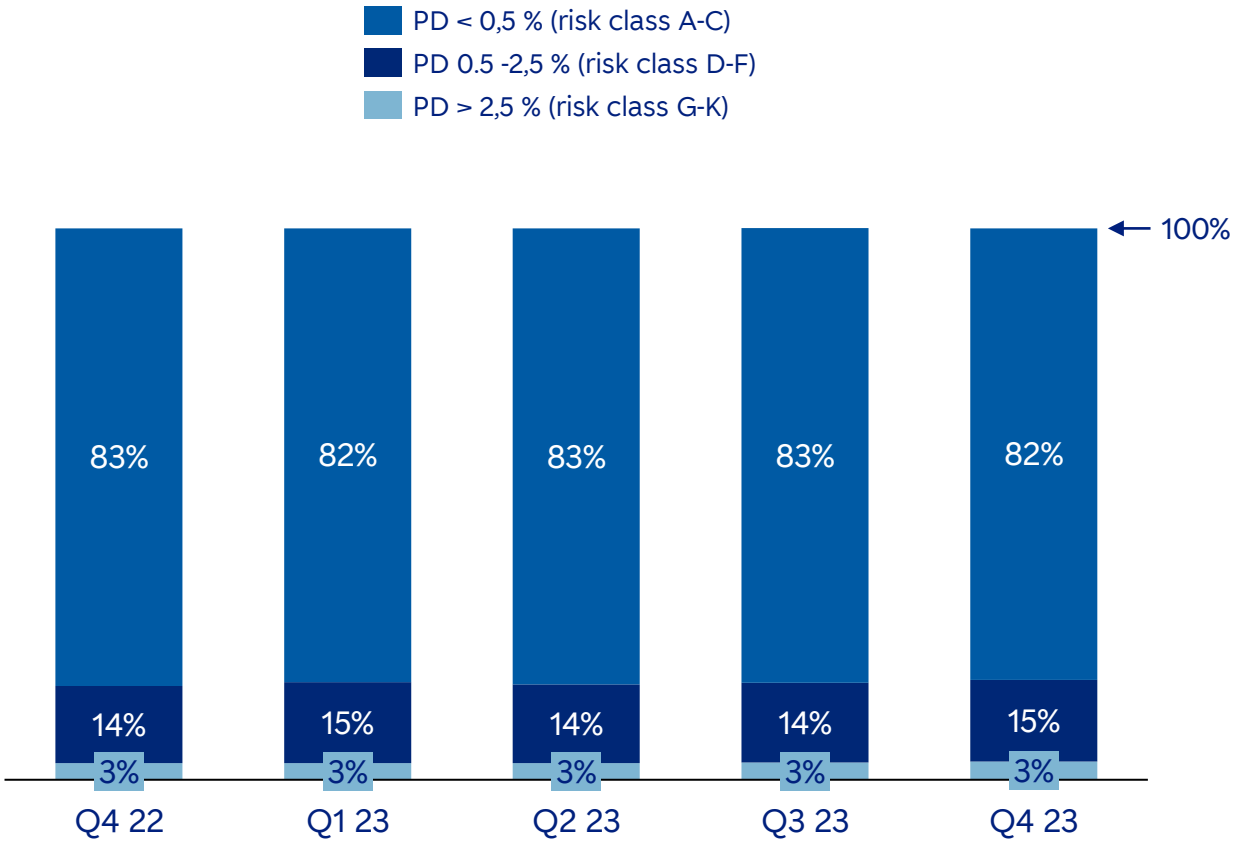
Low risk in the mortgage portfolio (interval-distributed)



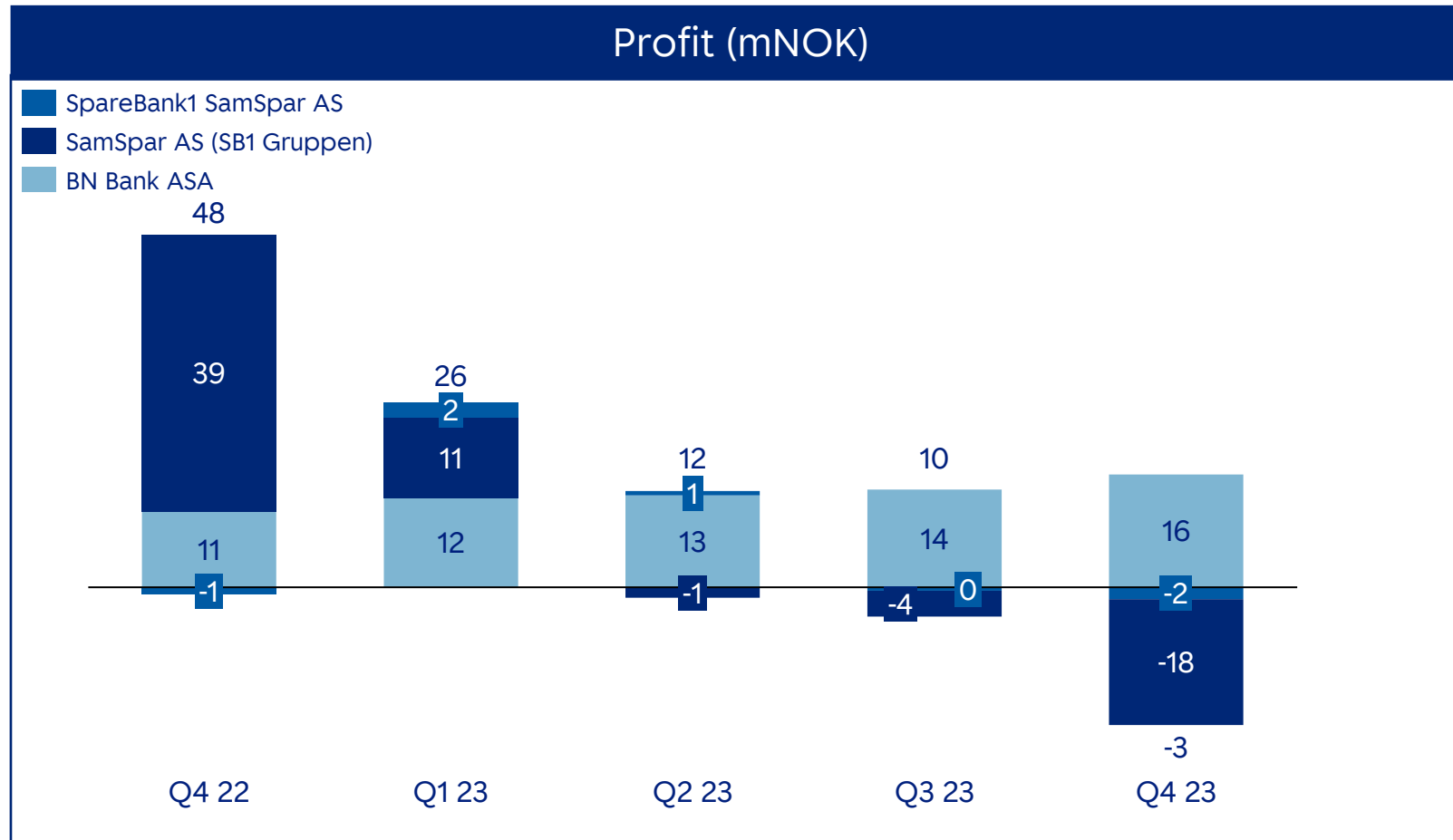
1) Loan-to-value ratio for mortgages incl. BK – LTV interval-distributed. Retail customers with a mortgage on property; lending volume as a percentage of total collateral. LTV is interval-distributed by distributing/splitting individual loans within the specific intervals in the graph

Retail market portfolio is stable over time, has a solid overweighting and positive trend in good risk classes

Risk profile – loans in retail market (percent per risk class)



Good quarter for BN Bank. Negative results from SB1 Gruppen

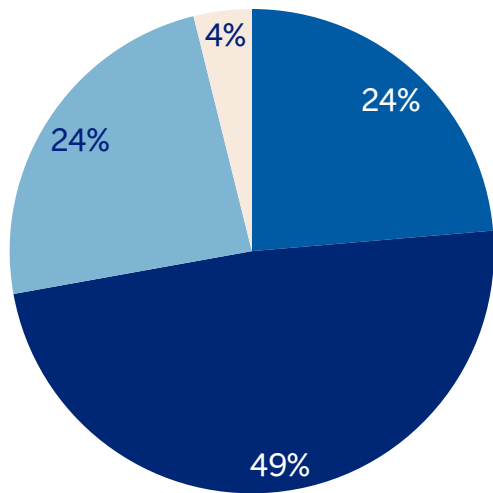


- SpareBank 1 Gruppen has implemented IFRS 17 and IFRS 9 per 1.1.2023. Comparable numbers for 2022 have not been restated to IFRS 17 and IFRS 9.
- SpareBank 1 Gruppen's consolidated net profit after tax for the 4th quarter were NOK 60 (518) million. The majority's share of the consolidated net profit after tax for the 4th quarter were NOK -260 (467) million.
- SpareBank 1 Gruppen AS has conducted a valuation of the jointly controlled company, Kredinor AS. The updated valuation results in an impairment of the ownership stake and has a negative impact on SpareBank 1 Gruppen's parent and consolidated net profit of NOK 769 million in the 4th quarter of 2023 and for the year 2023.

LCR portfolio 31.12.2023

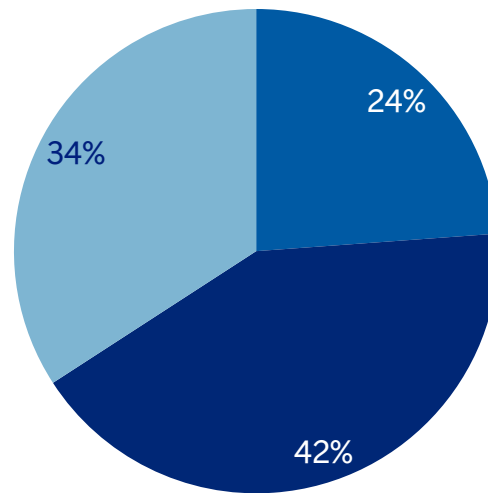
Investment class (percent)

- State and state-guaranteed
- Covered bonds
- Municipal and county administrations
- Other



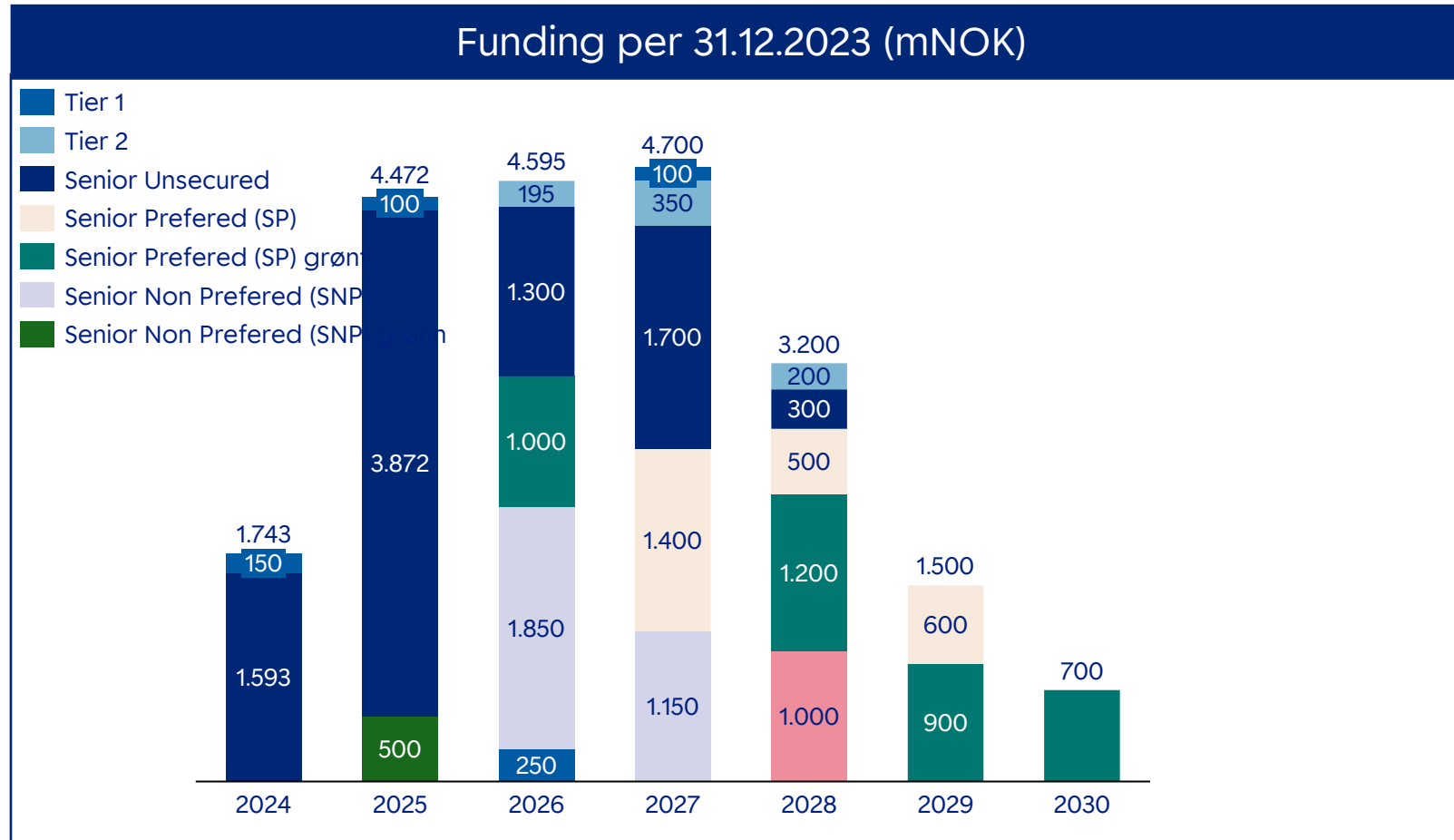
LCR category (percent)

- Level 1 A
- Level 1 B
- Level 2 A



- The LCR portfolio end of the year was of 9.8 BNOK, of which short term placement on 0.8 BNOK. Credit duration of 2.5 years and 1.5 month in short portfolio
- LCR of 202 (263) % and 236 (175) % average in 2023.
- The bank's liquidity position at the end of the year is very strong

Good spread in the banks funding



- Total outstanding funding as of 31.12.2023 amounts to 20,910 mnok comprising
 - Senior debt 15,065 mnok
 - SNP 4,750 mnok
 - Tier 2 745 mnok
 - Tier 1 350 mnok
- Average duration end of quarter is 3.0 (3.1) years of which approx. 15 % of the funding matures within the next 18 months
- The bank has risk-weighted MREL at 45 % to regulatory requirement of 37.5 %

Development in Equity Certificates of SOON

Share price (NOK)



NOK	31.12.23	30.09.23	30.06.23	31.03.23	31.12.22
Share price	64,00	51,00	50,60	50,00	55,00
Market value (mnok)	8.966	7.145	7.089	7.005	7.411
Book equity per equity certificate (group)	55,00	53,78	53,57	51,90	55,50
Earnings per equity certificate (group ytd)	5,47	4,29	3,01	1,36	4,27
Price/book equity (group)	1,16x	0,95x	0,94x	0,96X	1,03X
Dividend per EC	3,88				2,60
Additional dividend per EC					1,50
Dividend yield	5,7 %				7,5%

20 Biggest owners of equity certificates

20 Biggest owners of equity certificates

	Antall	% av totalt antall EK-bevis
SPAREBANK 1 STIFTELSEN BV	24.141.356	17,2 %
SPAREBANKSTIFTELSEN TELEMAR	18.910.174	13,5 %
SPAREBANKSTIFTELSEN SPAREBANK 1 MODUM	18.444.646	13,2 %
SPAREBANKSTIFTELSEN NØTTERØY-TØNSBERG	10.925.503	7,8 %
SPAREBANKSTIFTELSEN TELEMAR - HOLLA OG LUNDE	10.273.723	7,3 %
VPF EIKA EGENKAPITALBEVIS	4.169.991	3,0 %
SPECIALFONDET BOREA UTBYTTE	3.866.798	2,8 %
PARETO INVEST NORGE AS	2.757.852	2,0 %
BRANNKASSESTIFTELSEN MIDT-BUSKERUD	2.659.369	1,9 %
KOMMUNAL LANDSPENSJONSKASSE GJENSI	1.580.645	1,1 %
CATILINA INVEST AS	912.032	0,7 %
WENAASGRUPPEN AS	907.432	0,6 %
Landkreditt Utbytte	903.455	0,6 %
MELESIO INVEST AS	886.937	0,6 %
SANDEN EQUITY AS	707.494	0,5 %
FORETAKSKONSULENTER AS	621.230	0,4 %
SKOGEN INVESTERING AS	605.000	0,4 %
AARS AS	484.737	0,3 %
HAUSTA INVESTOR AS	420.000	0,3 %
TROVÅG AS	418.792	0,3 %
Sum 20 største eiere av egenkapitalbevis	104.597.166	74,7 %

- At the end of the year, the number of equity certificate holders is 5 776 (5 961).
- The 20 largest owners are listed with 74.7 % of the ownership capital. Of this, the five savings bank foundations own 59.0 %
- At the end of the quarter, the price of the bank's equity certificate was 64.00 nok

Corporate social responsibility and sustainability

SpareBank 1 Sørøst-Norge will be responsible by preventing and detecting financial crime, be climate proactive and help customers be the same and be socially engaged



Monthly meetings in the sustainability council

Updates and next steps per department



Green portfolio

Green bonds of 4.6 BNOK¹
Green investments of 1.2 BNOK²
Green mortgages of 2.8 BNOK³



Responsible business

Preventing financial crime
All employees are involved in the group ESG effort and takes actions for sustainability in own house
Competence enhancement
The Group's property strategy takes sustainability into account



Equality, diversity and inclusion

The Equality, Diversity and Inclusion policy was adopted in the first quarter



1) Per end of quarter (22% of the bank's external funding)
2) 13.8% of total liquidity portfolio
3) 3.9% of total lending portfolio on own balance sheet

Contact details

Address

Fokserødveien 12
Postboks 216
3201 Sandefjord

sb1sorost.no



Per Halvorsen
CEO

Tel +47 934 07 441
E-mail; Per.Halvorsen@sb1sorost.no



Roar Snippen
CFO/IR

Tel +47 976 10 360
E-mail; Roar.Snippen@sb1sorost.no



Mona Storbrua
Head of treasury (IR)

Tel +47 916 39 833
E-mail; Mona.Storbrua@sb1sorost.no