

Results for the first quarter of 2024





We come together to create SpareBank 1 Sør-Norge

A strong challenger in the Norwegian banking market

The integration for SpareBank 1 Sør-Norge is going as planned



Planning the integration

March – October 2024



Received approval
– The Norwegian Competition Authority

April 17, 2024



Day 1 for merger

October 1, 2024



Fully integrated

Medio 2025

SpareBank 1 Sør-Norge powers growth for our customers

#1 A powerful group where the parties strengthen each other

#2 A formidable bank built on the 'local bank' concept

#3 An attractive employer with exciting opportunities

#4 A solid financial group with significant abilities to assist our customers

#5 A group with improved access to capital for households and businesses

#6 Local and long term owners

#7 Strong subsidiaries that will be able to offer a wide range of services to our customers

#8 A powerful player through collaboration and ownership in the SpareBank 1 Alliance

Results for the first quarter of 2024

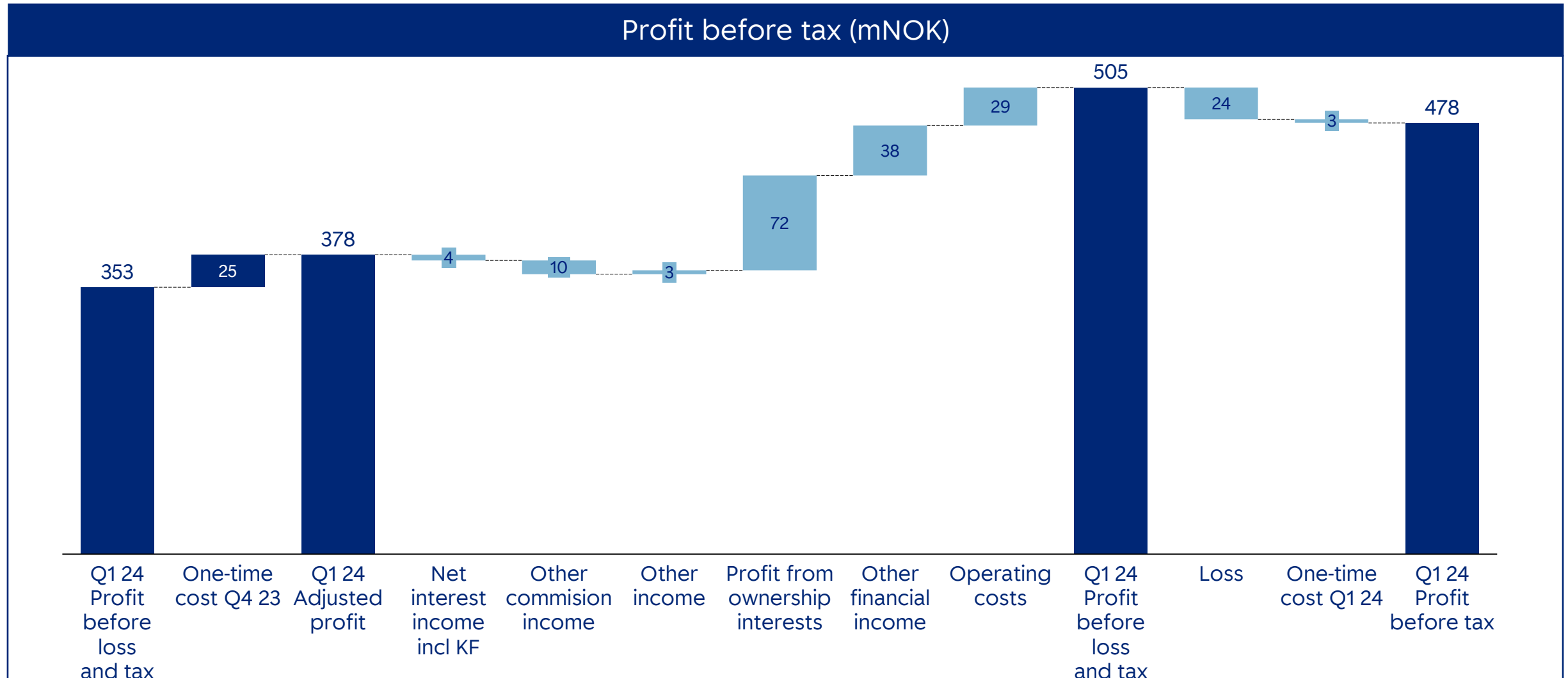


Solid financial result contributes positively to the quarter

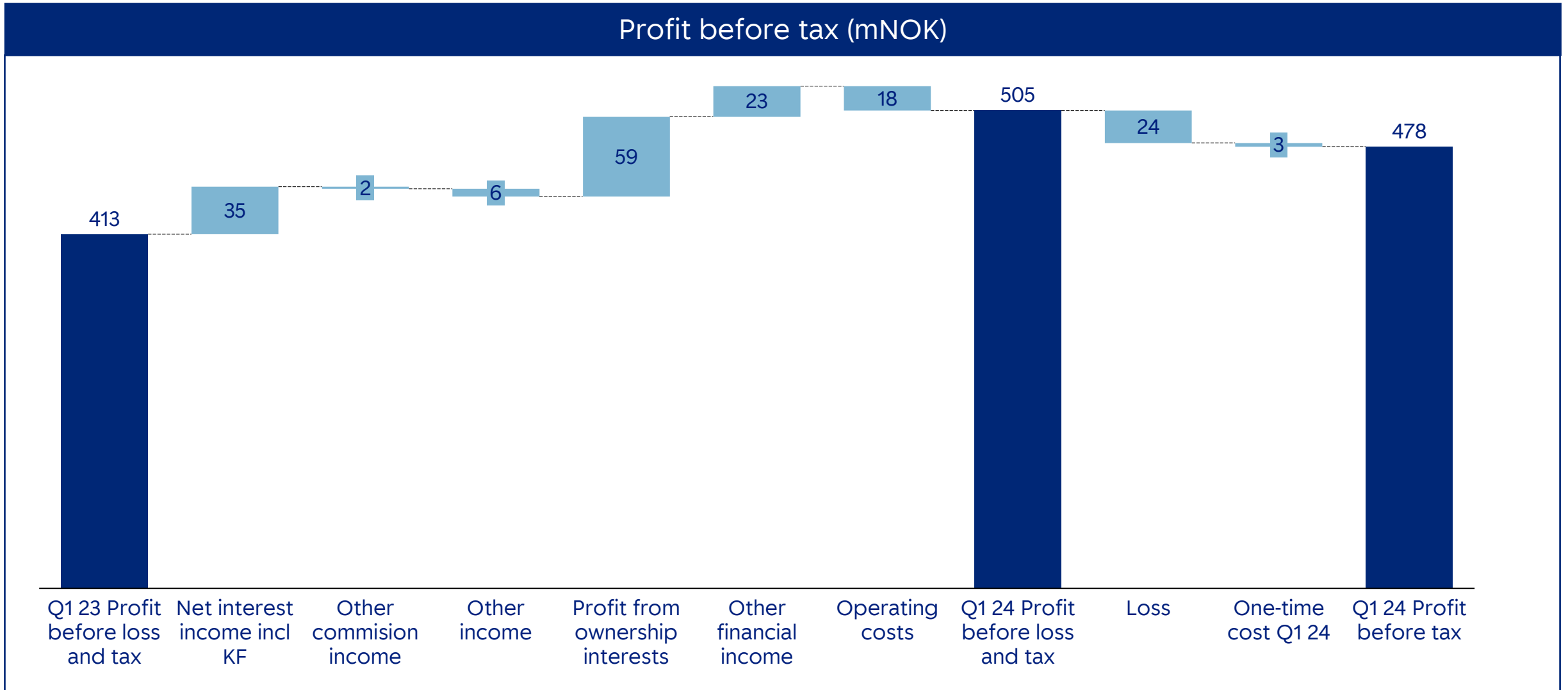
- Net interest income, including commission income from credit institutions, decreased by 1 percent (4 million NOK) in the quarter.
- Net commission income decreased by 10 percent (-10 million NOK) in the quarter.
- Income from subsidiaries increased by 8 percent (5 million NOK) in the quarter.
- Positive financial result due to dividends from SB1 Boligkreditt and Næringskreditt totaling 57 million NOK, positive results from SB1 Gruppen and BN Bank ASA of 13 million NOK and 17 million NOK respectively, as well as positive valuation development of fixed-rate loans and derivatives totaling 20 million NOK.
- Marginal changes in costs in the quarter.
- Loss provision in the quarter was 24 million NOK. Net realized losses in the quarter were 2 million NOK.
- Result in the first quarter was 388 million NOK.
- Common Equity Tier 1 capital adequacy ratio for the group at 18.9¹ percent and Leverage Ratio at 8.6 percent.
- Return on Equity for the quarter was 11.9 percent compared to 9.3 percent in the previous quarter. Considering one-time costs, the return on equity in the quarter was 11.9 percent compared to 9.8 percent in the previous quarter.
- Earnings Per Share for the group were 1.65 NOK and for the parent bank were 1.52 NOK.

1) The accounts are not audited, so the share of the year-to-date profit is not included in the eligible capital

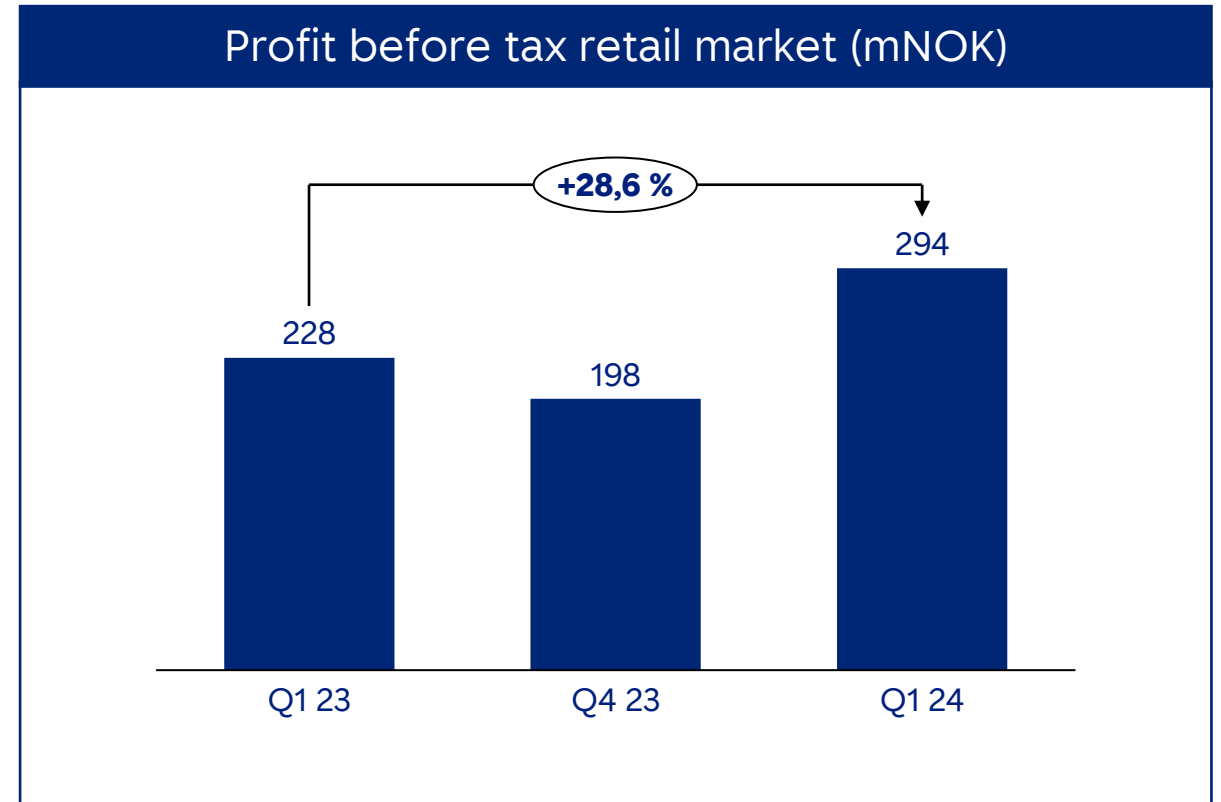
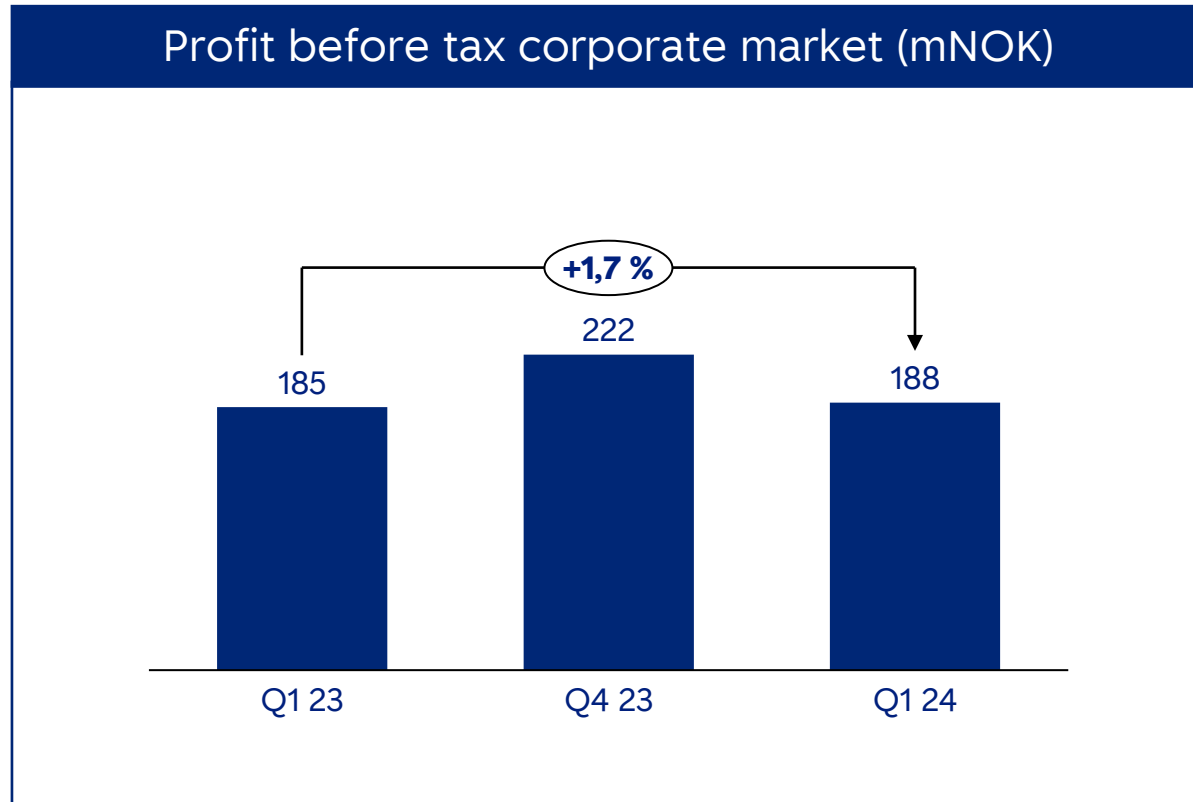
Good results from financial assets in the quarter



Resultat compared to Q1 2023

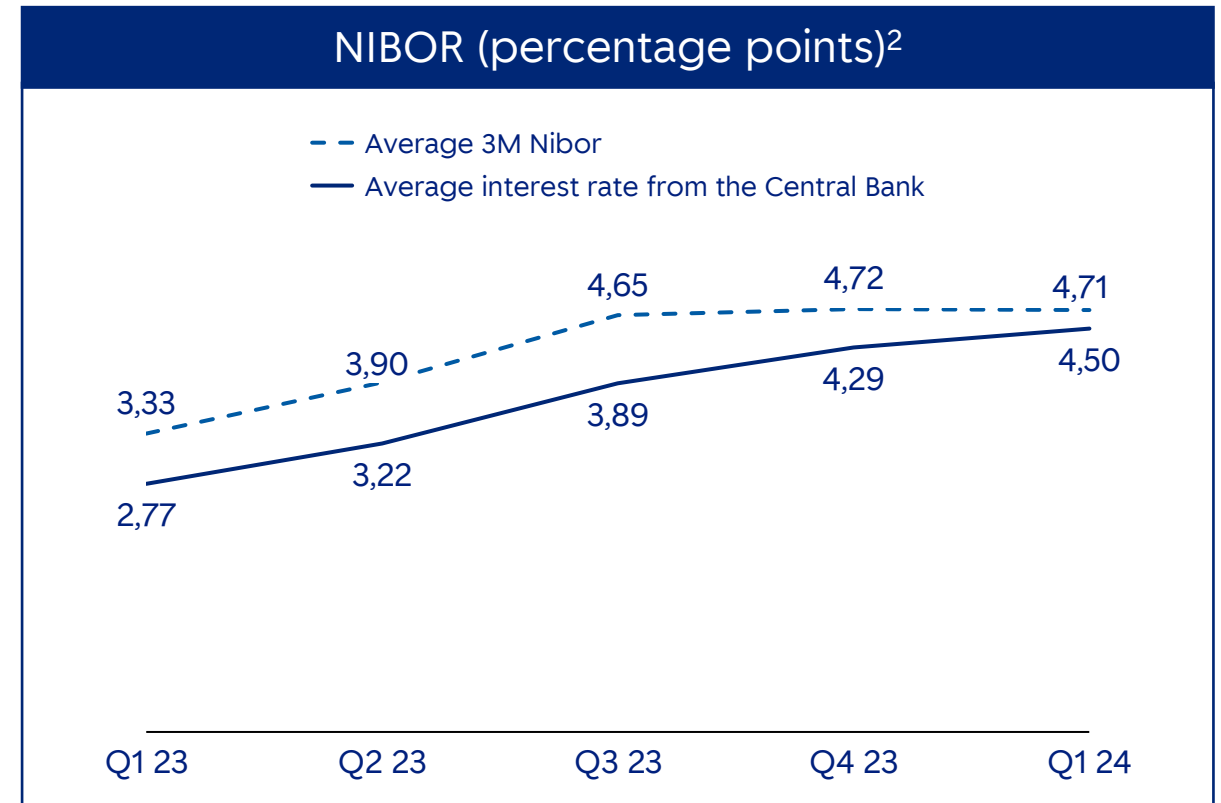
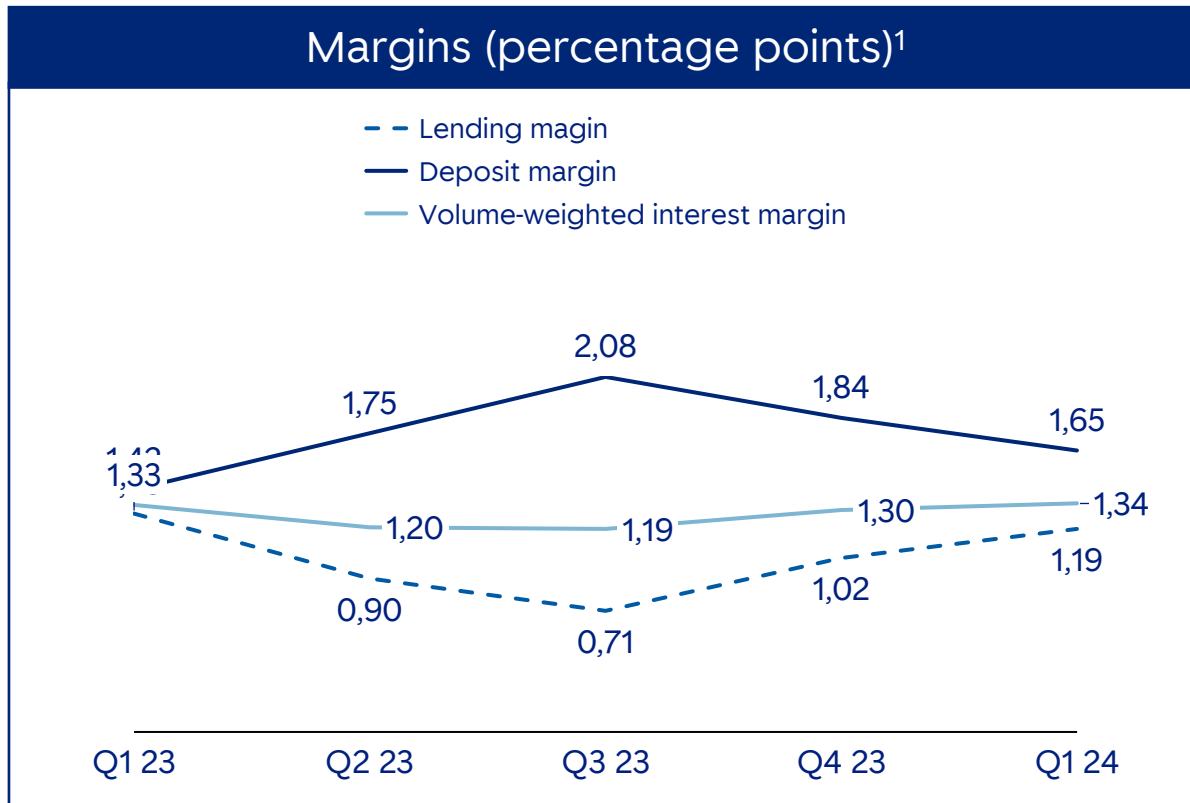


Development of results from the corporate and personal markets



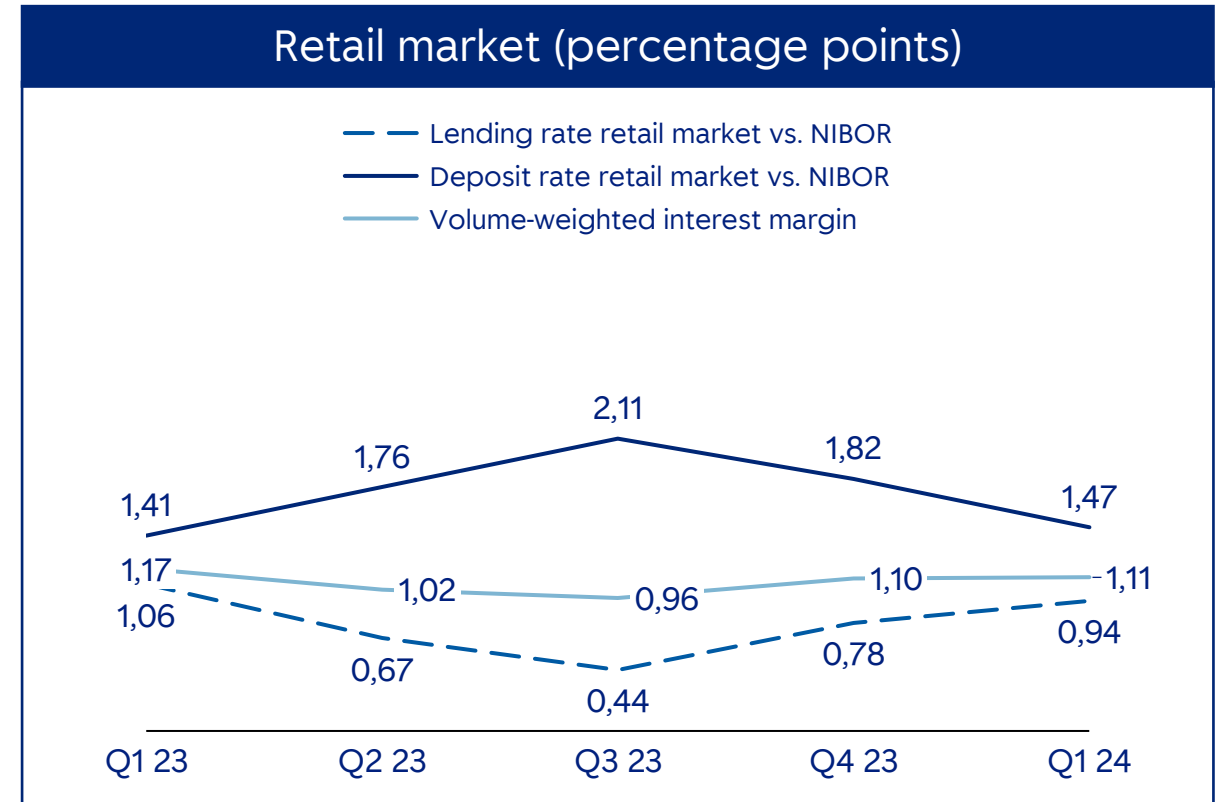
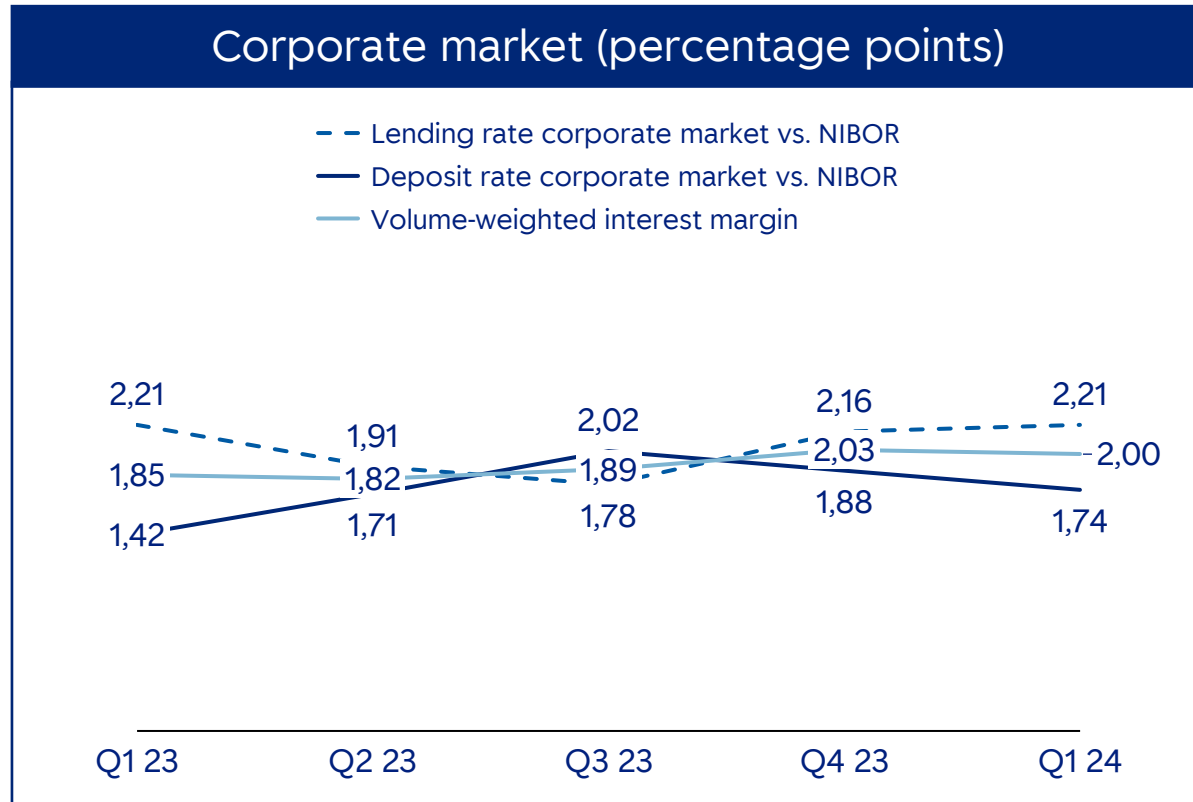
*Results excl. One-off cost

Increased volume weighted interest margin



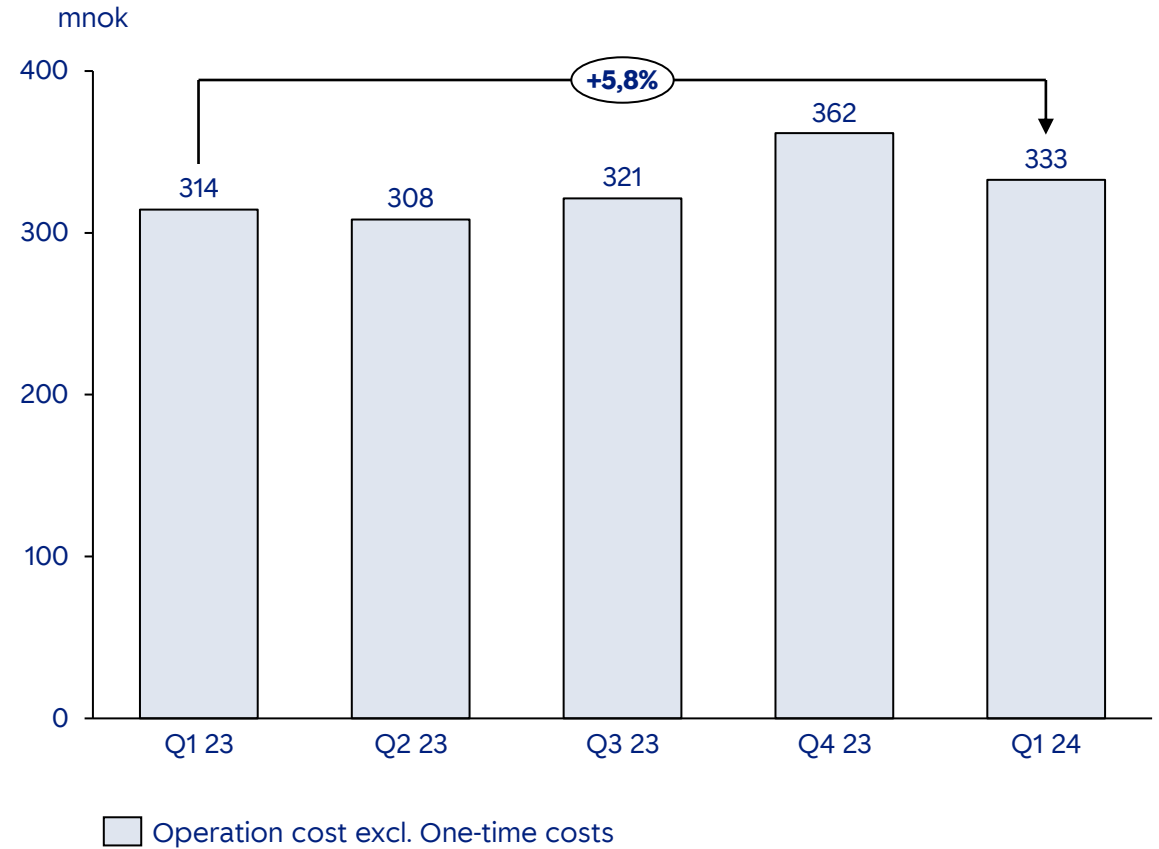
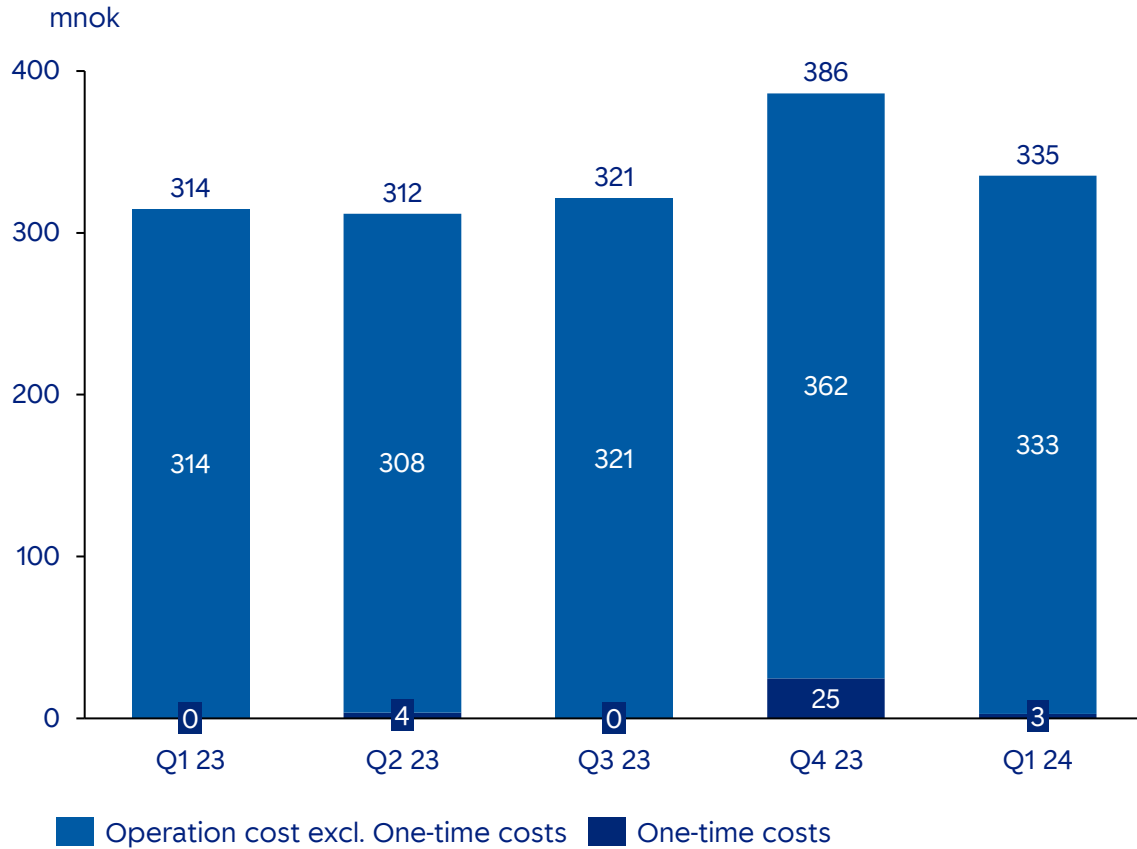
1) Interest on lending includes loans transferred to mortgage co
 2) 3M NIBOR is calculated as average 3M NIBOR in the quarter

Improved lending margins, but reduced deposit



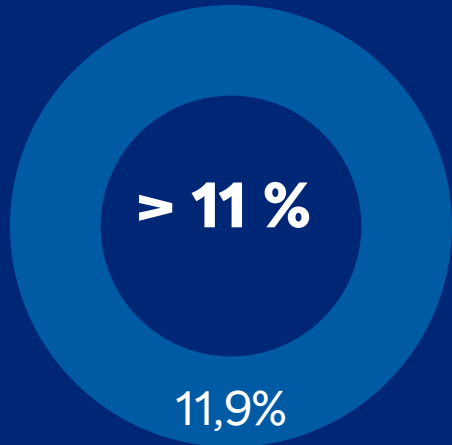
1) Note 3M NIBOR is calculated as averaging 3M NIBOR in the quarter. Interest on lending includes loans transferred to mortgage co. Interest margin for the quarter

Cost growth adjusted for one-time costs

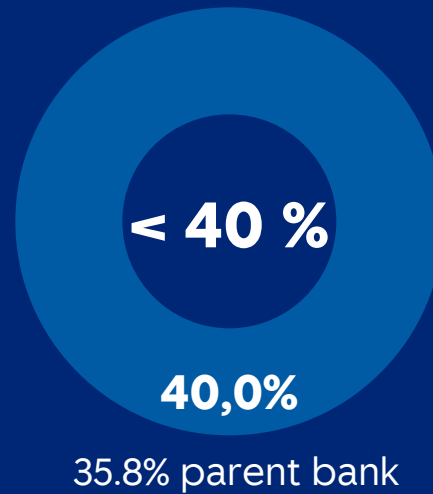


Key figures and financial targets

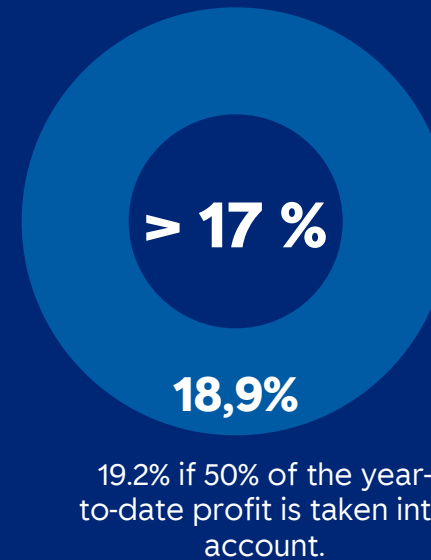
Return on equity (ROE)



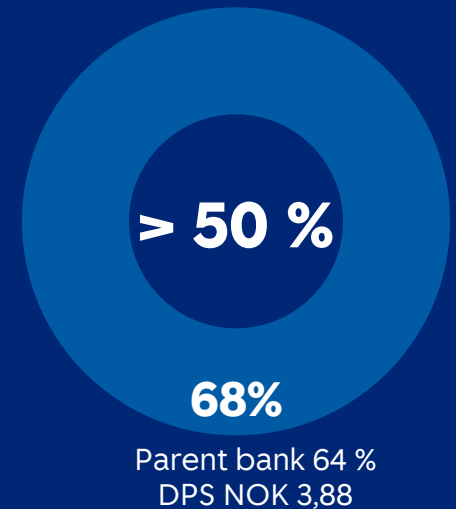
Cost to income



CET1 capital ratio



Dividend share



Return



Top-line Growth and Collaboration

Cost control

Risk profile

Equity

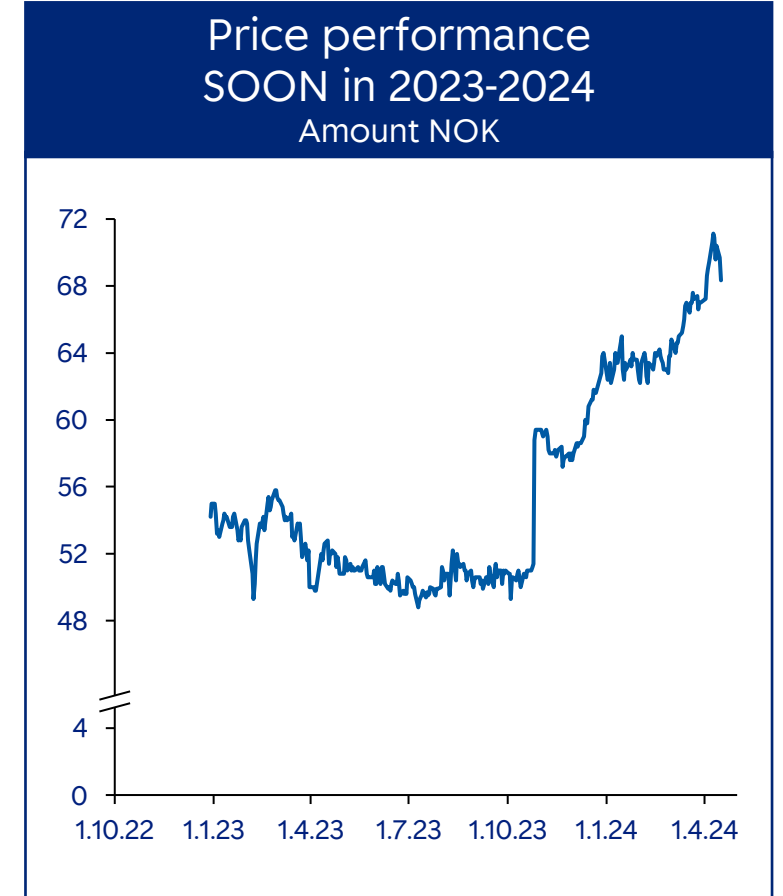
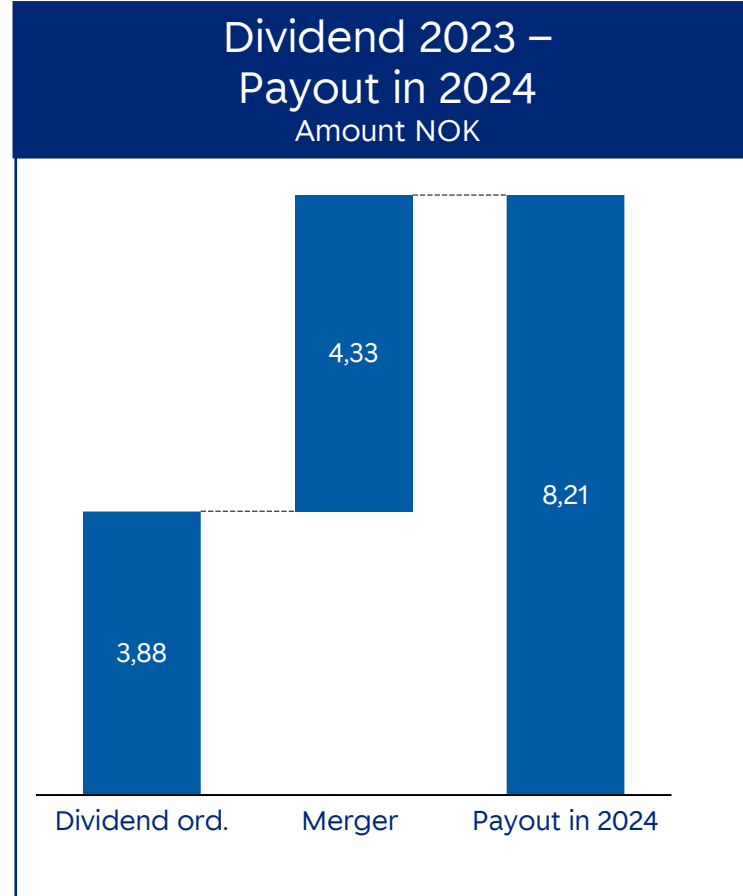
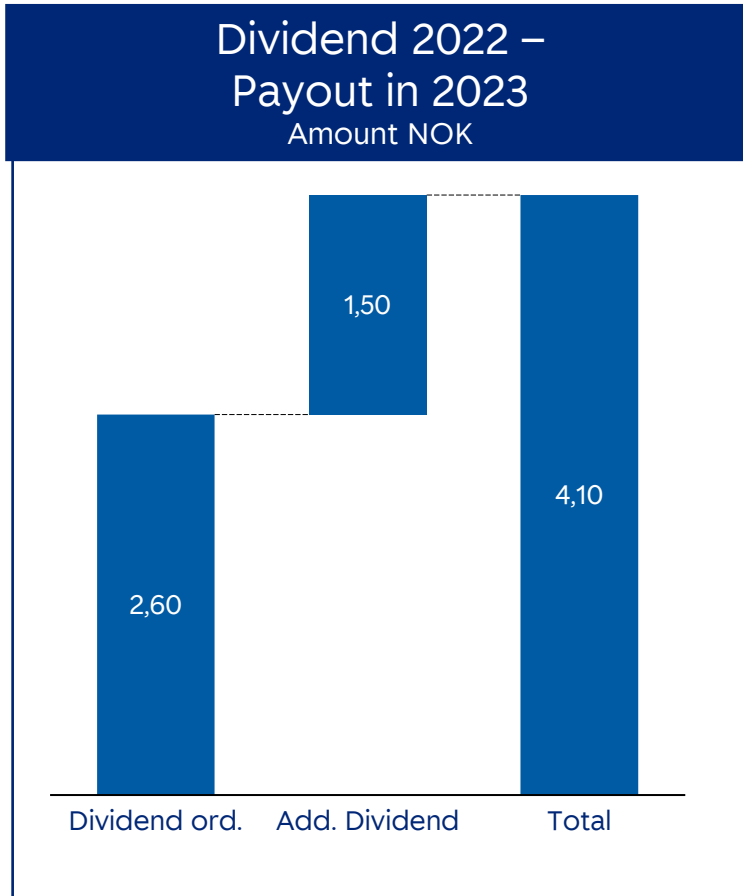
Capital Optimization

Dividend Policy

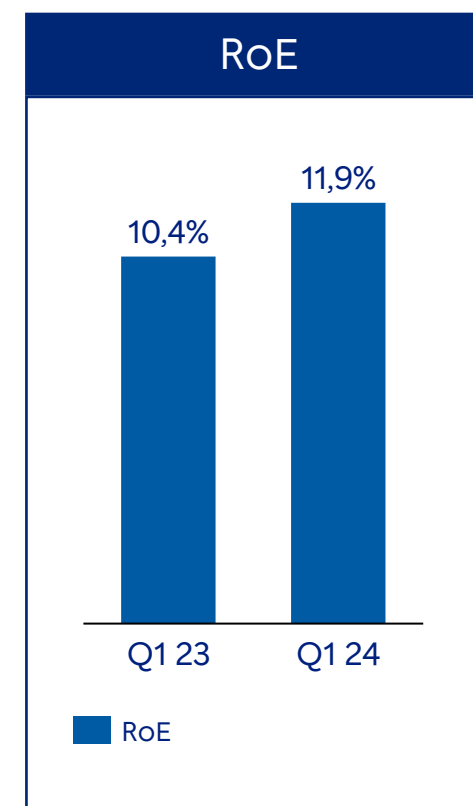
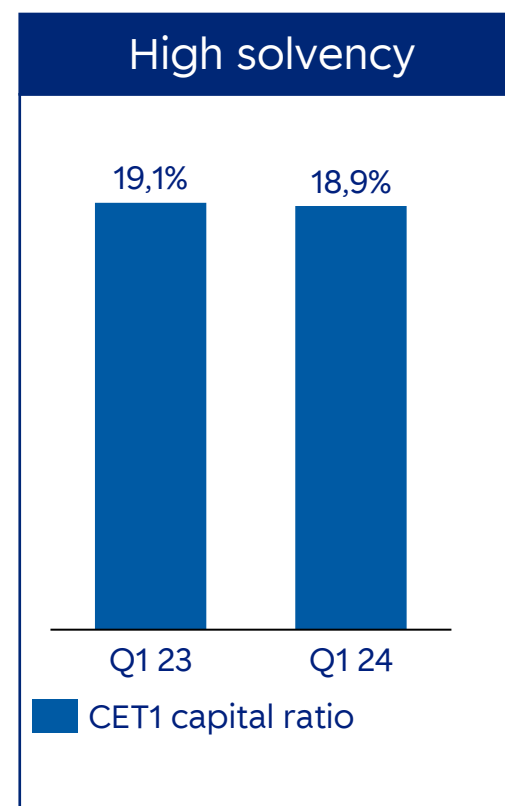
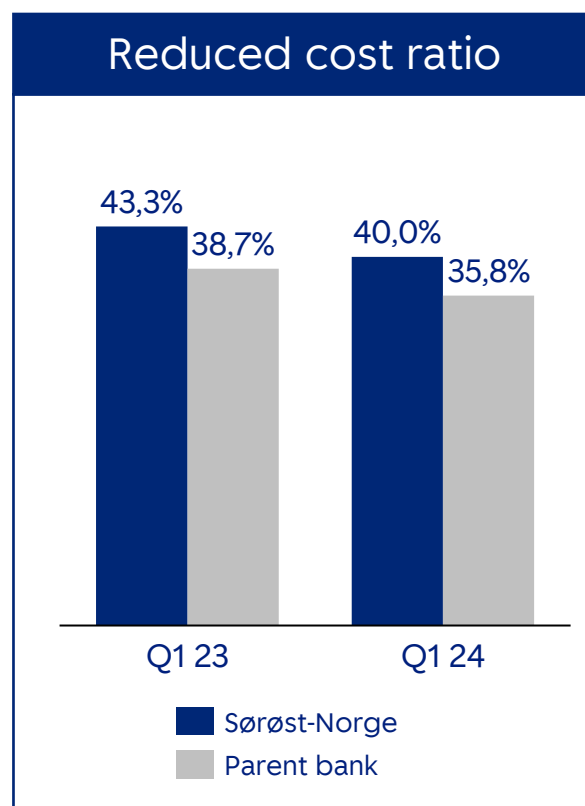
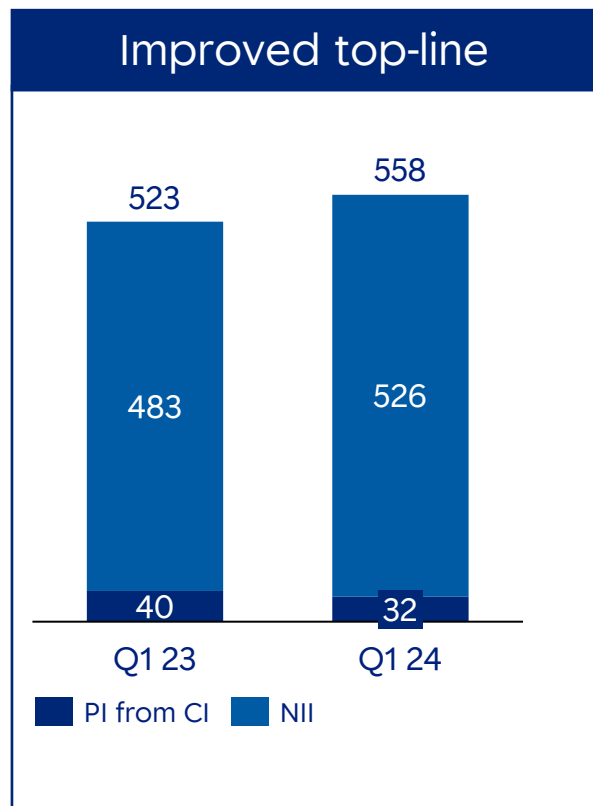
AIRB

EMTN Program

Dividend last 2 years og price performance SOON

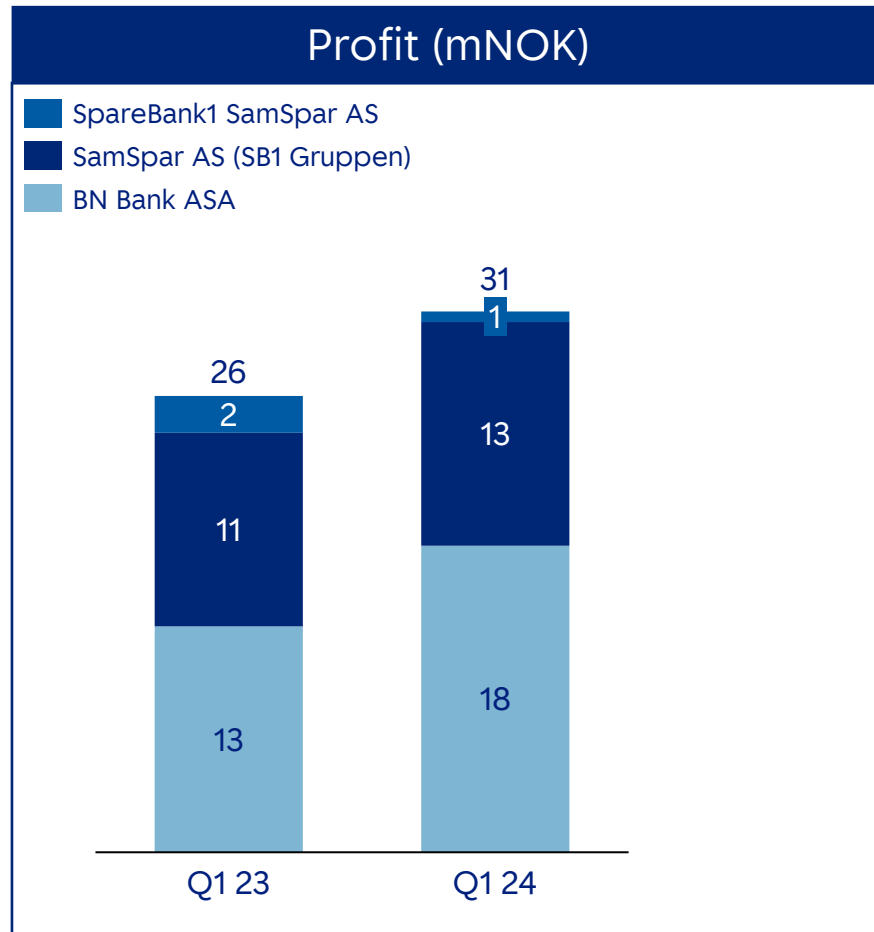


Strong operational performance and high solvency



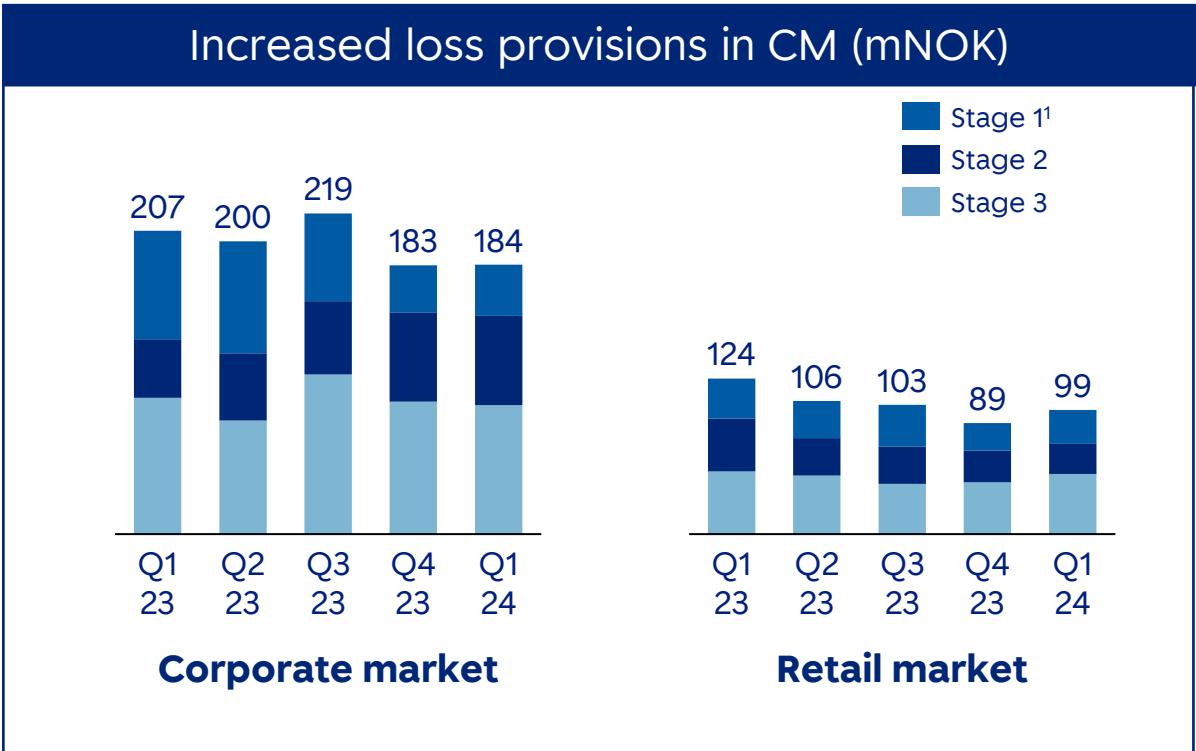
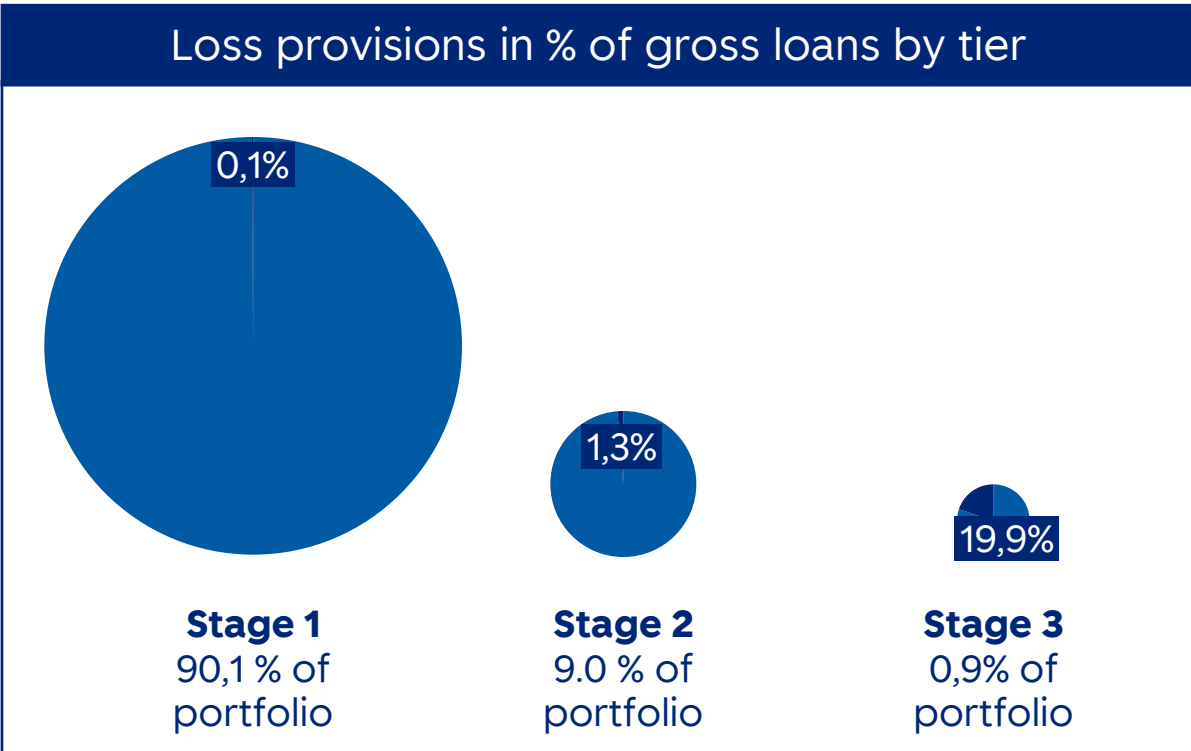
* Excl. One-time cost in the calculation of cost ratio and RoE

Good result for BN Bank. Positive results from SB1 Gruppen



- SpareBank 1 Gruppen's group achieved a post-tax result of 271 (272) million NOK in the first quarter. The majority's share of the group's post-tax result was 199 (176) million NOK.
- BN Bank also increases its result this quarter, contributing 18 million NOK, of which BN Bank's share of dividends from Spabol amounts to 2.2 million NOK."

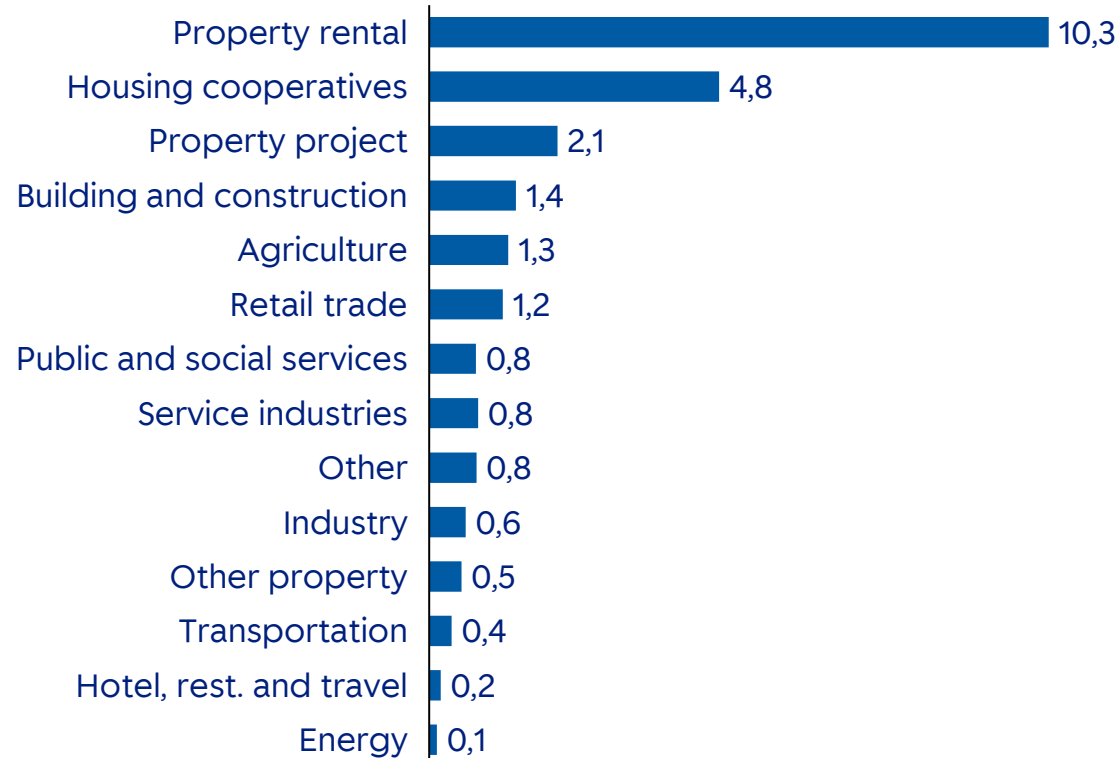
Well-diversified portfolio –99 percent in stages 1 and 2



1) Stage 1 in included reversal of loss provisions related to fair value through comprehensive income

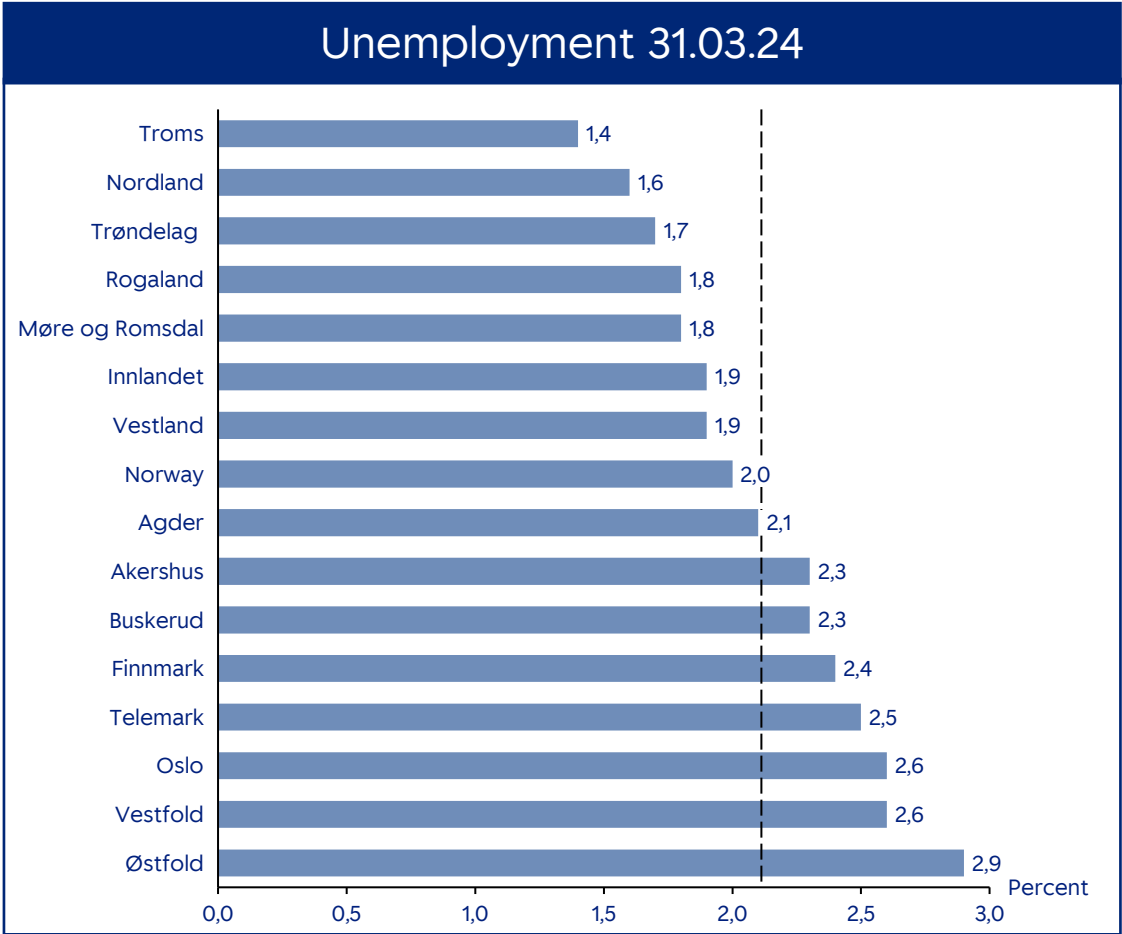
No material changes in the composition of the corporate market portfolio

Volume (engagement) per 1st quarter (BNOK)

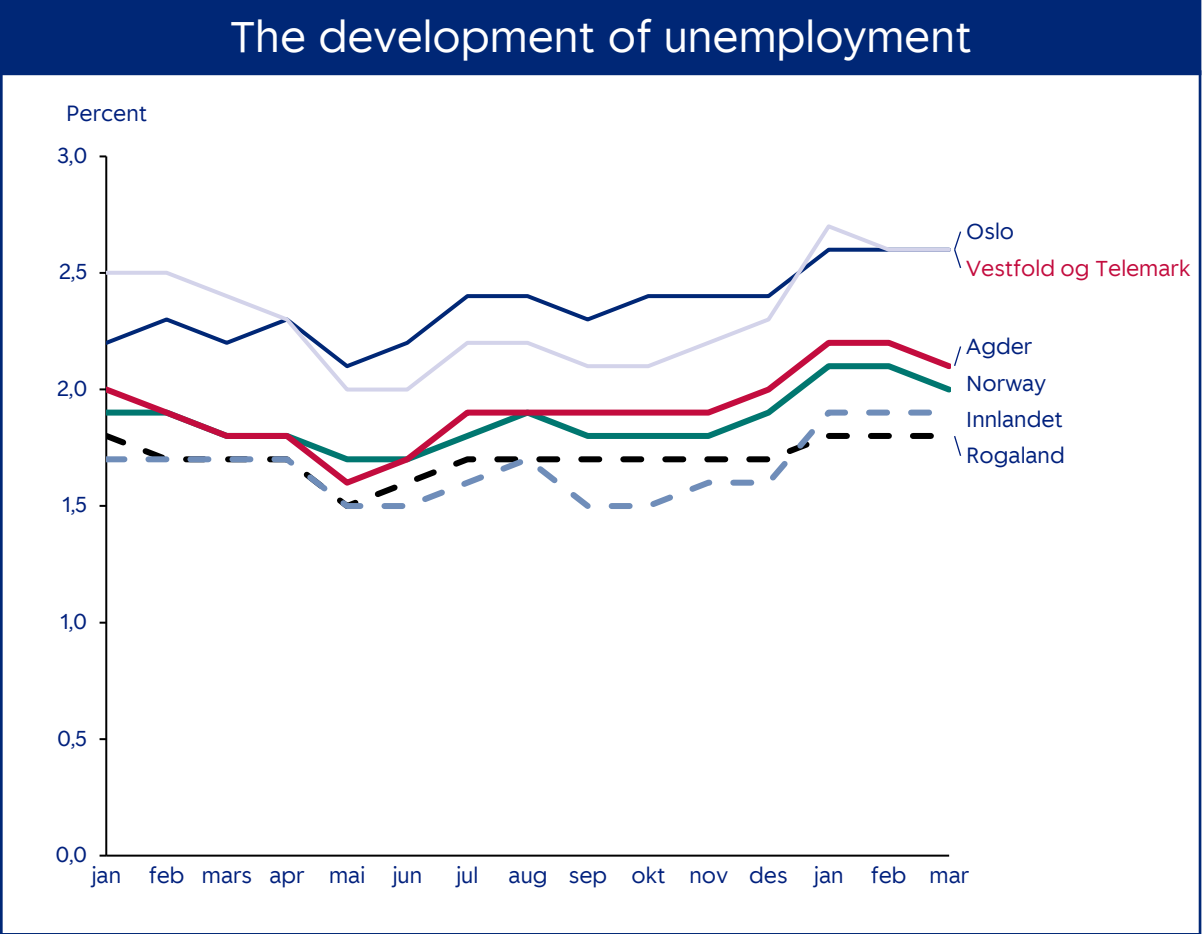


- Increased in the portfolio compared to the previous quarter from 25.2 BNOK to 25.4 BNOK
- Marginal changes within the various industry sectors
- No new large construction projects.
- Certain completed construction projects are facing challenges in selling unsold apartments. The bank has in total a 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.
- Gross non-performing loans are at the same level as the previous quarter. Payment defaults have decreased from the previous quarter, particularly payment defaults between 60 and 90 days.
- Weighted PD on fresh engagements marginally lower (better) than the previous quarter.

The unemployment rate remains low, but is increasing

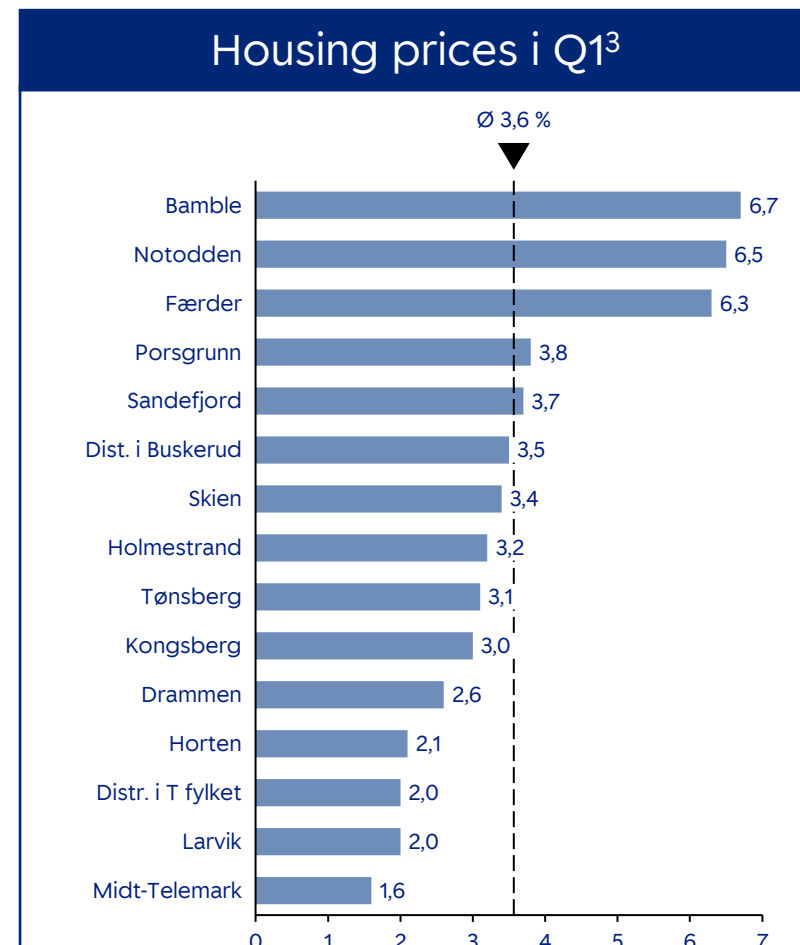
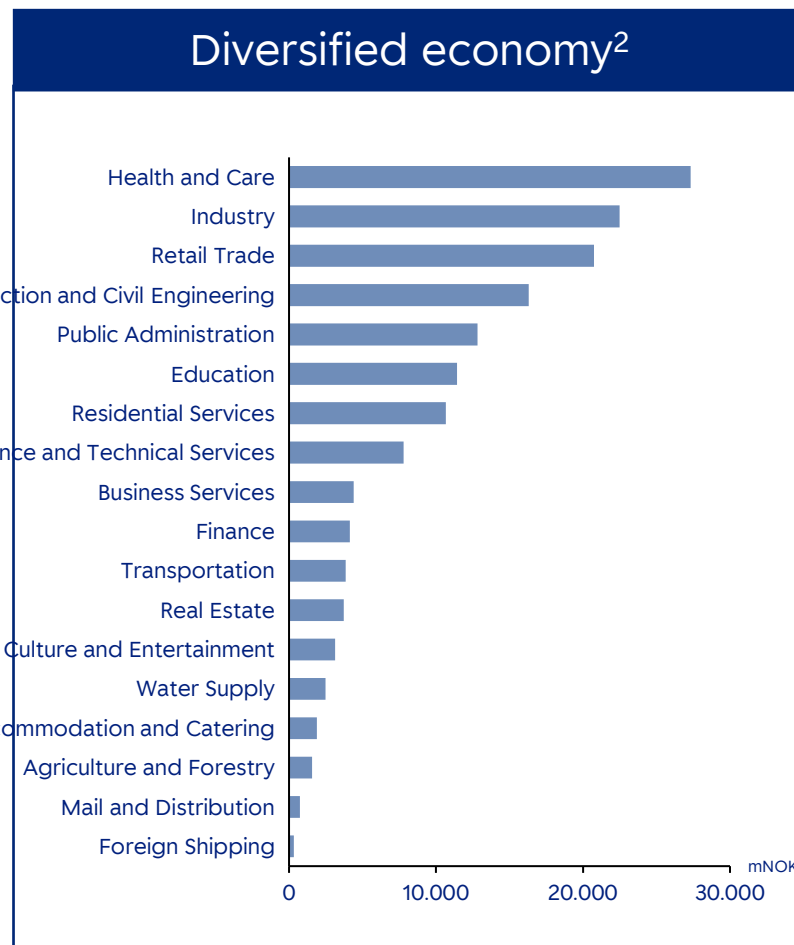
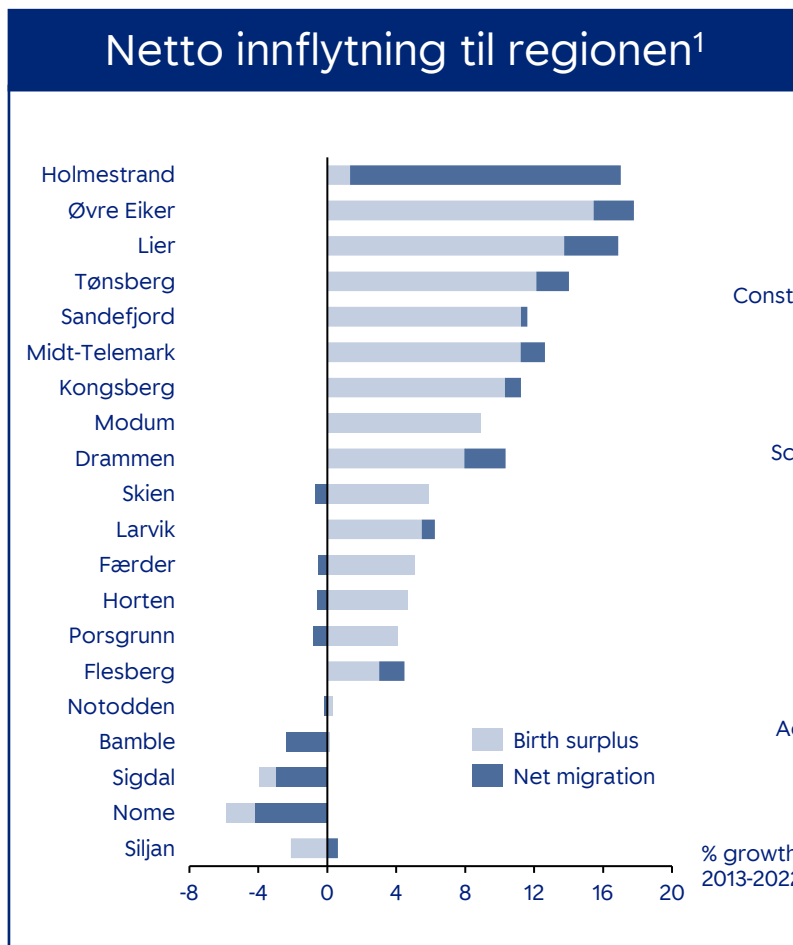


Ø 2,1



Source: NAV. The percentage of completely unemployed

Well positioned in an attractive region



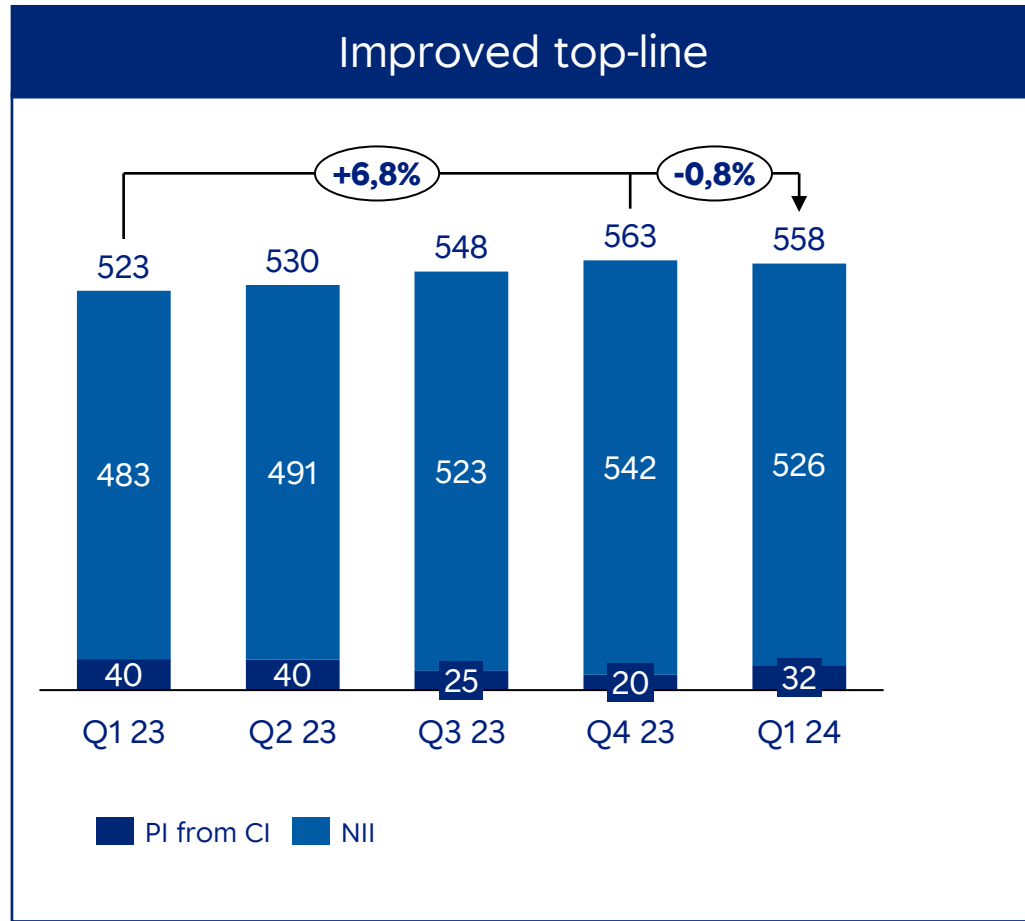
1) Source: Telemarksforskning, K. Vareide. Regional analysis Sørøst-Norge. Buskerud, Telemark, Vestfold. Percentage growth 2013-22
 2) Source SSB. County-level national accounts. Gross Domestic Product at current prices. Vestfold and Telemark
 3) Source : Eiendomsverdi. Regionsrapport 1th quarter 2024

Together
we create
value



Appendix

Unchanged net interest income compared to the previous quarter

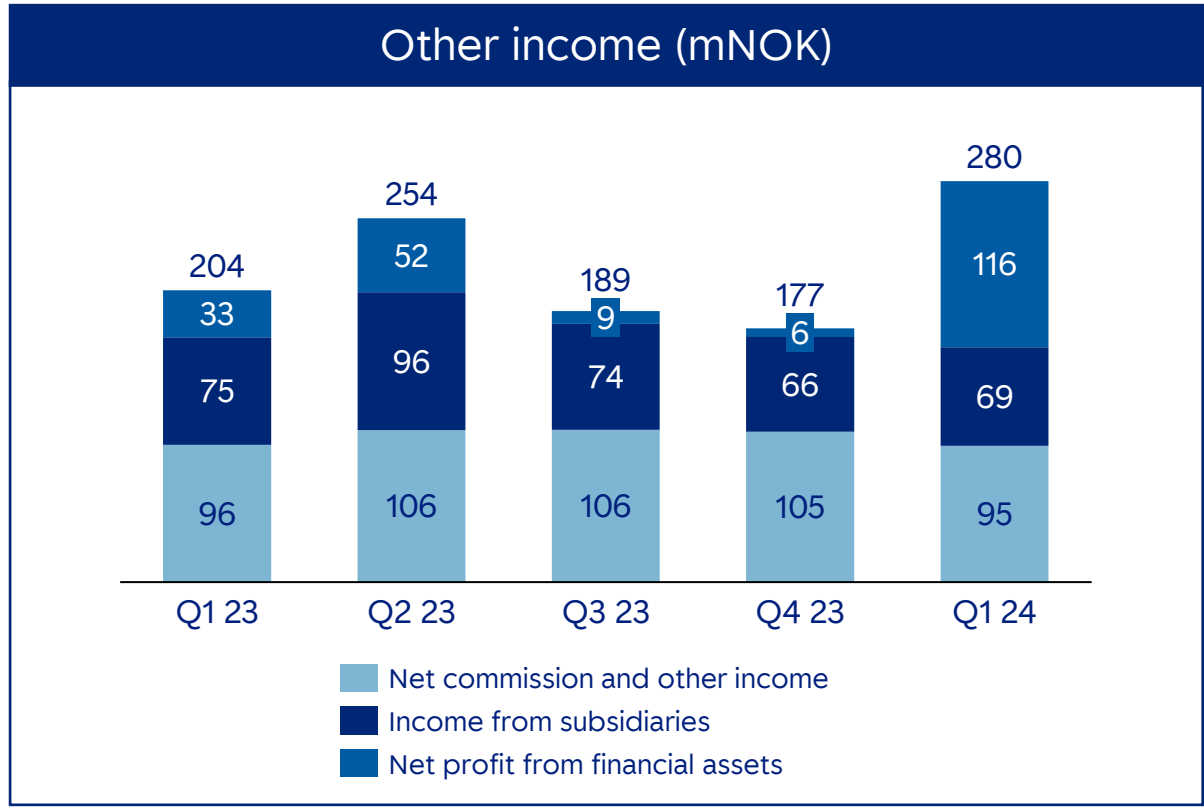
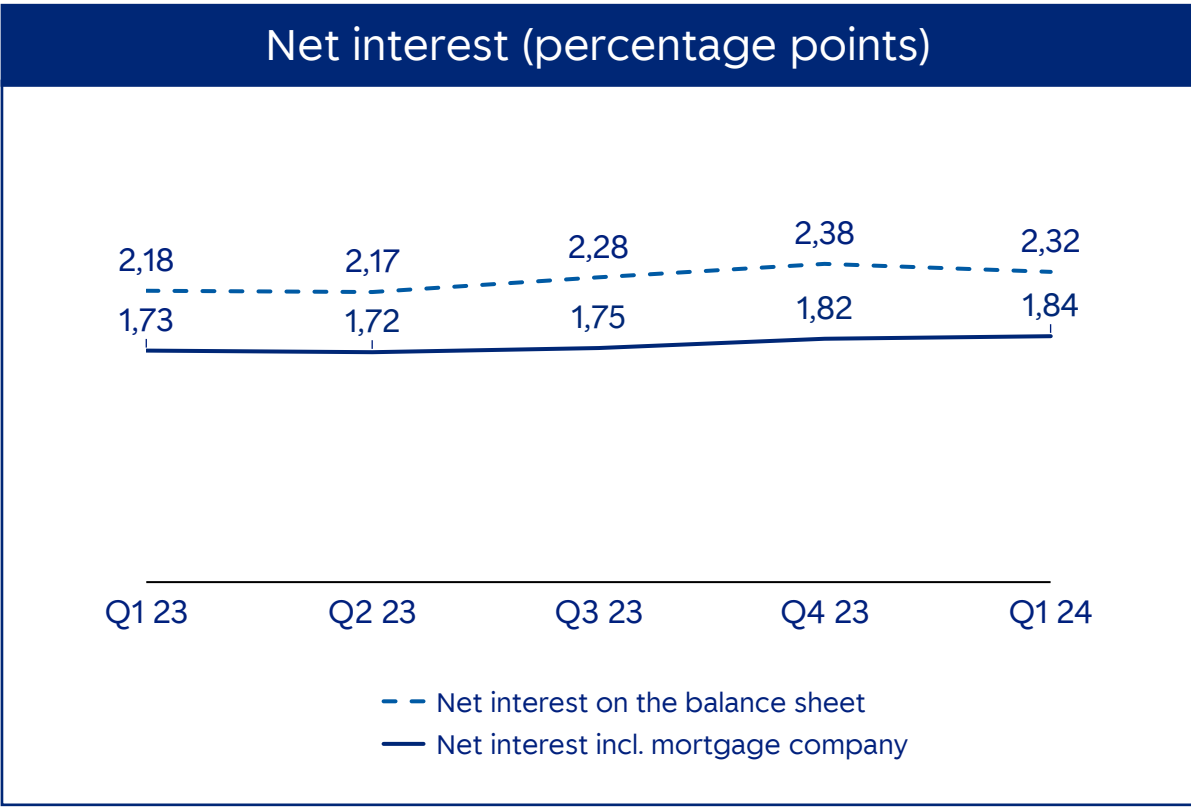


- Net interest income increased by 6.8 percent from the same quarter in 2023, but decreased by 0.8 percent compared to the previous quarter.
- The decrease in the quarter is primarily due to the increased daily effect of having 1 day less in the first quarter of 2024 compared to the fourth quarter of 2023.
- However, we also observe increased interest costs and reduced interest margins in the quarter

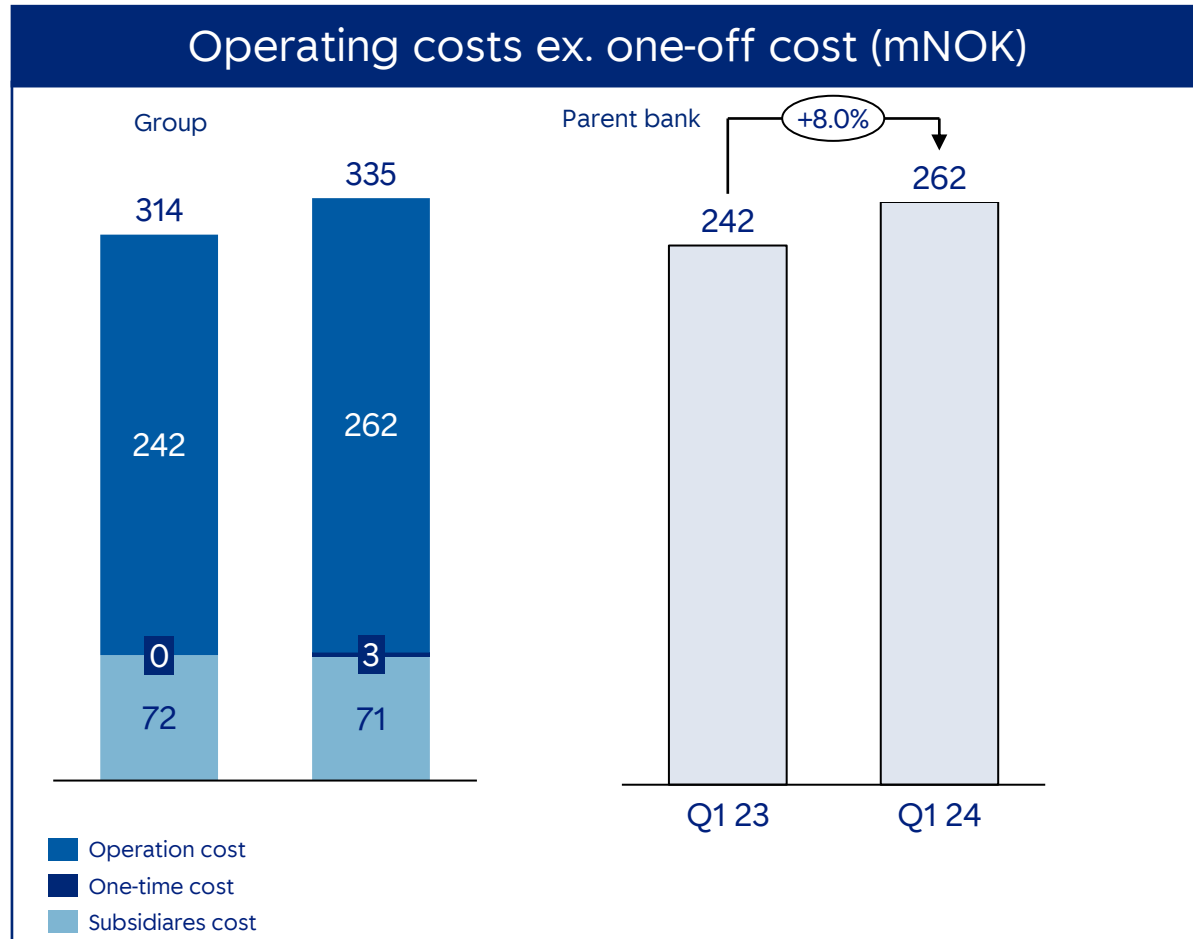
The bank has adjusted customer rates following changes in the Central Bank's interest rates

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

Decreased net interest income, while income from subsidiaries has increased in the quarter



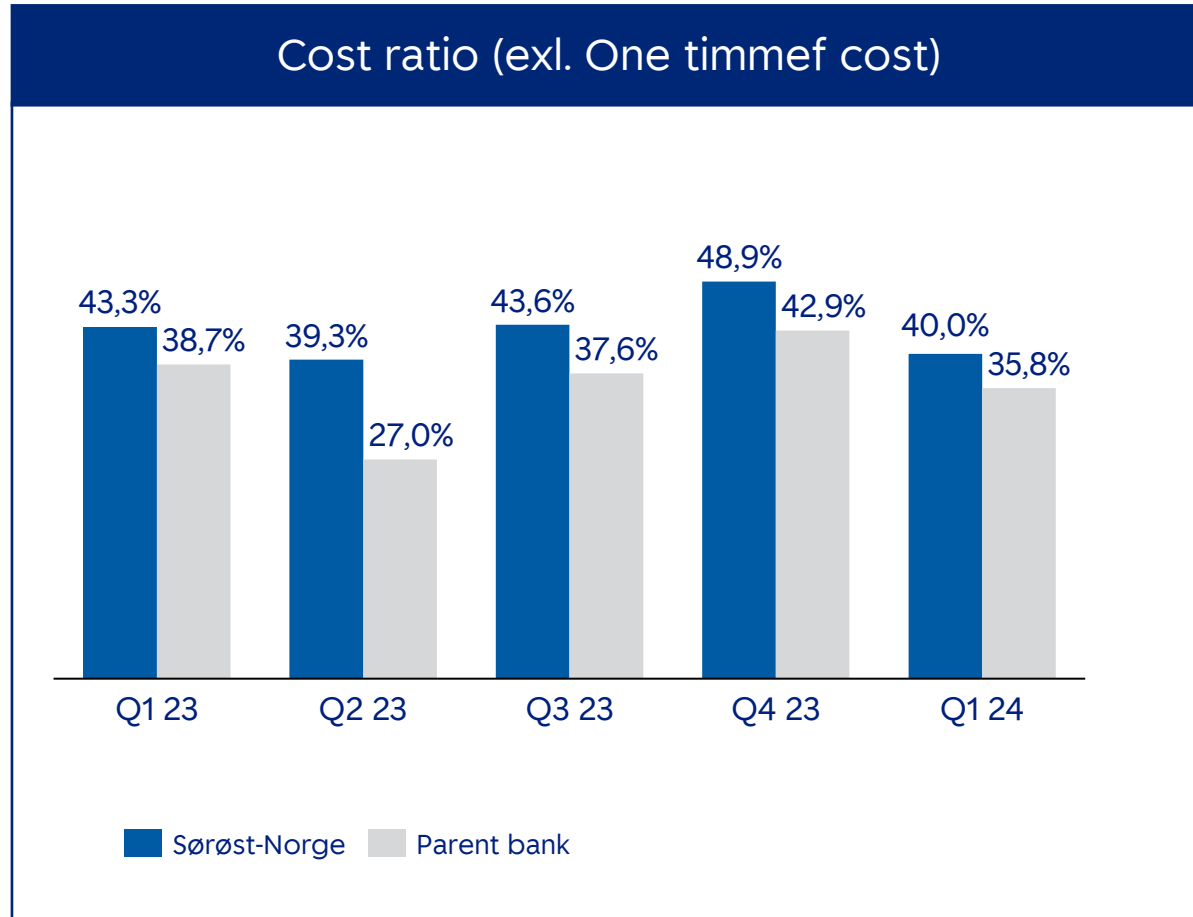
Increased operating costs



The increased costs in the parent bank are mainly due to an increased number of full-time employees (net increase of 20 full-time equivalents), alliance and IT costs, as well as underlying wage and price growth.

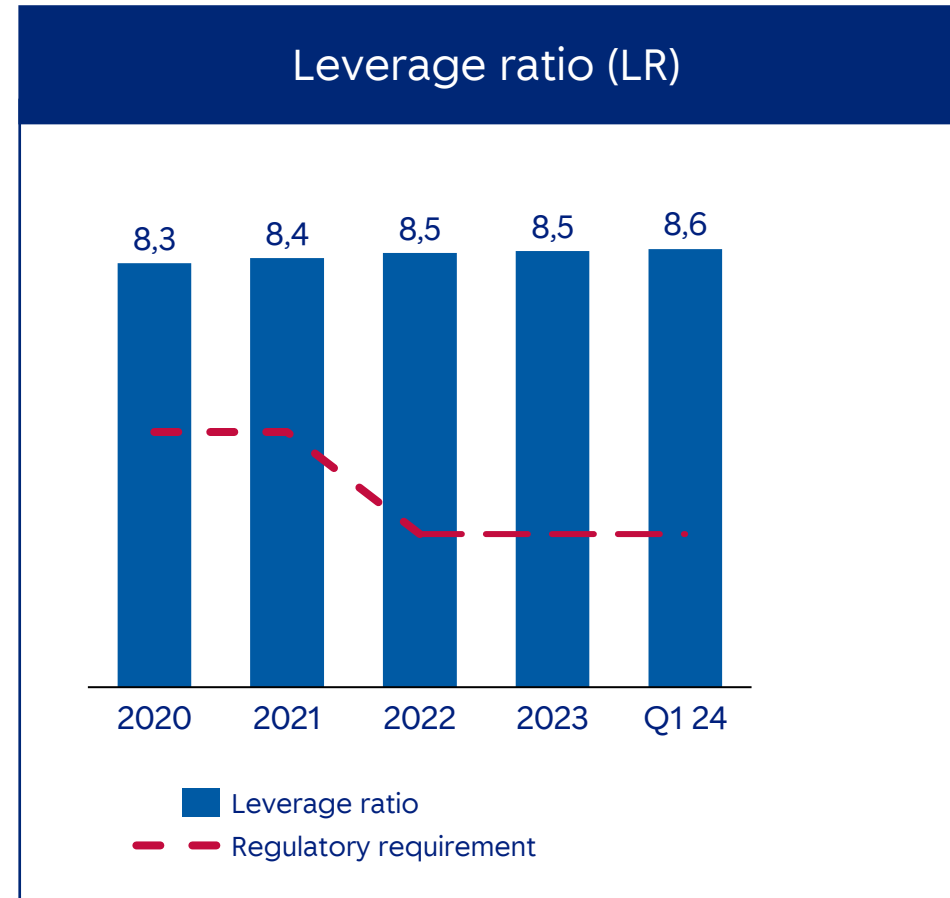
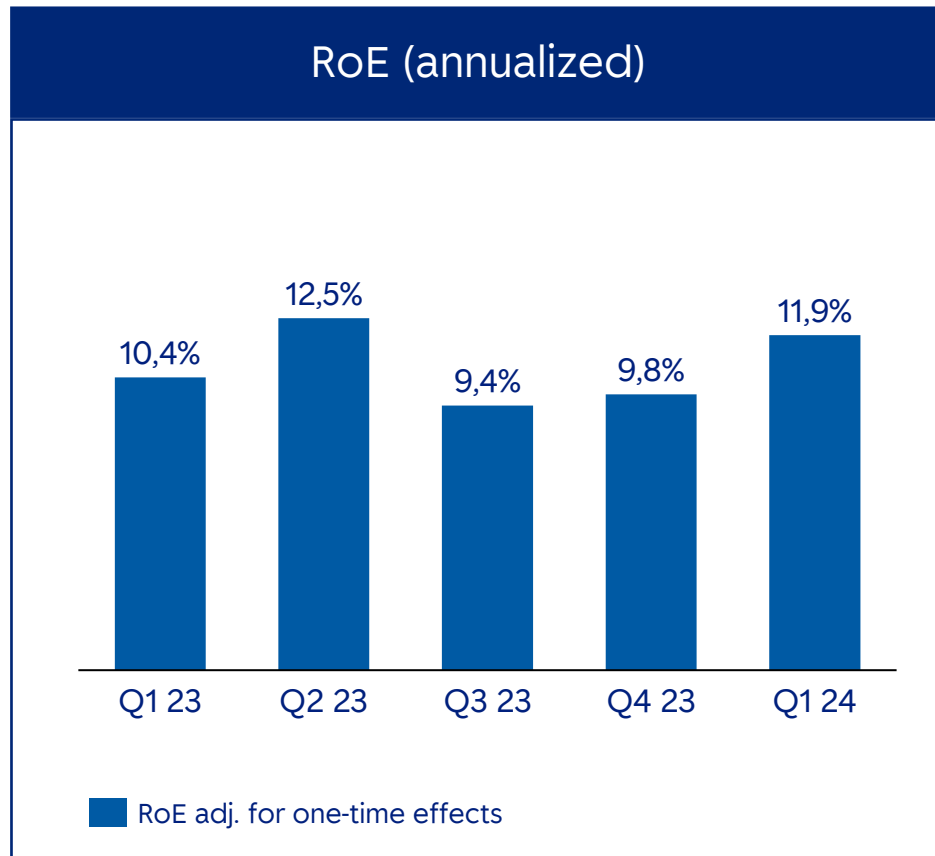
The operating expenses in the subsidiaries are down by 1.5 million NOK compared to the same quarter in 2023.

Reduced cost ratio mainly due to increased income from financial and ownership interests

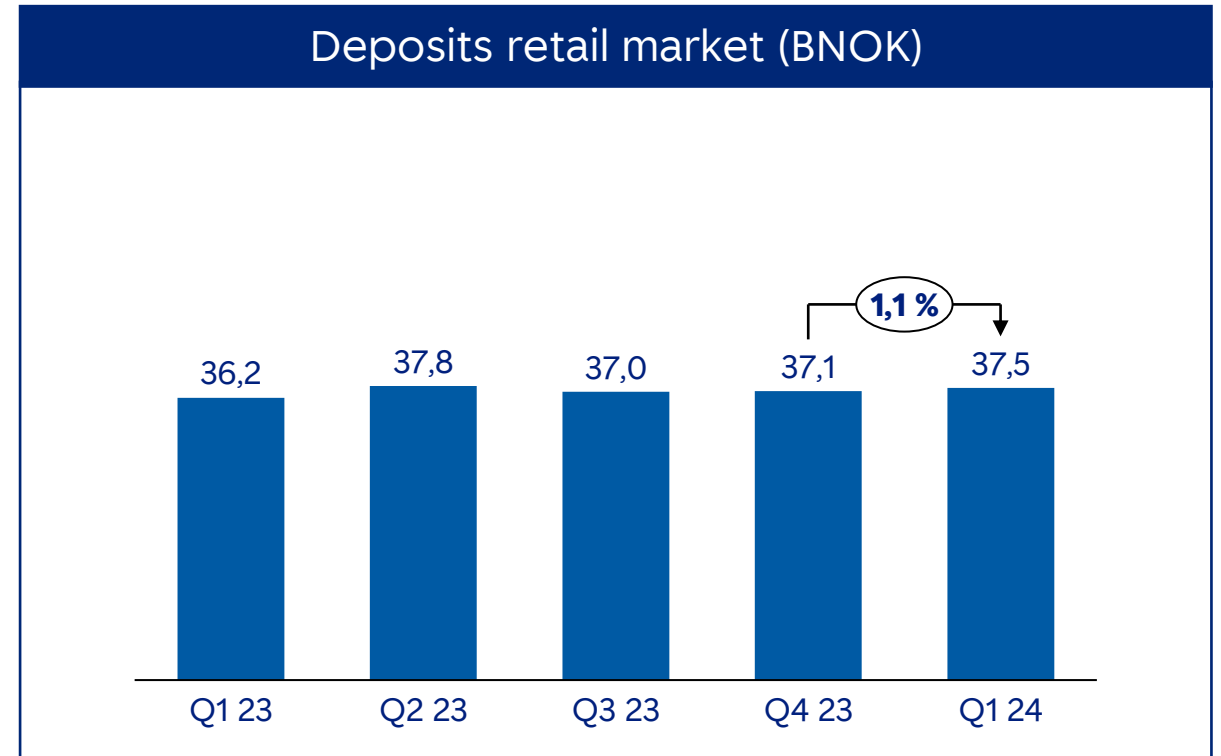
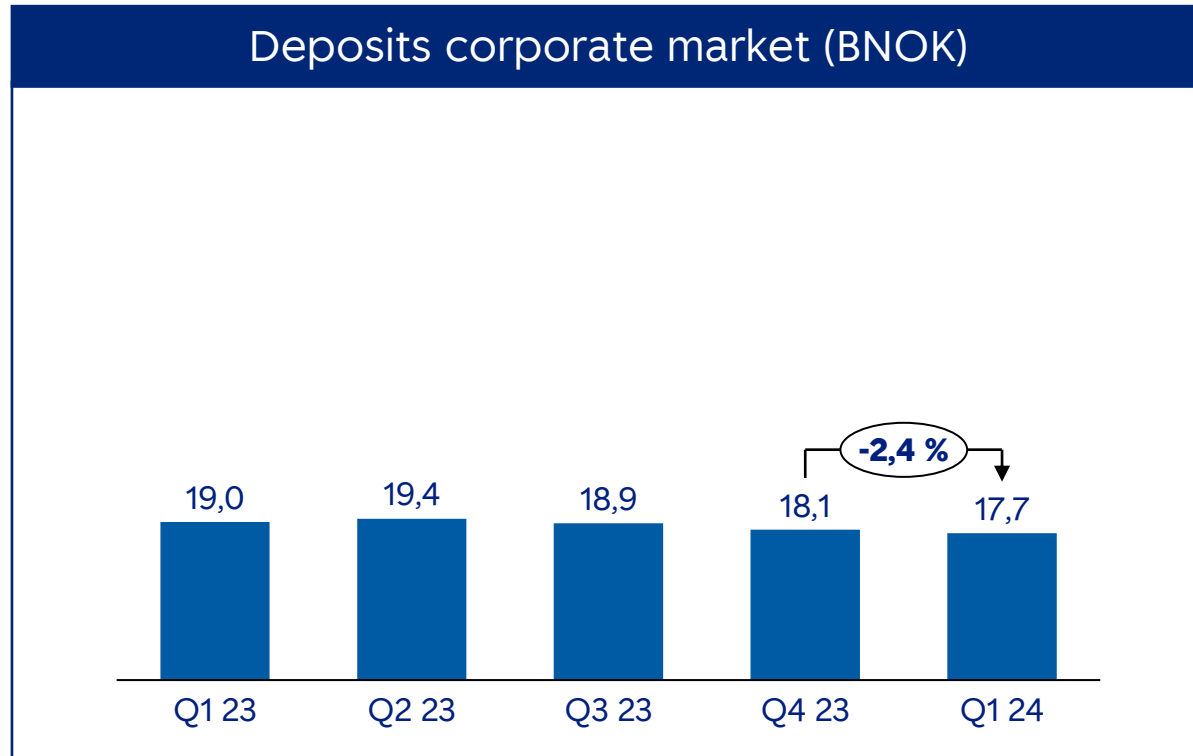


- The cost ratio in the parent bank is 35.8 percent for the year, while for the group it is 40.0 percent.

Increased return on equity and high equity ratio

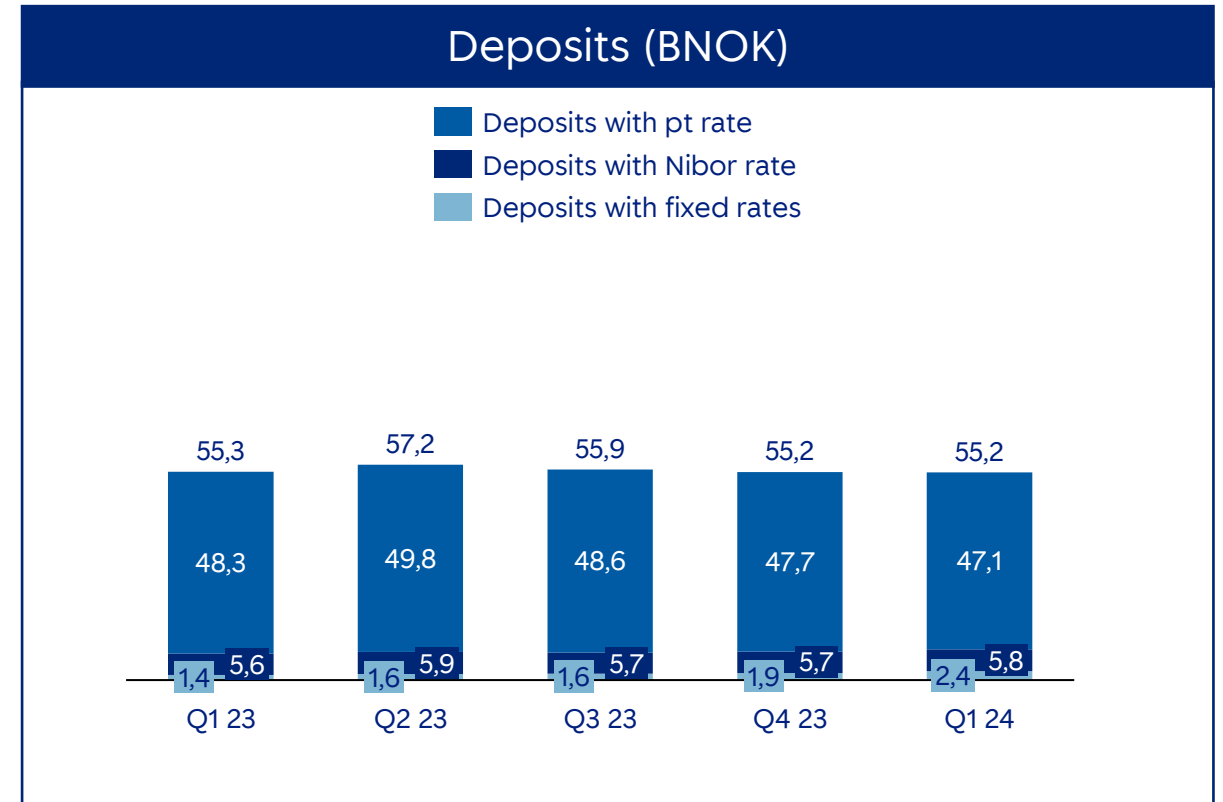
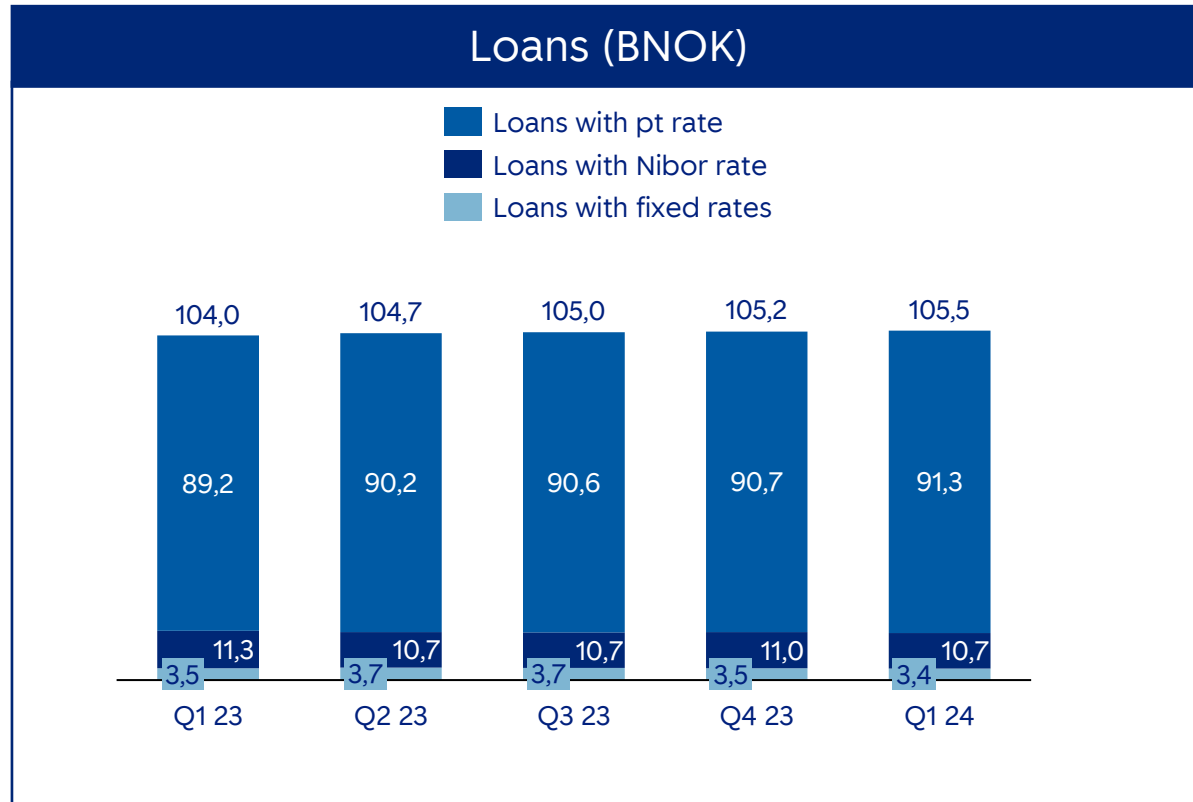


Reduced in deposits in the 1st quarter



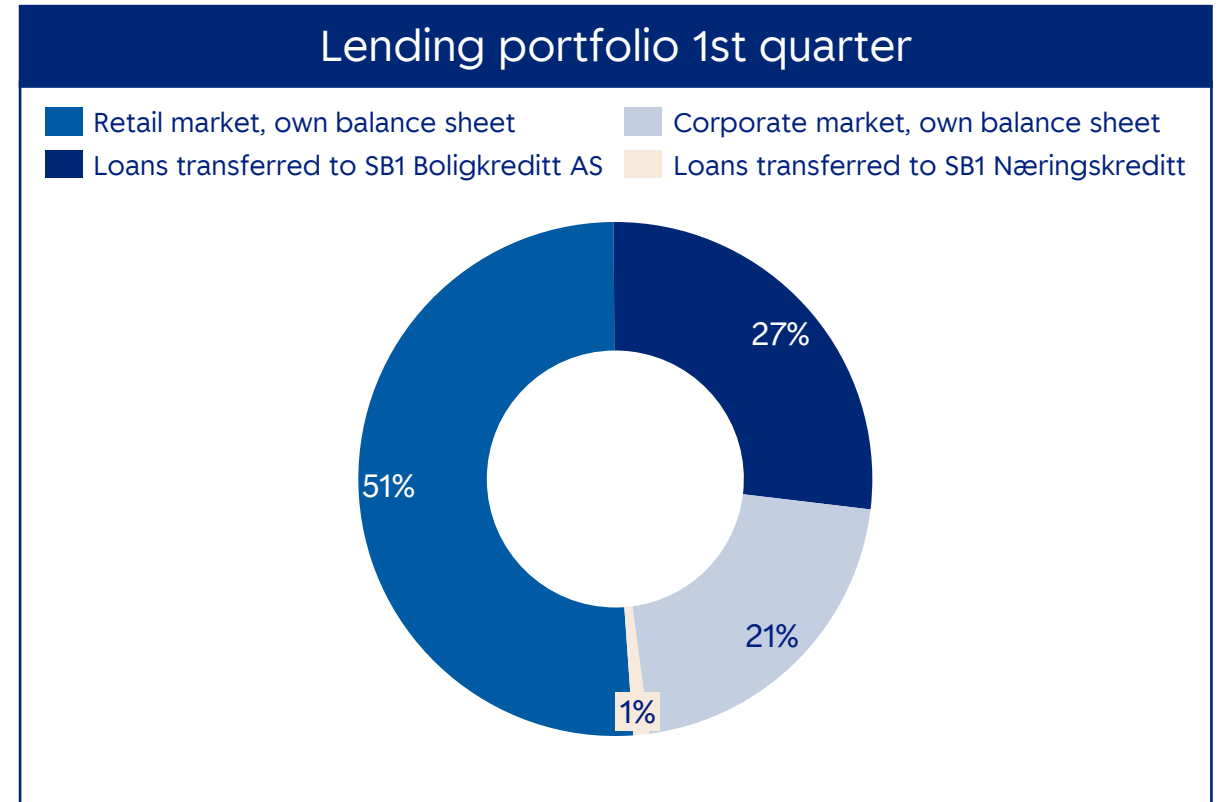
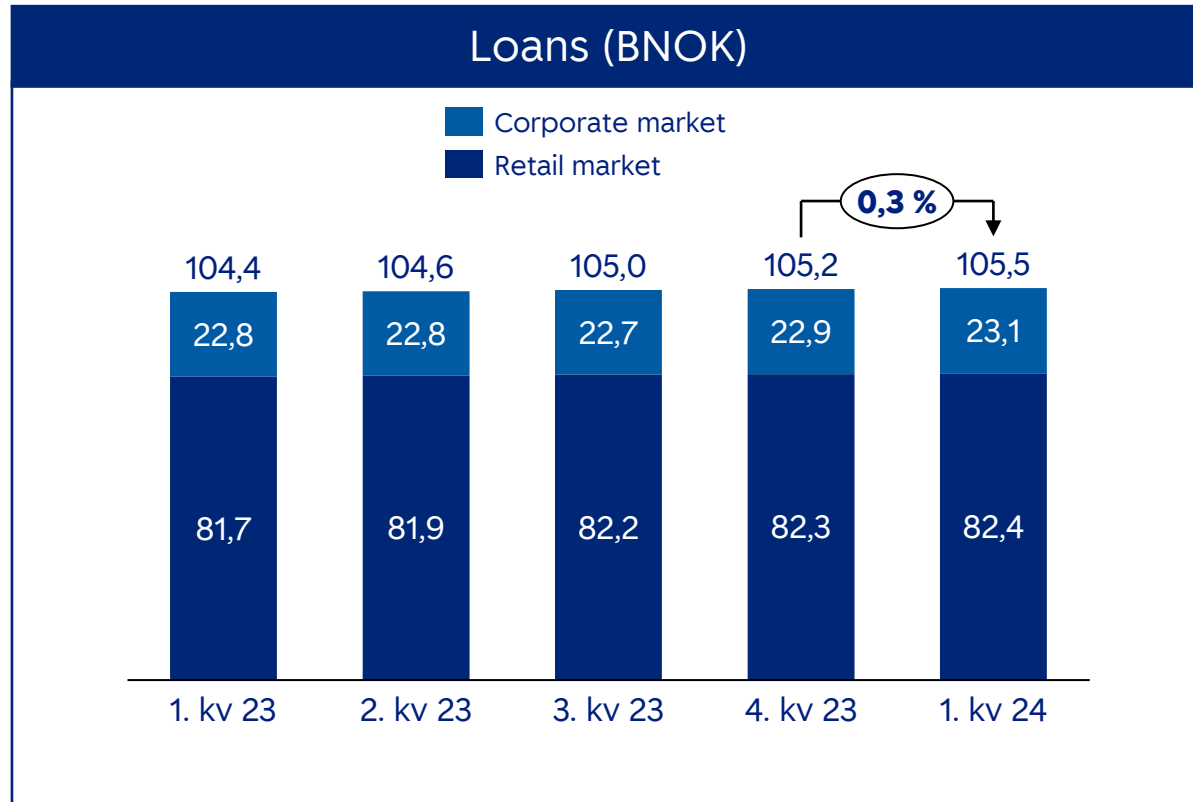
**72 percent of the bank's deposits are within the Deposit Guarantee Scheme –
36 percent CM and 89 percent RM**

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

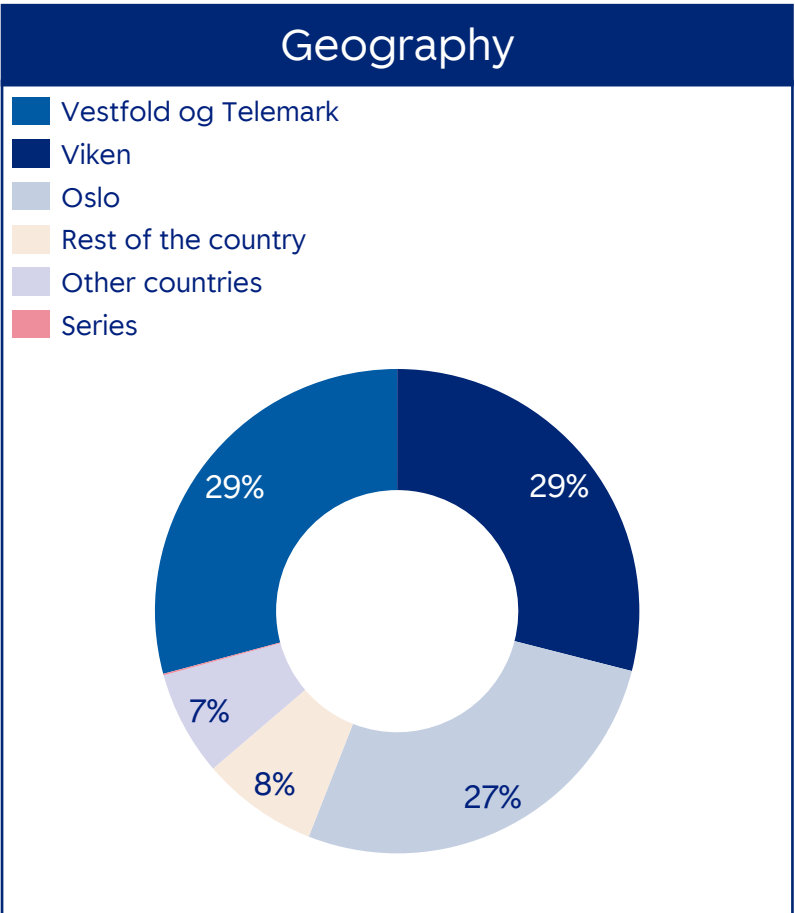
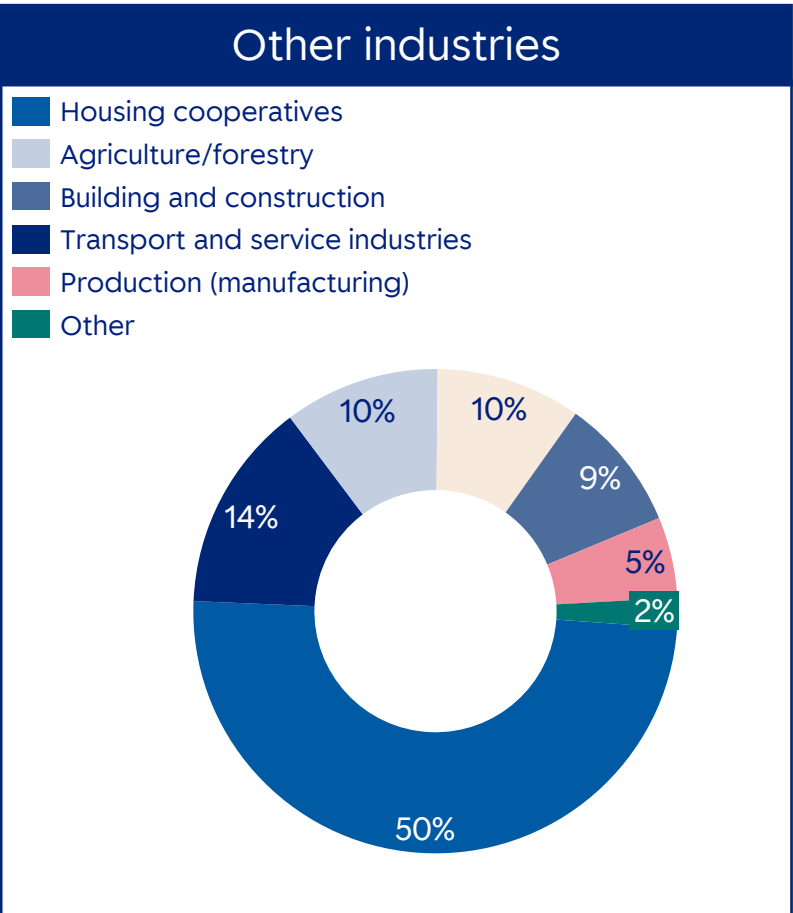
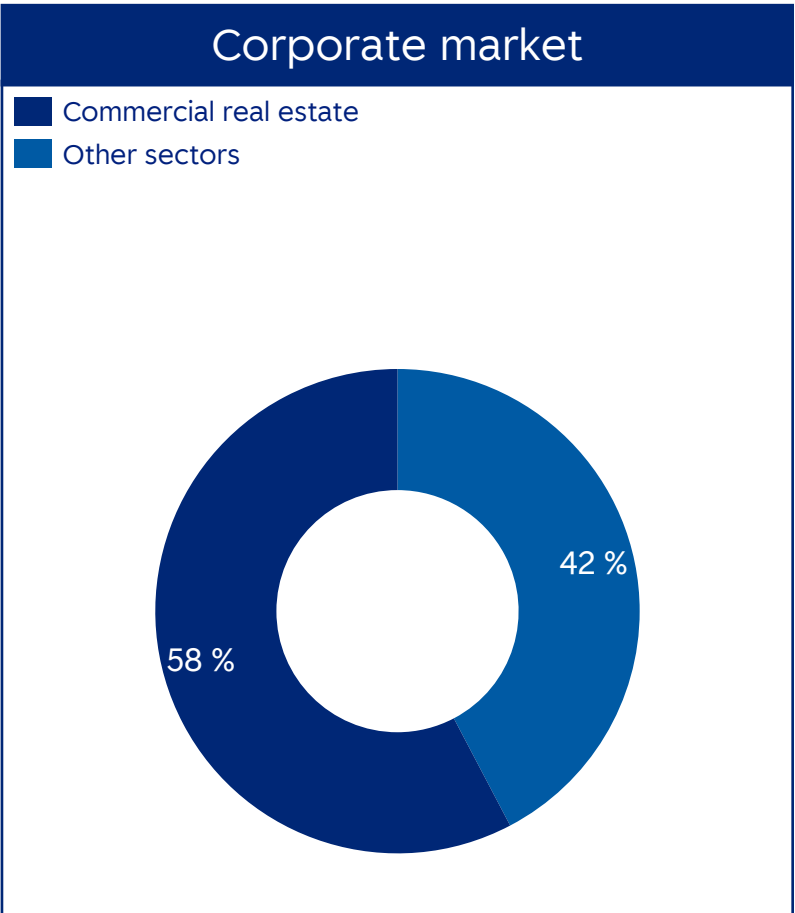


Note: The group's securities portfolio of 9,8 BNOK, book value of funding of 20,9 BNOK and transfers to mortgage company of 32,3 BNOK are with Nibor rate

High proportion of loans to the retail market

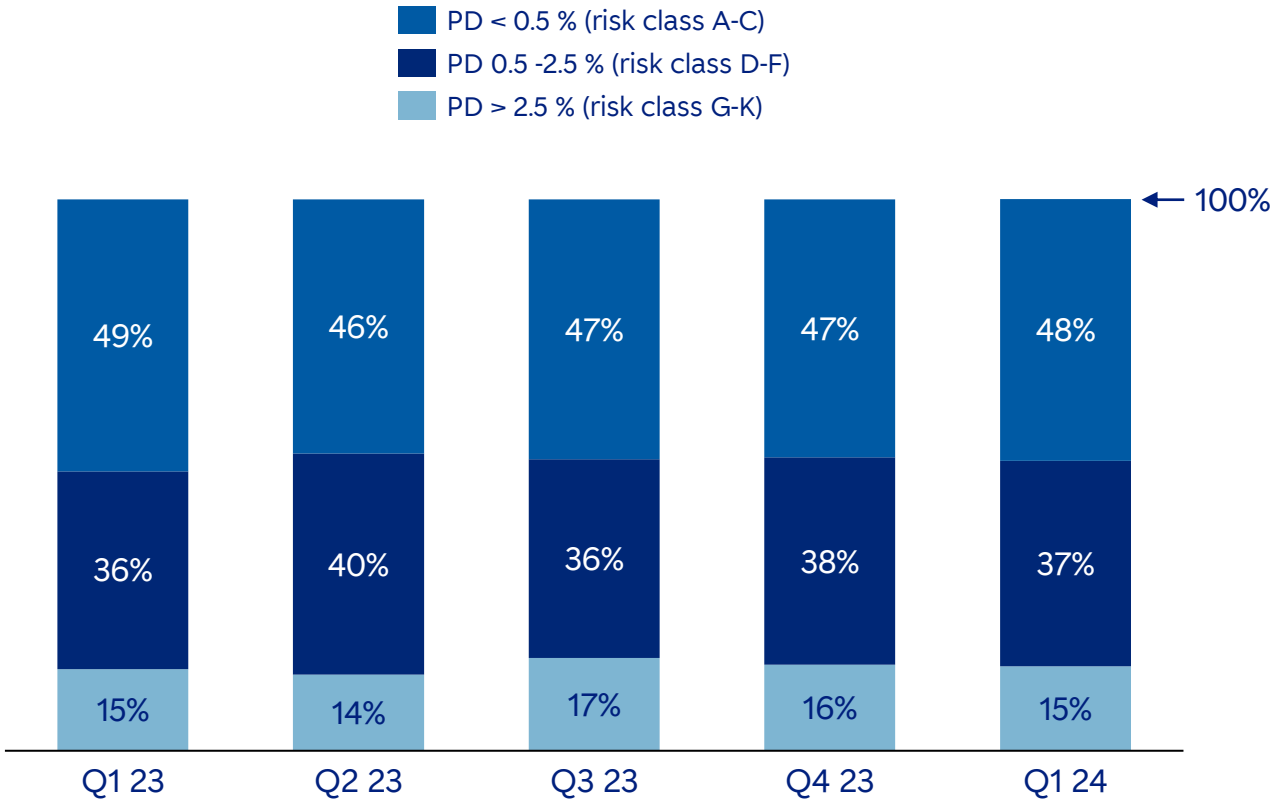


No major changes from the previous quarter in the distribution of the corporate market by sector and geography

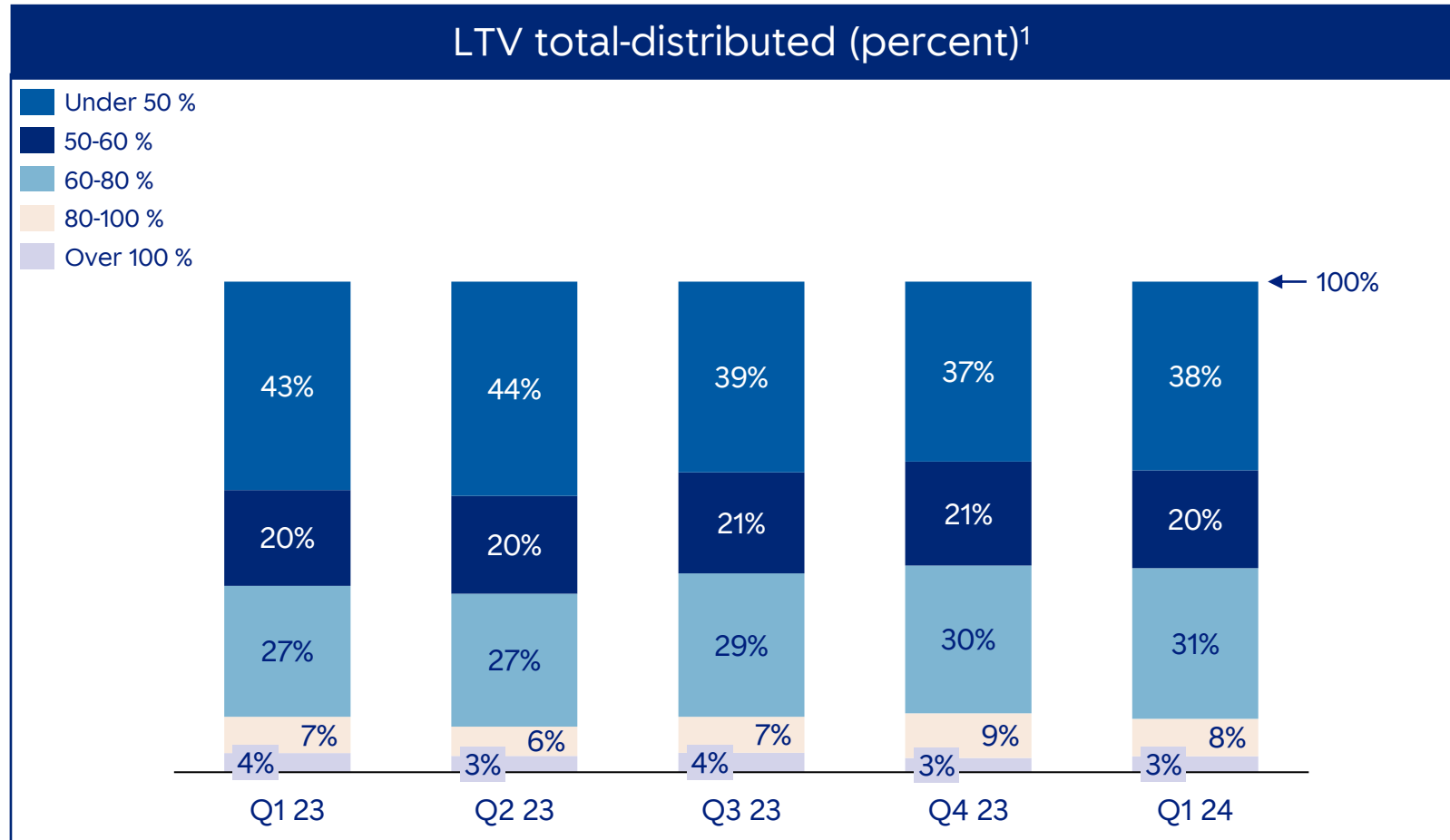


The bank has a solid overweight position in favorable risk class within the corporate market portfolio

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



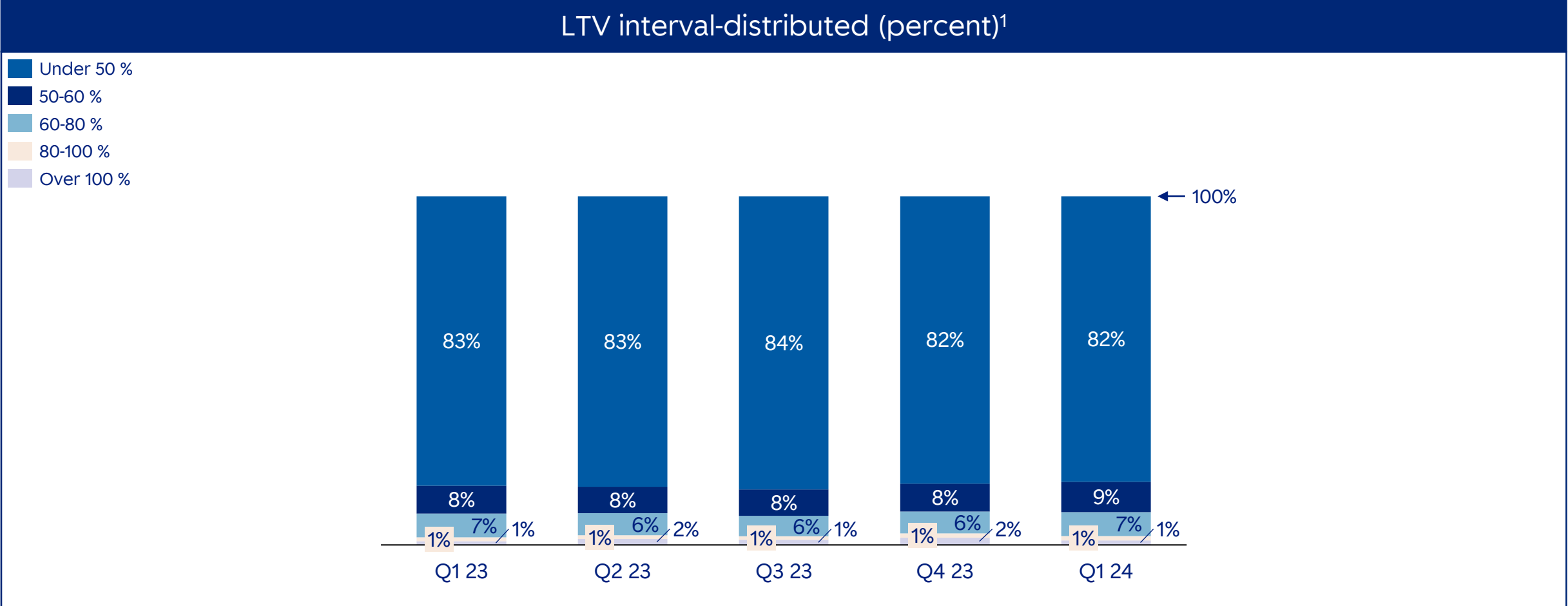
Low leverage on commercial loans secured on property (total-distributed)



- The average LTV on commercial loans secured on property including loans transferred to SB1 Næringskreditt and housing cooperatives is 40,1 %, while LTV on own balance sheet is 40.9 %. LTV ex. Housing cooperatives is 52.6 %
- 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.

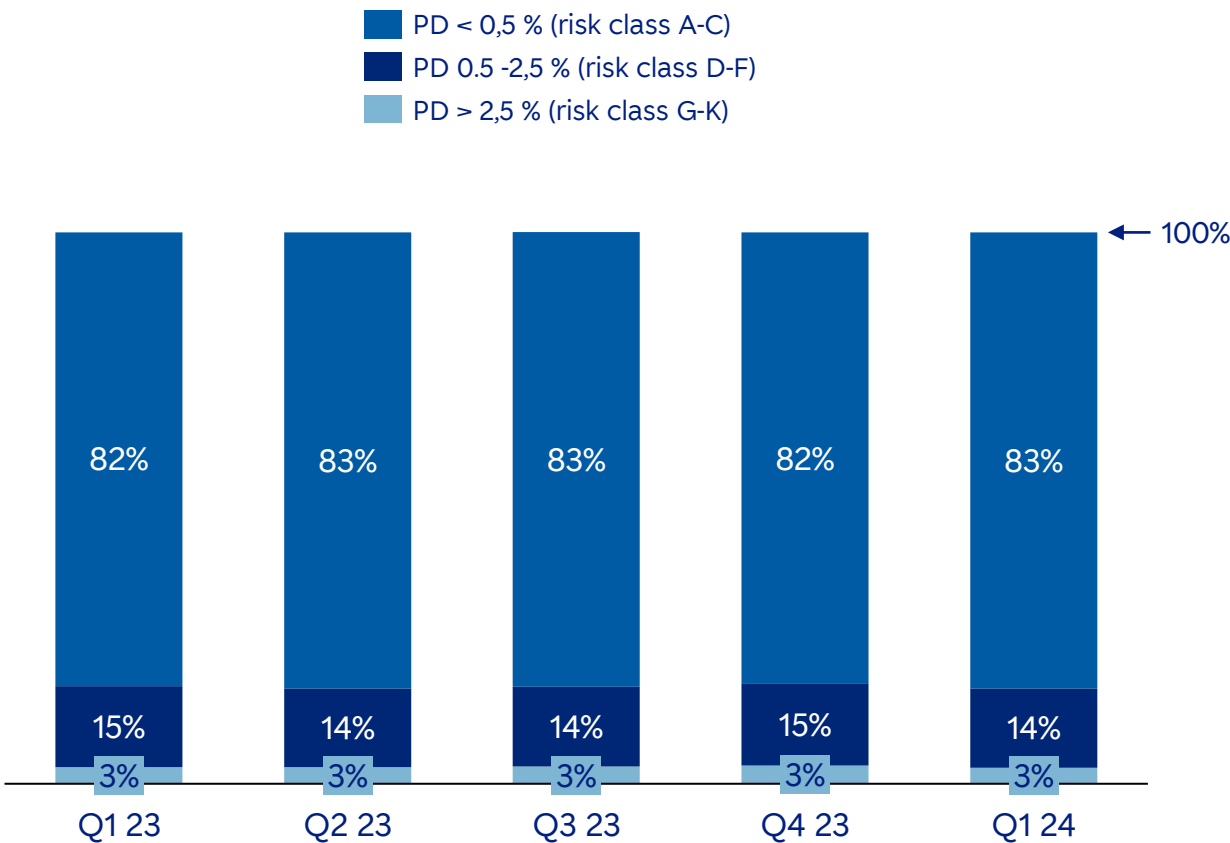
Low leverage on commercial loans secured on property (interval-distributed)



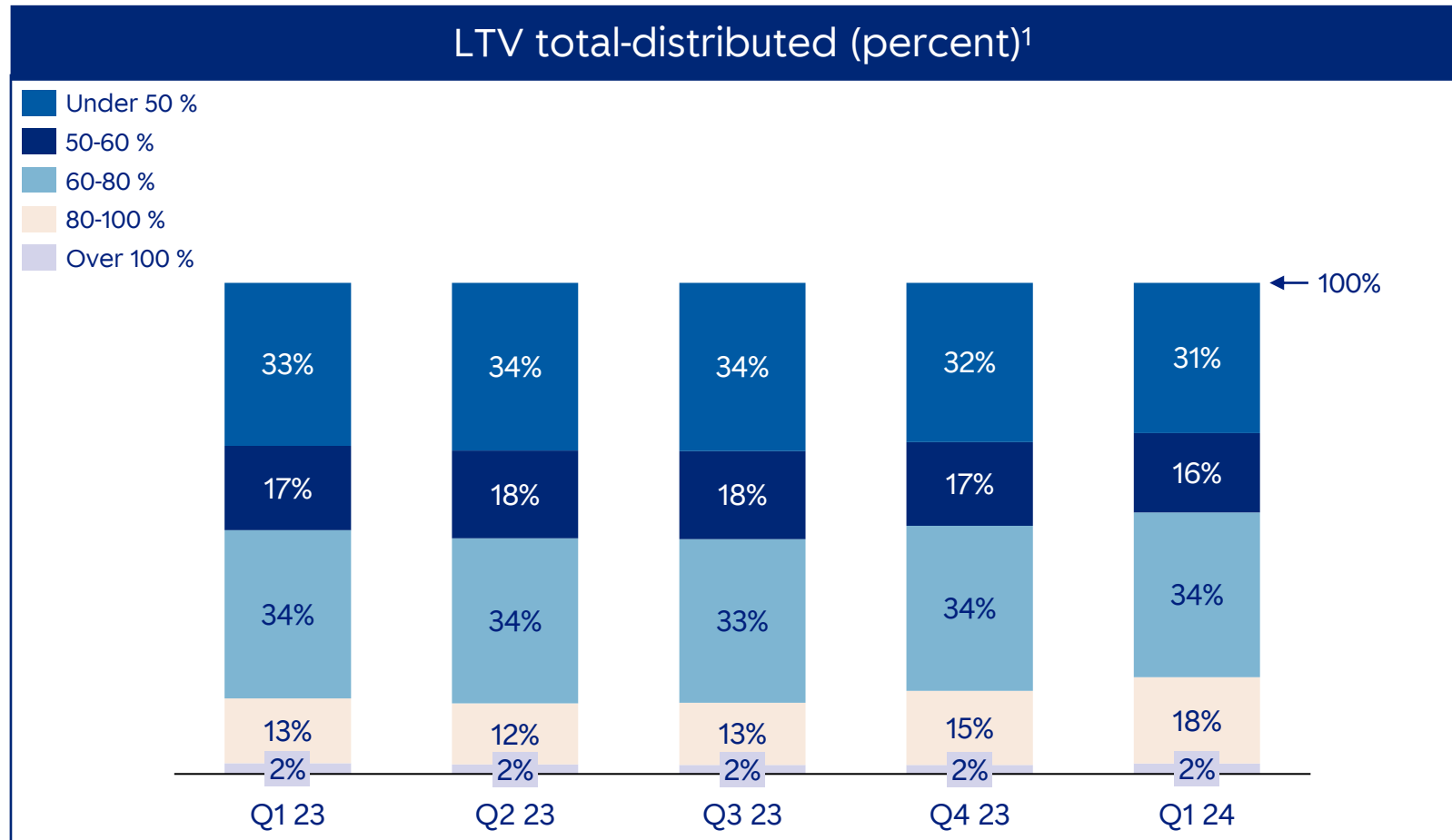
1) LTV interval-distributed: The calculation of LTV is based on the market value of the collateral. In the case of interval-distributed LTV, the loan will be distributed / split within the specific intervals in the graph interval. The figures include portfolio transferred to SpareBank 1 Næringskreditt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

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)



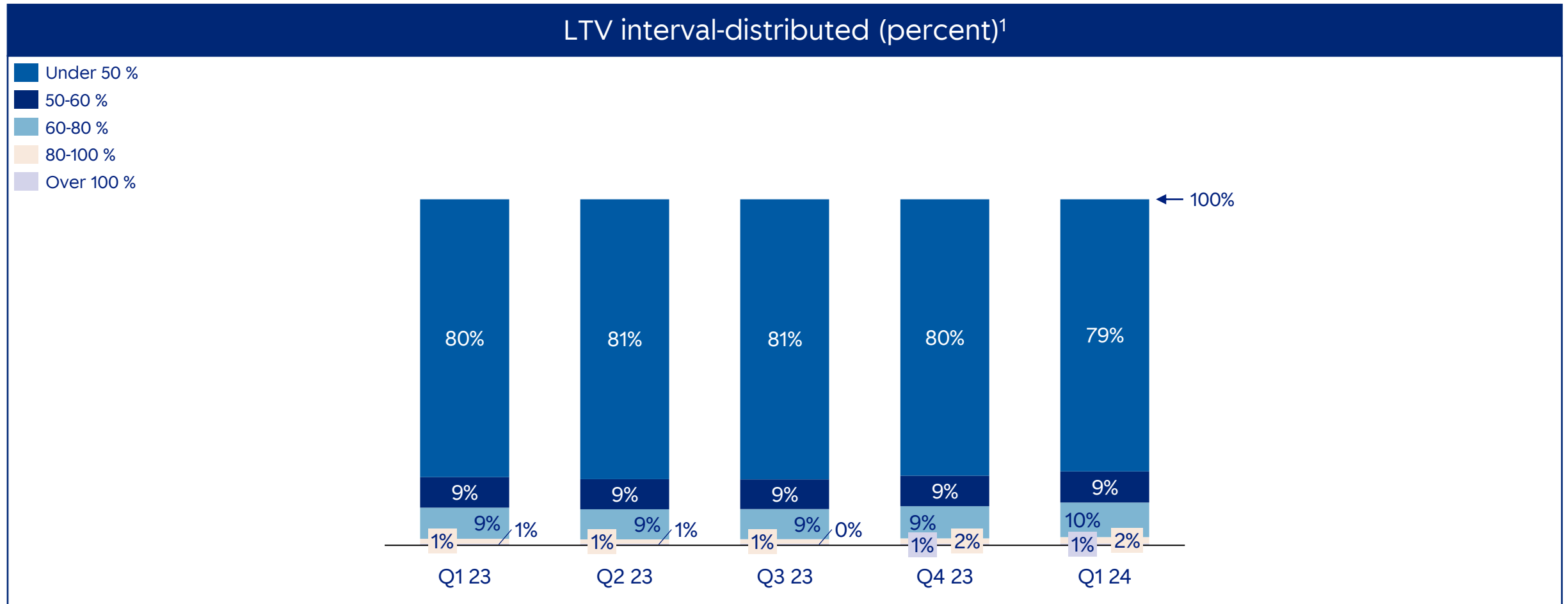
Low risk in the mortgage portfolio (total-distributed)



- The average LTV on the mortgage portfolio incl. loans transferred to SB1 Boligkreditt is 49,5 % which is an increase of 1,3 percentage point compared to the previous quarter (48,2 %)
- Similarly, LTV on own balance sheet has increased from 52,8 % at the end of last quarter to 53,7 % at the end of this quarter

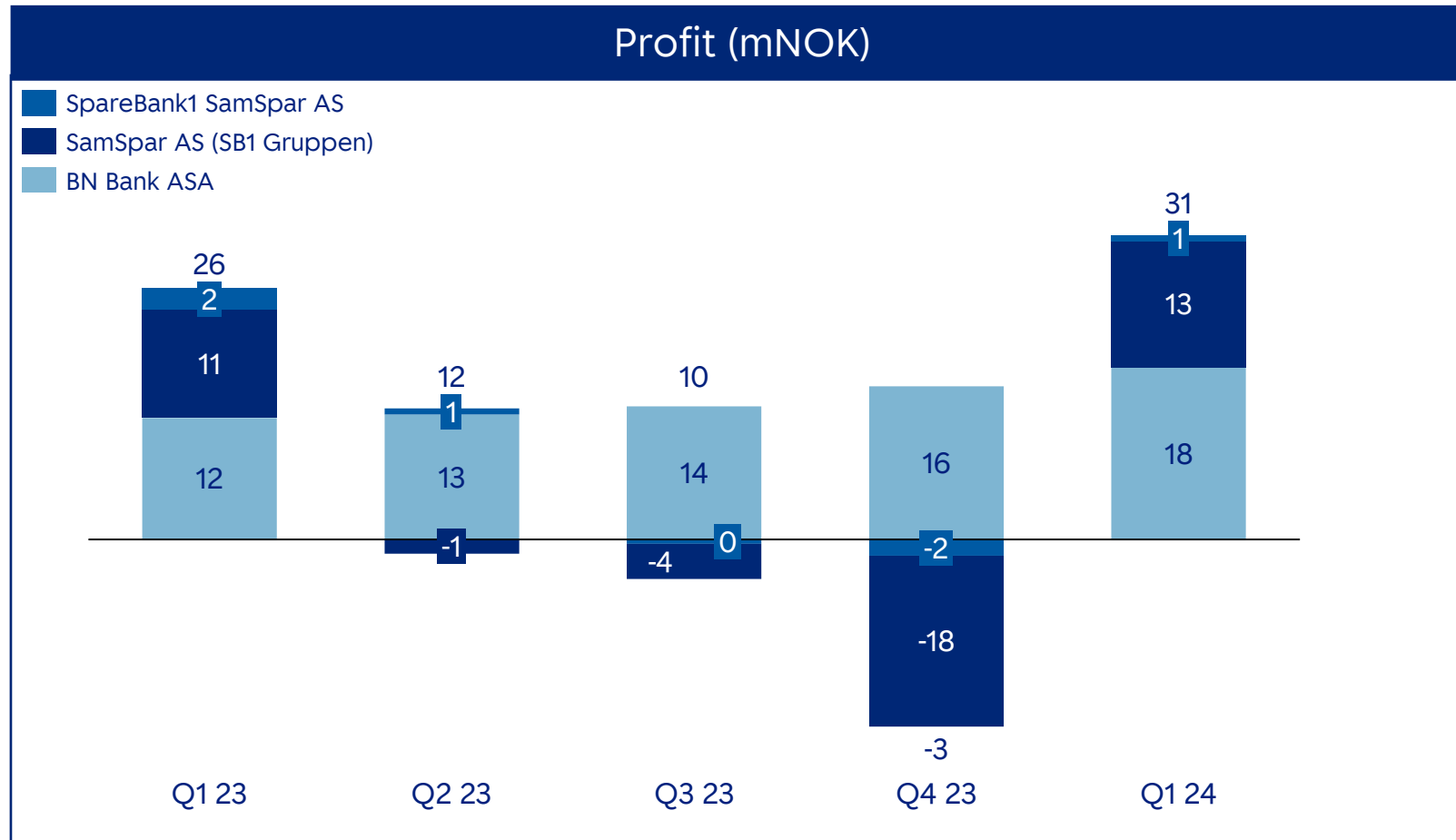
1) Loan-to-value ratio for mortgages incl. BK – LTV total-distributed: The calculation of LTV is based on the market value of the collateral. With total-distributed LTV, the whole of the loan is assigned to the same interval. The figures include portfolio transferred to SpareBank 1 Boligkreditt AS

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

Good quarter for BN Bank. Positiv results also from SB1 Gruppen this quarter

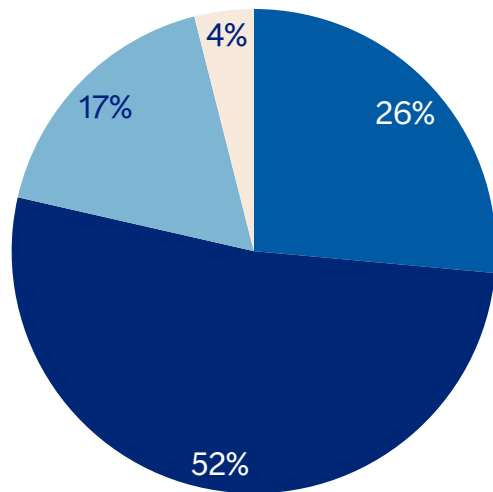


- Positive result from SpareBank 1 Gruppen due to good share returns, as well as a lower claims ratio in the first quarter

LCR portfolio 31.03.2024

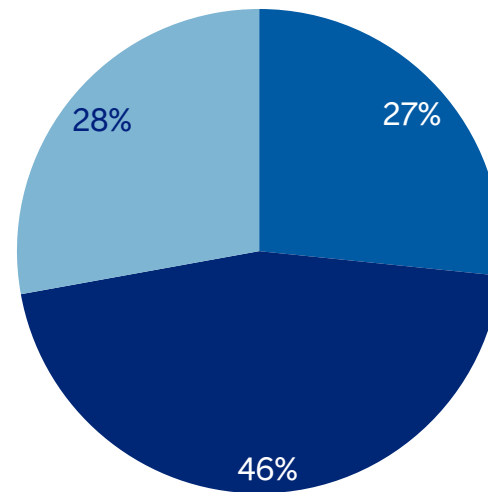
Investment class (percent)

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



LCR category (percent)

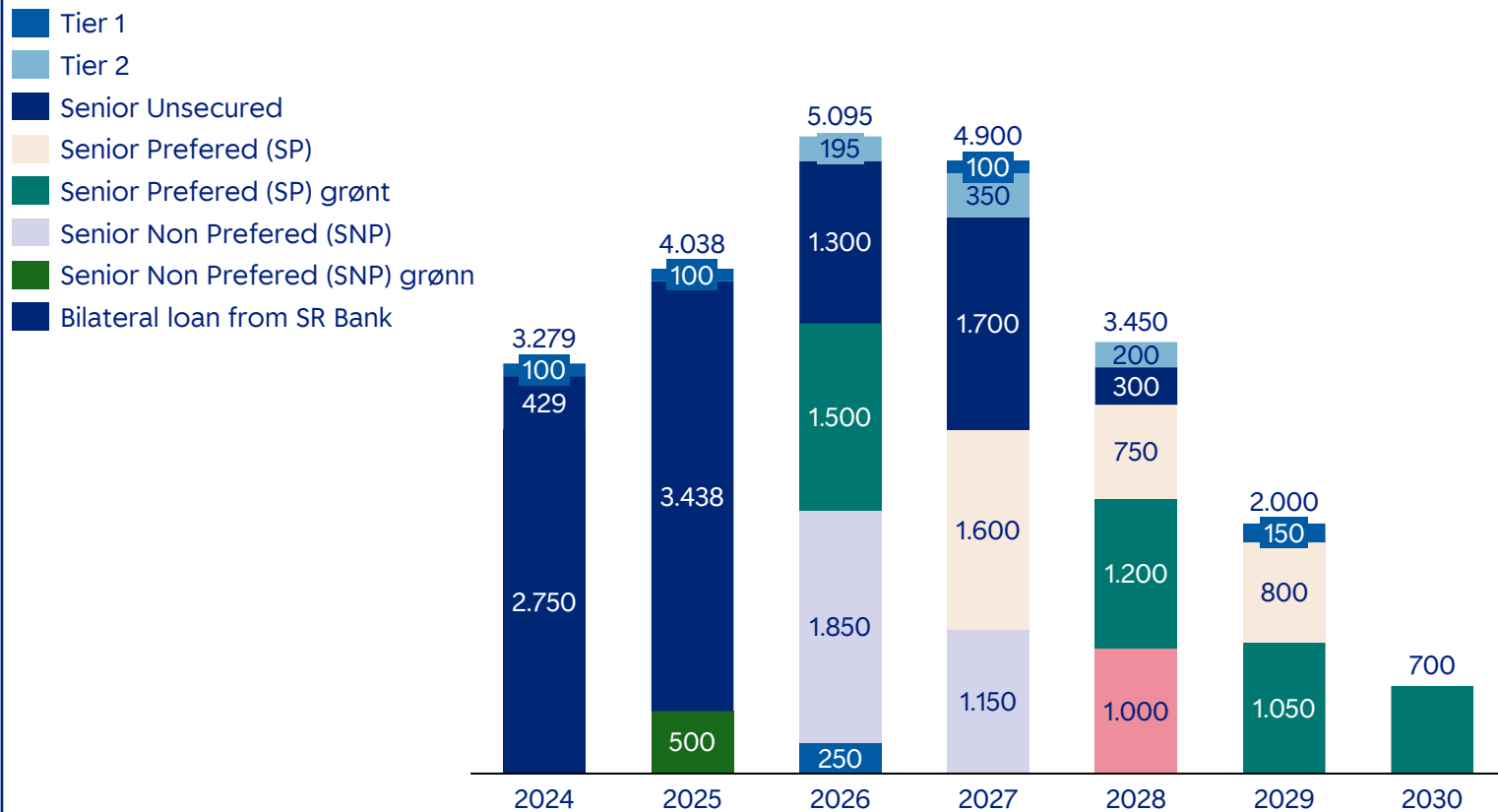
- Level 1 A
- Level 1 B
- Level 2 A



- The LCR portfolio end of the year was of 9.1 BNOK. Credit duration of 2.5 years
- LCR of 263 (210) % in mars.
- The bank's liquidity position at the end of the year is very strong

Good spread in the banks funding

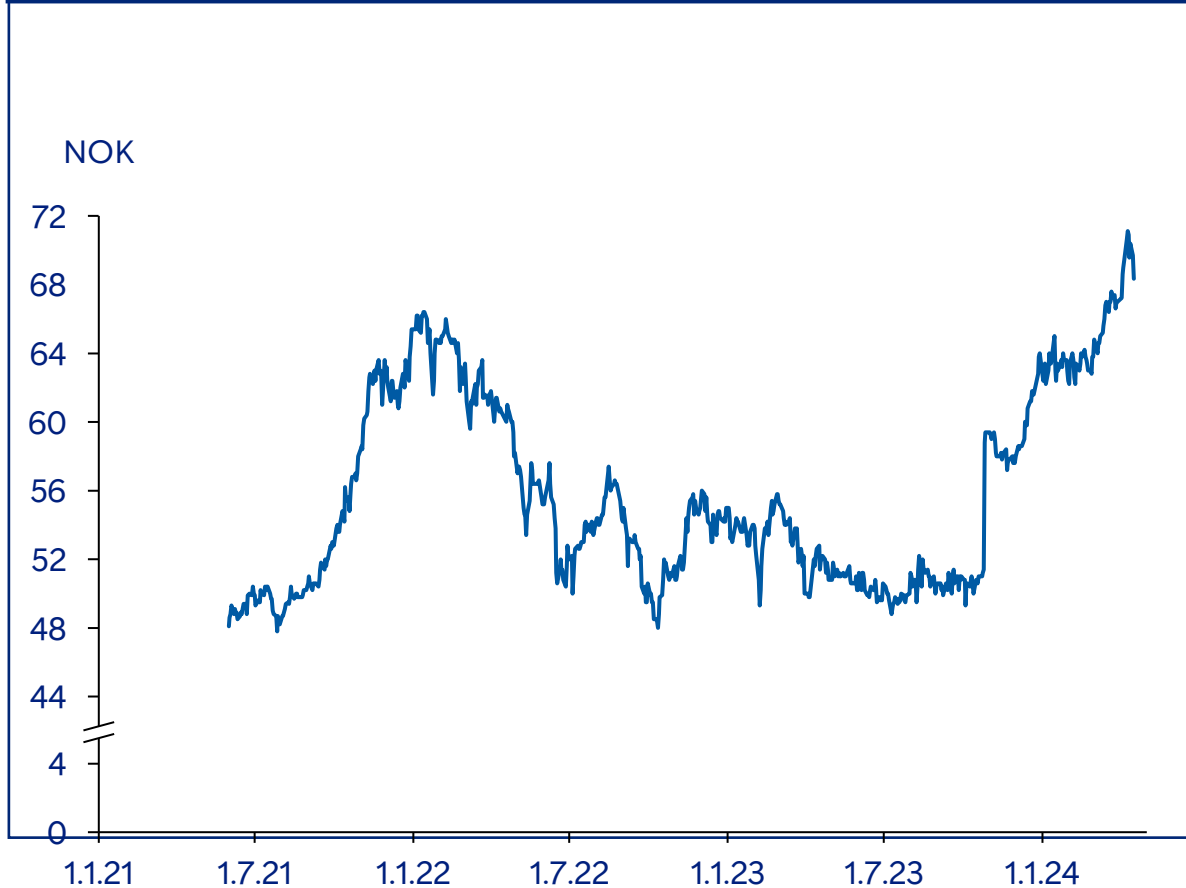
Funding per 31.03.2024 (mNOK)



- Total outstanding funding as of 31.03.2024 amounts to 23,462 mnok comprising
 - Senior debt 14,767 mnok
 - SNP 4,750 mnok
 - Tier 2 745 mnok
 - Tier 1 450 mnok, including 100 million NOK callable in June
- Average duration end of quarter is 3.0 (3.0) years of which approx. 22 % of the funding matures within the next 18 months
- The bank has risk-weighted MREL at 45,1 % to regulatory requirement of 37.5 %

Development in Equity Certificates of SOON

Share price (NOK)



NOK	31.03.24	31.12.23	31.03.23	31.12.22
Share price	67,00	64,00	50,00	55,00
Market value (mnok)	9.387	8.966	7.005	7.411
Book equity per equity certificate (group)	56,64	55,00	51,90	55,50
Earnings per equity certificate (group ytd)	1,65	5,47	1,36	4,27
Price/book equity (group)	1,18x	0,16x	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 NOME	10.273.723	7,3 %
SPECIALFONDET BOREA UTBYTTE	3.812.536	2,7 %
VPF EIKA EGENKAPITALBEVIS	3.194.853	2,3 %
PARETO INVEST NORGE AS	2.871.322	2,0 %
BRANNKASSESTIFTELSEN MIDT-BUSKERUD	2.406.265	1,7 %
KOMMUNAL LANDSPENSJONSKASSE GJENSIDIGE	1.608.606	1,1 %
WENAASGRUPPEN AS	1.087.931	0,8 %
CATILINA INVEST AS	1.062.032	0,8 %
MELESIO INVEST AS	952.259	0,7 %
LANDKREDITT UTBYTTE	903.455	0,6 %
SANDEN EQUITY AS	707.494	0,5 %
FORETAKSKONSULENTER AS	621.230	0,4 %
SKOGEN INVESTERING AS	605.000	0,4 %
LAMHOLMEN INVEST AS	544.466	0,4 %
HAUSTA INVESTOR AS	440.000	0,3 %
TROVÅG AS	418.792	0,3 %
Sum 20 største egenkapitalbevisiere av	103.931.643	74,2 %

- At the end of the year, the number of equity certificate holders is 5 792 (5 811).
- The 20 largest owners are listed with 74.2 % 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 67.00 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 5,2 BNOK¹
Green investments of 1.4 BNOK²
Green mortgages of 3,0 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) 15,2% of total liquidity portfolio
3) 4,0% of total lending portfolio on own balance sheet

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