



Sparebanken Sør

Investor presentation Q1 2025

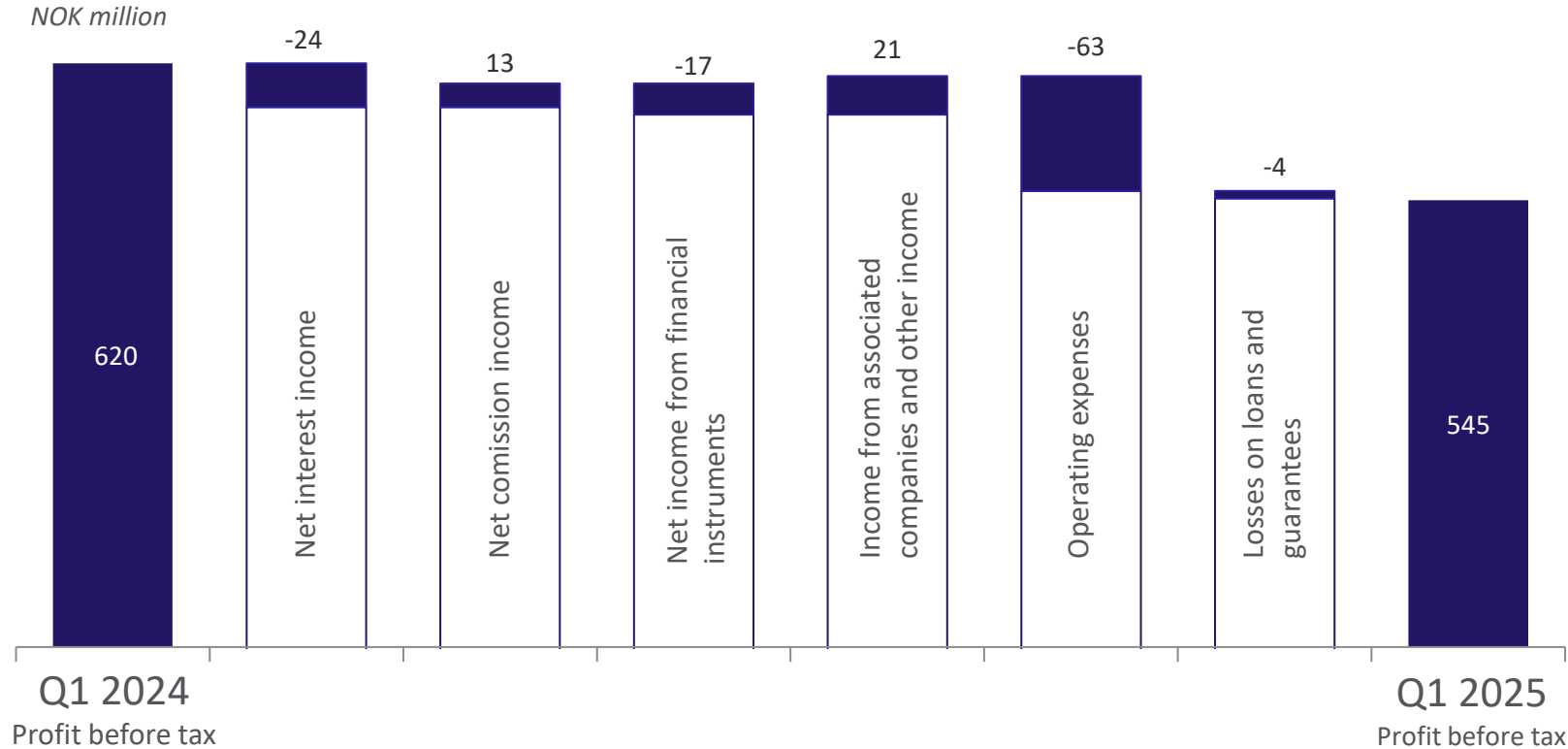
Q1 2025

Highlights in Q1 2025

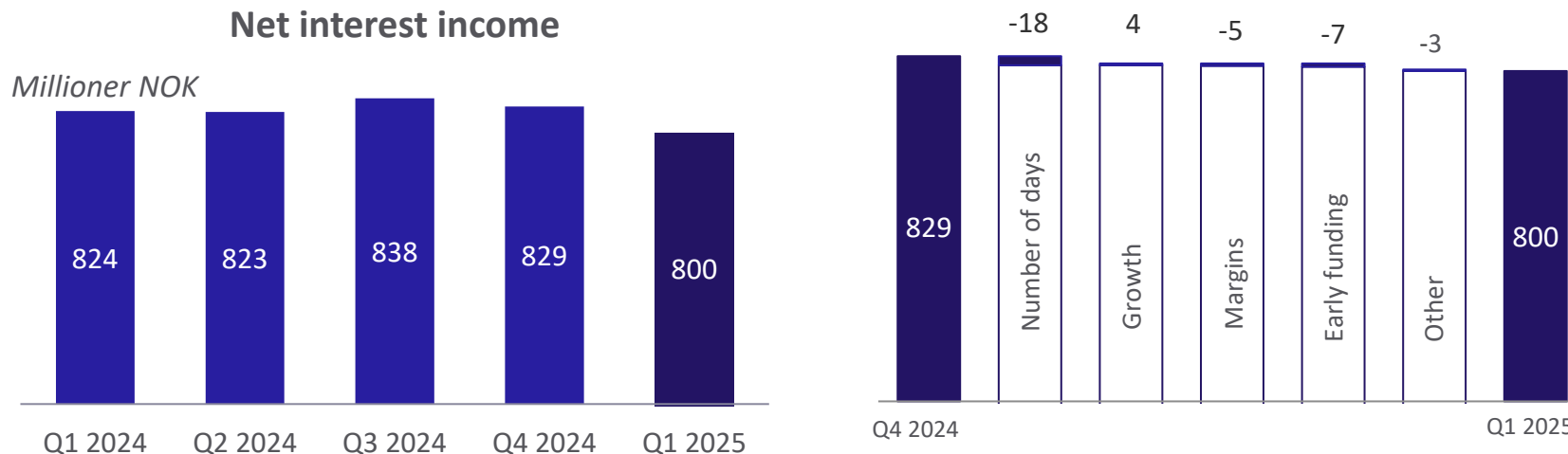
- Solid net interest income
- Positive development in net commission income
- Strong contribution from associated companies
- Low cost-income of 38.3 percent excluding merger costs
- Continued low losses on loans
- Profit per equity certificate at NOK 4.9 (NOK 5.3)
- Return on equity excluding merger costs of 13.4 percent

NOK million	2025 Q1	2024 Q1	Change
Net interest income	800	824	-24
Net commission income	98	85	13
Net income from financial instruments	22	39	-17
Associated companies	27	5	22
Other operating income	2	3	-1
Total income	948	956	-8
Total expenses	393	330	63
Profit before losses on loans	555	626	-71
Losses on loans, guarantees	10	6	4
Profit before tax	545	620	-75
Tax expenses	16	47	-31
Profit for the period	529	573	-44

Decomposition of changes in profit before tax



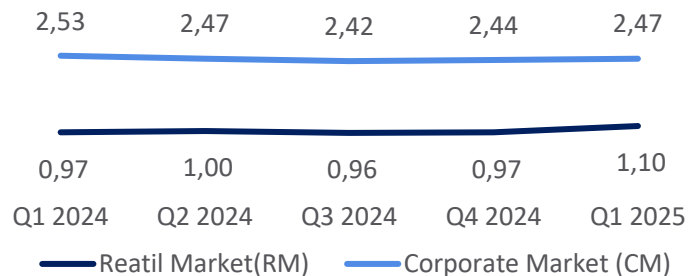
Stable development in net interest income



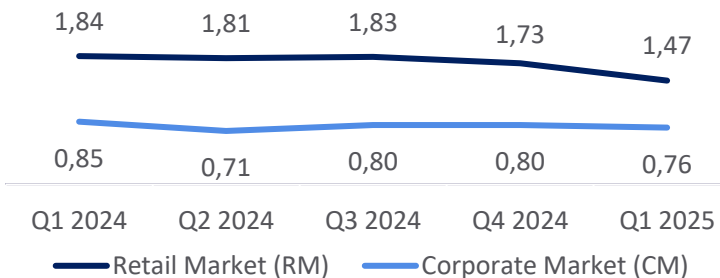
- Margin pressure on retail deposits
- Issued covered bonds with a nominal value of EUR 500 million in February, impacting the net interest income for the quarter

Stable development in lending margins

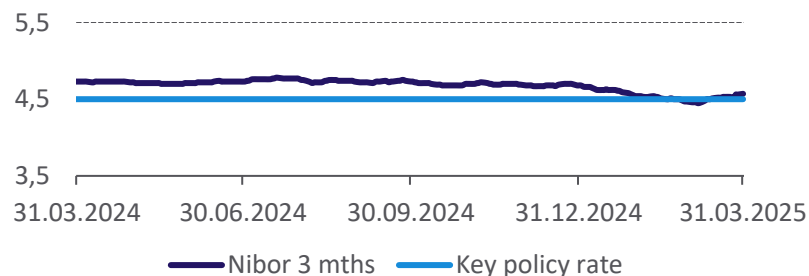
Loan margins (%)



Deposit margins (%)



NIBOR 3M development



Interest margin₁ (%)



1) Interest margin is the average lending rate minus the average deposit rate

Good profit contributions

- Frende Holding delivered an improvement in results of 67 MNOK compared to the Q1 2024
- Brage Finans delivered a ROE of 10.3 percent
- Frende Kapitalforvaltning AS owns 70 percent of the shares in Borea asset management
- Sørmeqleren has increased its result from NOK -11.1 million in Q1 2024, to NOK -1.1 million in Q1 2025
- In April 2025, the bank acquired the remaining shares in Sørmeqleren, which is now a wholly owned subsidiary

Effect on results after consolidation

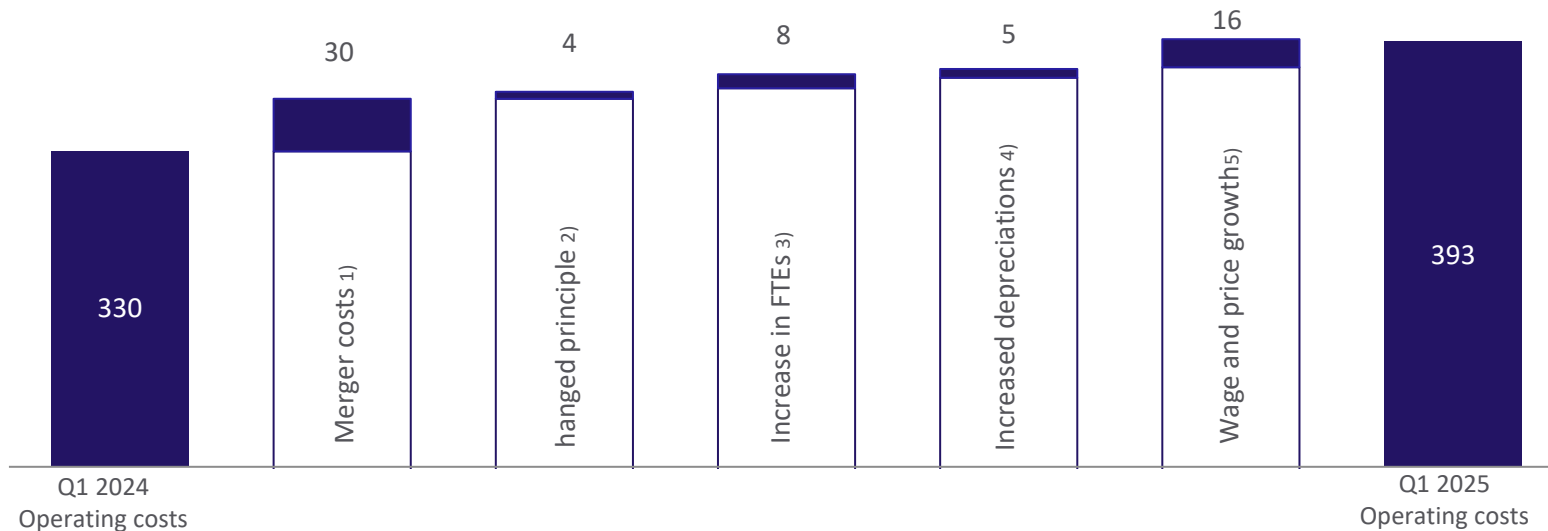
NOK million		Q1 2025	Q1 2024	Change
Frende forsikring (22,5 %)	Share of profit	7	-2	8
	Amort.	-7	-6	-1
Brage Finans (26,8 %)	Share of profit	27	12	15
Balder Betaling (26,8 %)	Share of profit	0	0	0
Frende kapitalforvaltning (35 %)	Share of profit	1	0	1
SUM		27	5	22



SPAREBANKEN SØR

Merger costs of NOK 30 million in the quarter

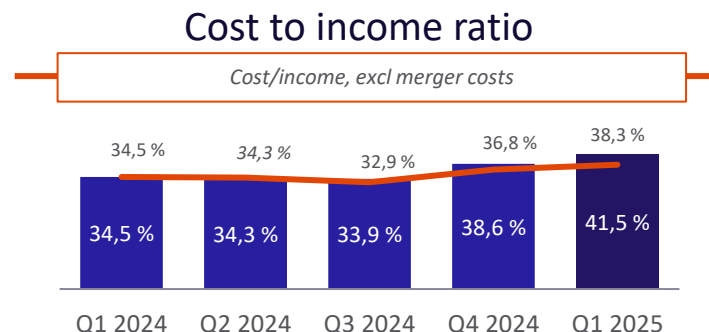
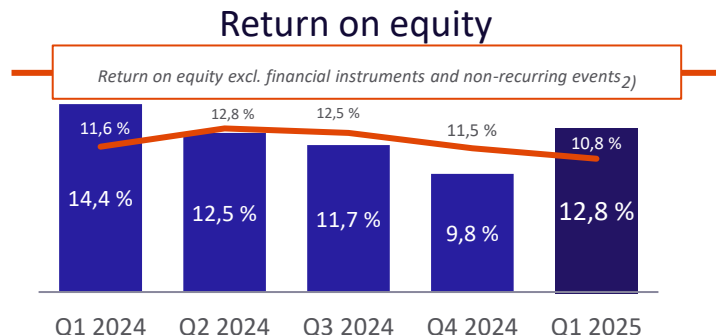
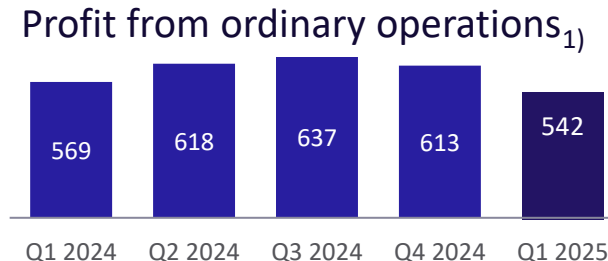
NOK million



- 1) Recognized NOK 30.2 million in merger costs related to the merger with Sparebanken Vest
- 2) In the first quarter, the bank changed its principles for accounting of holiday pay and wealth tax to align with the principles used by Sparebanken Vest.
- 3) The bank has 23 more employees compared to the same period in 2024 and has strengthened several areas. Following the announcement of the merger with Sparebanken Vest, recruitment for staff and support functions has been halted, while the bank has maintained its customer-facing activities regardless of the merger.
- 4) Increased depreciations related to software (IRB).
- 5) Underlying cost growth of NOK 16 million, corresponding to approximately 4.8 percent.

Solide return on equity and low cost to income ratio

NOK million

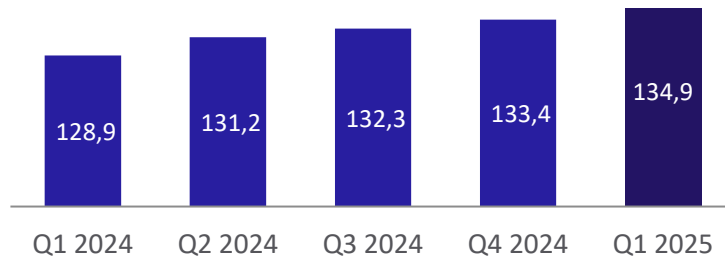


- 1) Net interest income + Net commission income + Other operating income – Operating expenses +/- One-off items
- 2) Return on equity excl. accounting effects from financial instruments and one-off items and incl. interest on hybrid capital

Good growth

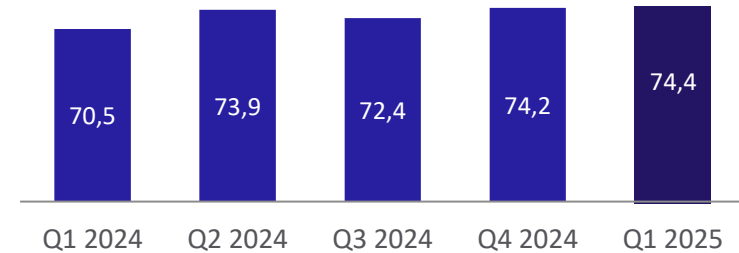
NOK billion

Net loans



- **12 month growth of 4.7 %**
 - 12 month growth in gross loans of 6.1 % for retail customers and 2.1 % from corporate customers
- **Annualised quarterly growth in Q1 of 4.3 %**
 - 5.8 % for retail customers and 1.4 % from corporate customers

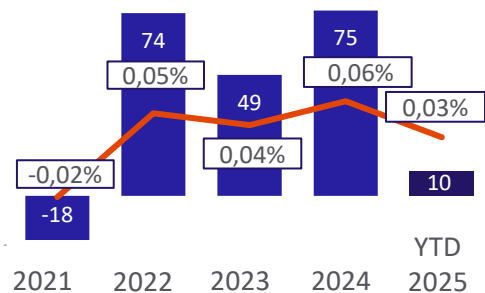
Deposits



- **12 month growth of 5.5 %**
 - 12 month growth in deposits on 6.2 % for retail customers and 4.9 % from corporate customers
- **Deposits coverage of 55.2 % (54.7 %)**

Continued low losses on loans

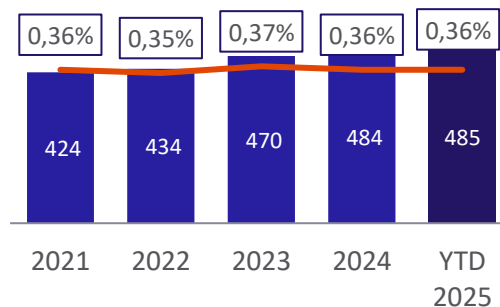
Development in losses in NOK million
and as a percentage of gross loans
(annualised)



Development in non-performing loans
(IFRS 9, step 3) in NOK million
And as a percentage of gross loans



Development in loss provisions in NOK
million and as a percentage of gross loans

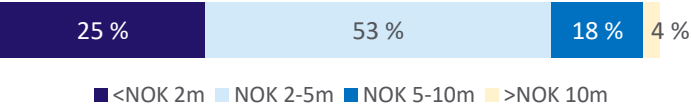


Diversified loan portfolio with low risk

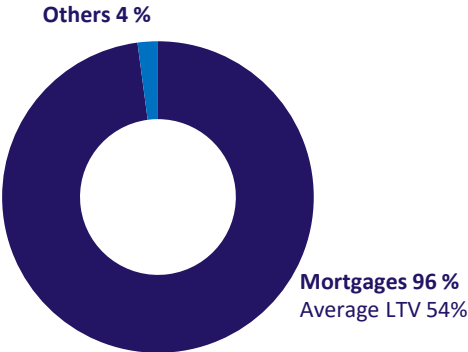
Retail Market

65 % of the loan portfolio

Distribution of loans by size

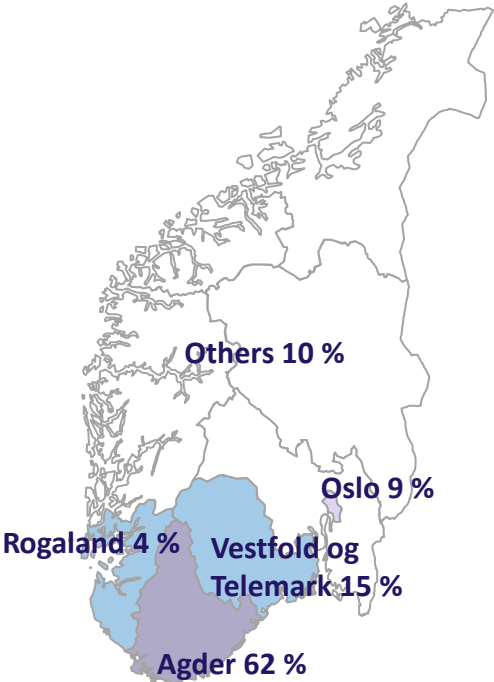


Mortgage makes 96% of the loan portfolio



Total

Geographical distribution of the overall lending portfolio



Corporate Market

35 % of the loan portfolio

Distribution of loans by size



Sector distribution

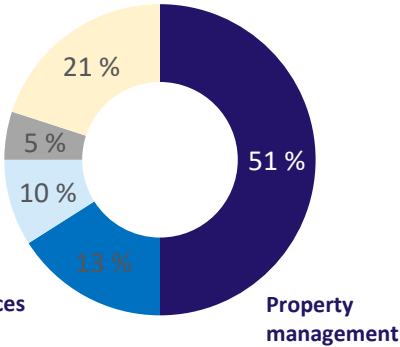
Others, for example

- Retail trade
- Primary industry
- Housing cooperative
- Industry

Building and construction

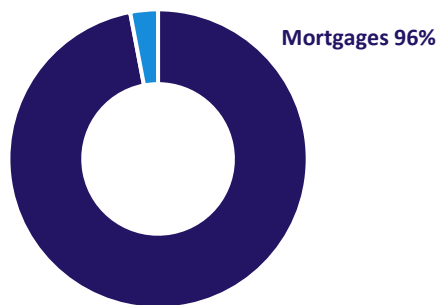
Real estate development

Social services

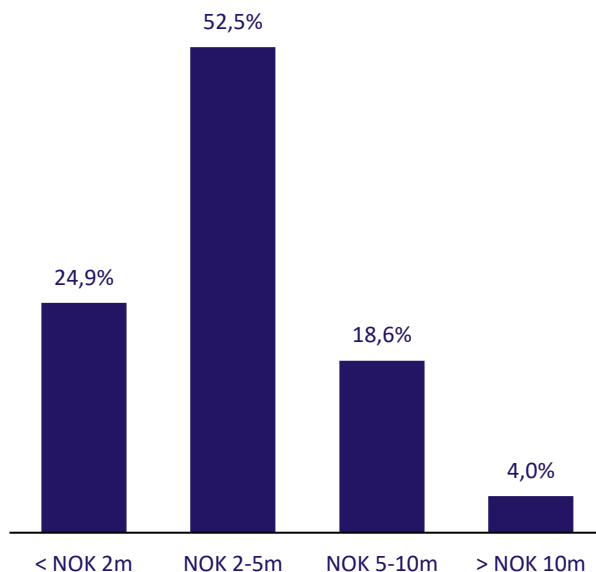


Retail loan book – 96% mortgages and good security (low LTV)

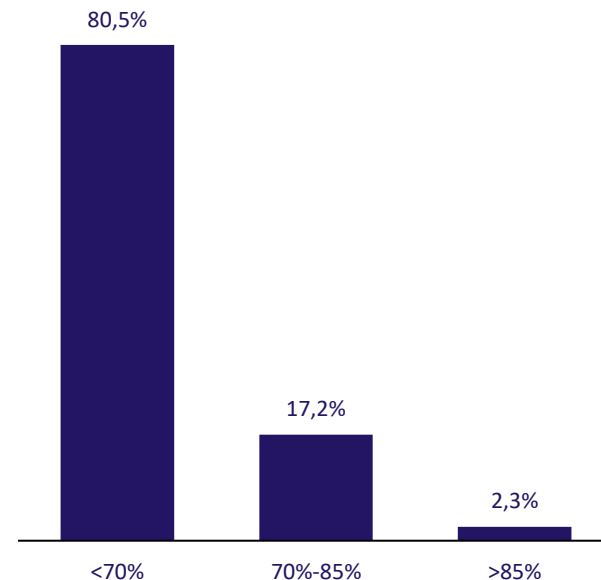
Share of mortgages



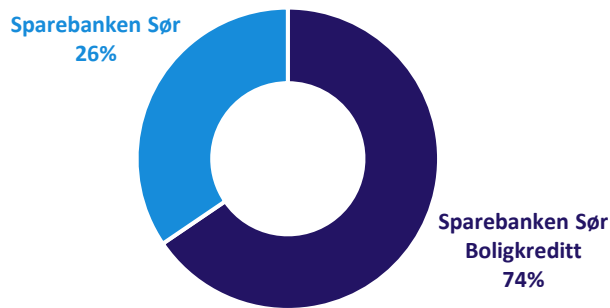
Retail lending by size



Retail lending by LTV

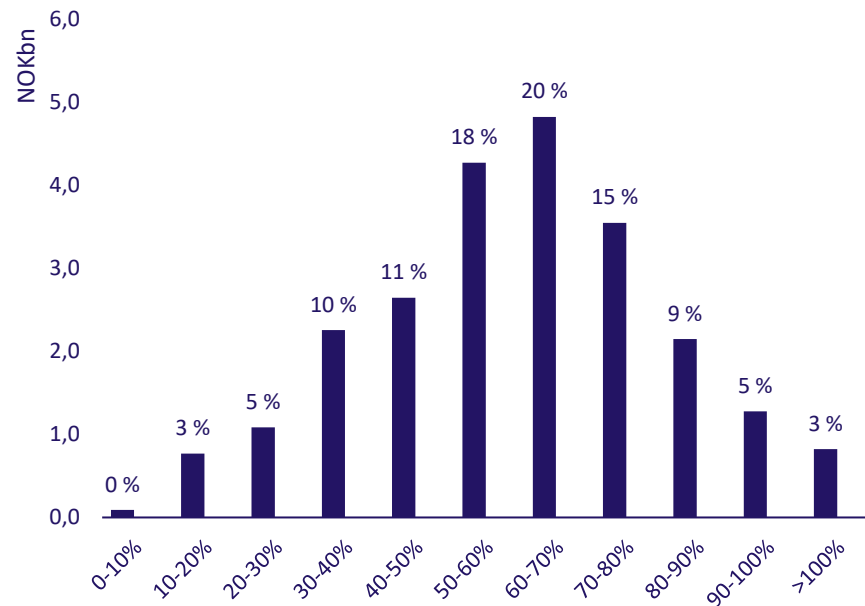


On balance vs. covered bond transfers

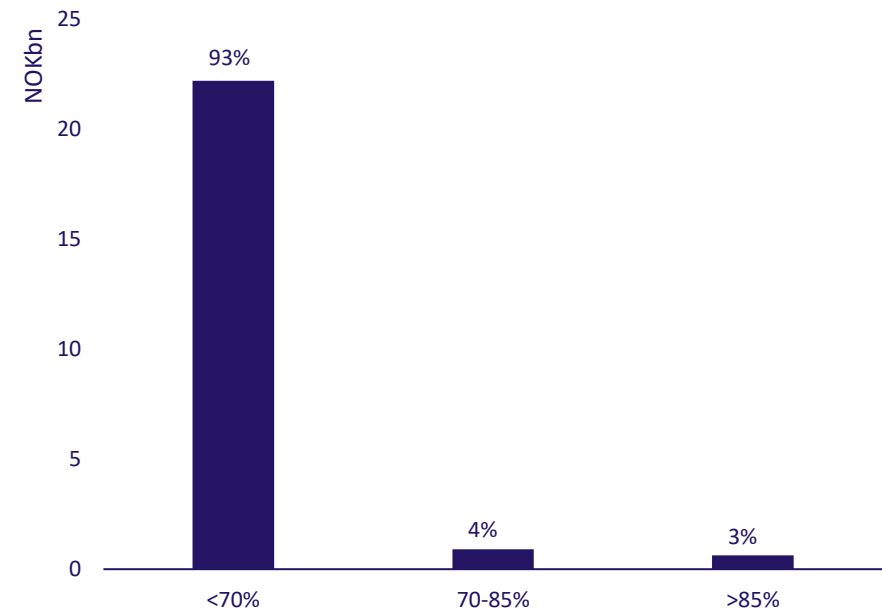


Solid asset backing in commercial real estate portfolio (property management)*

LTV distribution – «whole-loan approach»



LTV distribution – “loan-splitting approach”**



* Additional collateral for all above 80 %. Collateral in other types of pledged assets than real estate not taken into account (guarantees, equipment, receivables etc.)

** Only the part of a loan exceeding a certain threshold of LTV is included in the next bracket of higher LTV ratio

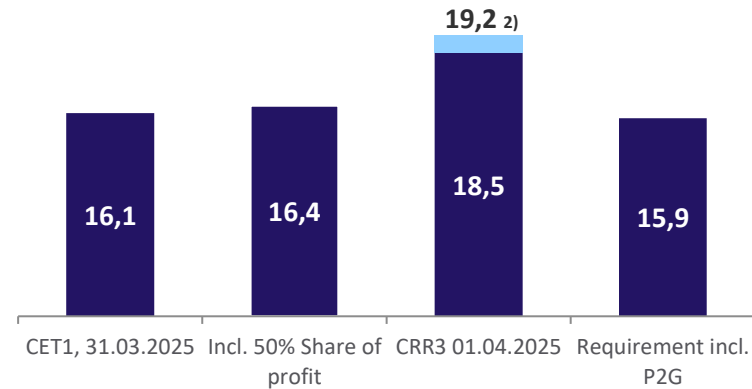
Capital requirements and CRR3 effective from April

Capital requirements

CET1 Capital requirements	Requirement 31.03.25
Minimum Tier 1 Capital Requirements	4,5 %
Conservation buffer	2,5 %
Systemic Risk Buffer	4,5 %
Countercyclical Buffer	2,5 %
Pillar-2 requirements	0,9 %
CET1 requirements	14,9 %
Pillar-2 guidance ¹⁾	1,0 %
CET1 requirements Incl. P2G	15,9 %

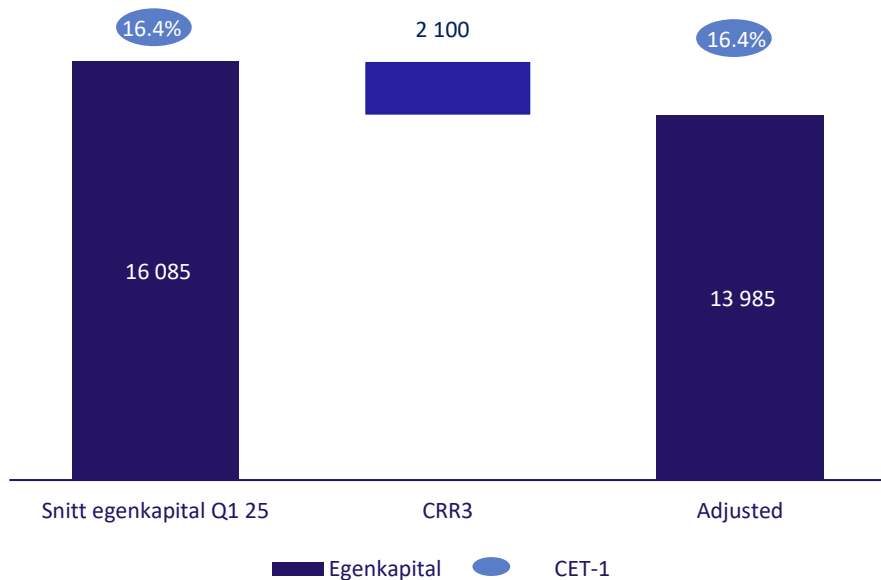
- 1) The bank received final feedback on the SREP on April 30, 2024.
2) Adjustment of the portfolio to CRR3.

Capital adequacy (CET1)

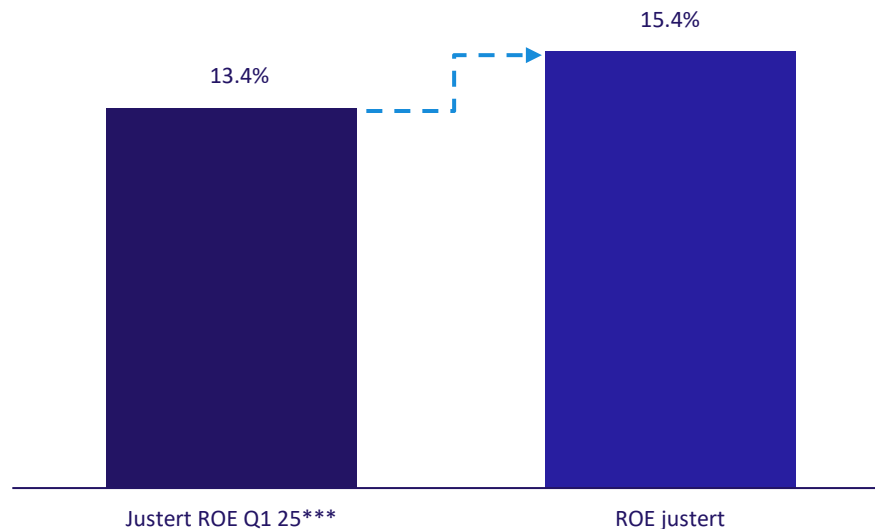


Capital effects from CRR3 (“Basel IV”)

Capital release from CRR3* (NOK million)



Higher ROE due to new capital regulations**



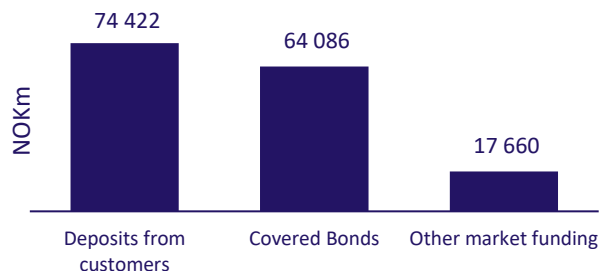
*Expected capital effects of approx. 2.8 percentage points on CET-1 with CRR3

** Assumes the same profit after tax and reduced equity as a result of CRR3

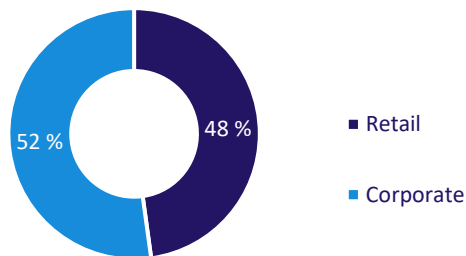
***ROE adjusted for merger costs

Diversified financing

Funding split



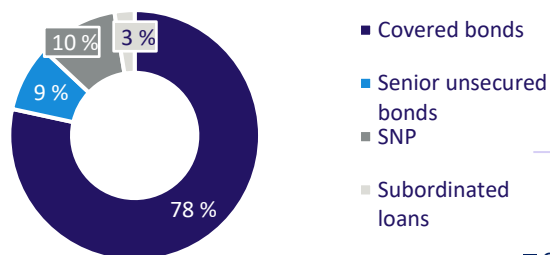
Deposits split



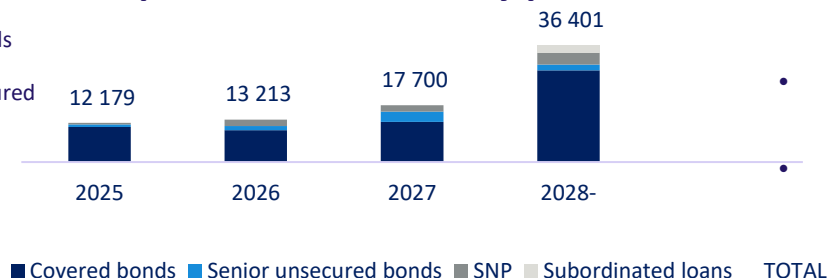
Key comments

- Predominantly funded with customer deposits and covered bonds (OMF)
- NOK 74.4 bn in customer deposits – 48 % retail customers
- NOK 79.5 bn in capital market funding – ~46% maturing in 2028 and later
- Sparebanken Sør has an A1 rating, «positive outlook»
- Sparebanken Sør Boligkreditt AS has an A1-rating, in line with the bank
- Bonds issued by Sparebanken Sør Boligkreditt AS is rated AAA
- Issued EUR 500 million in covered bonds on favorable terms in February 2025

Capital market funding split

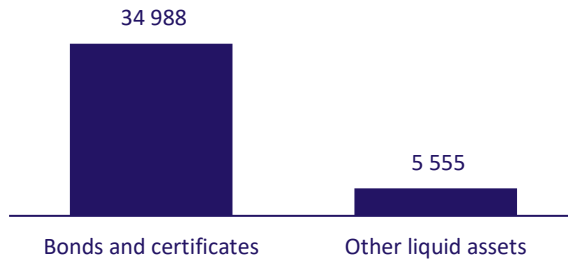


Capital market maturity profile*

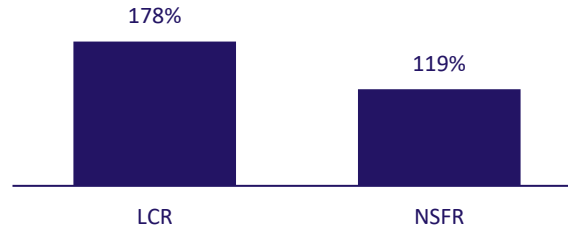


Strong liquidity position

Sources of liquidity



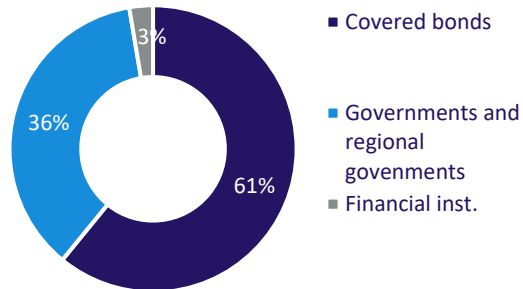
Liquidity ratios



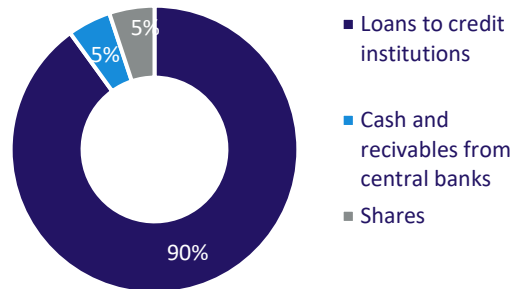
Main features

- Bonds and certificates constitute the majority of the liquidity portfolio
- Covered bonds make up for (OMF) 61 % of all bonds and certificates
- Satisfying liquidity ratios – LCR ratio of 178 % and NSFR ratio of 119 %

Bonds and certificates split



Other liquid assets split



Delivers on the financial targets



ROE target:
>12%



Dividend policy
~50 percent



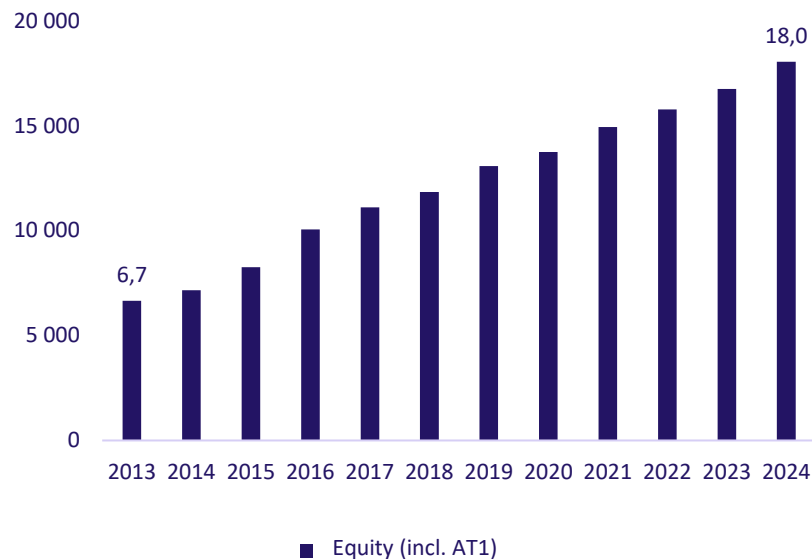
>16.2%
CET1 capital
ratio



Cost/income
<40%

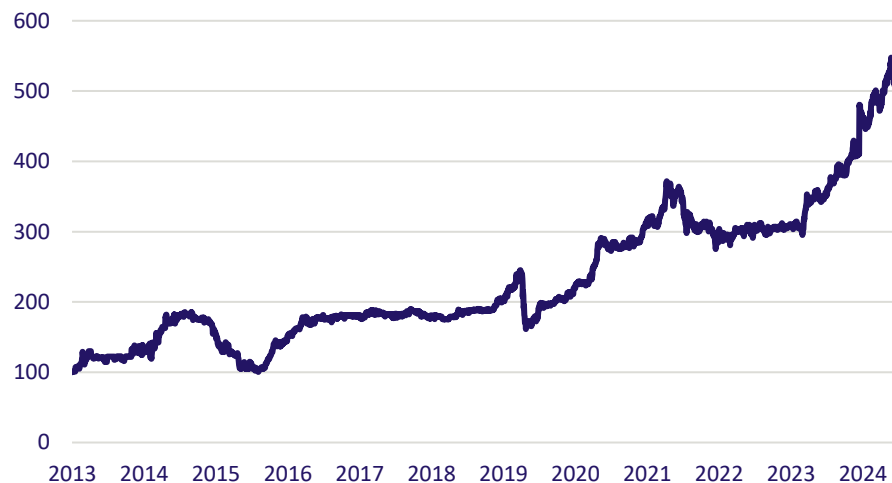
Strong results and solid returns

Development in equity



Average annual growth in equity of 9.4% (171% growth over the period)

Indexed, dividend-adjusted Sør Equity Certificate



"Return during the period with reinvested dividends of 443%.

Average annual return of 16.75%

Market value (on a 100% basis) has increased from NOK 5.1 billion to NOK 21.9 billion since the merger in 2014."



Sparebanken Norge

Customers

797 500

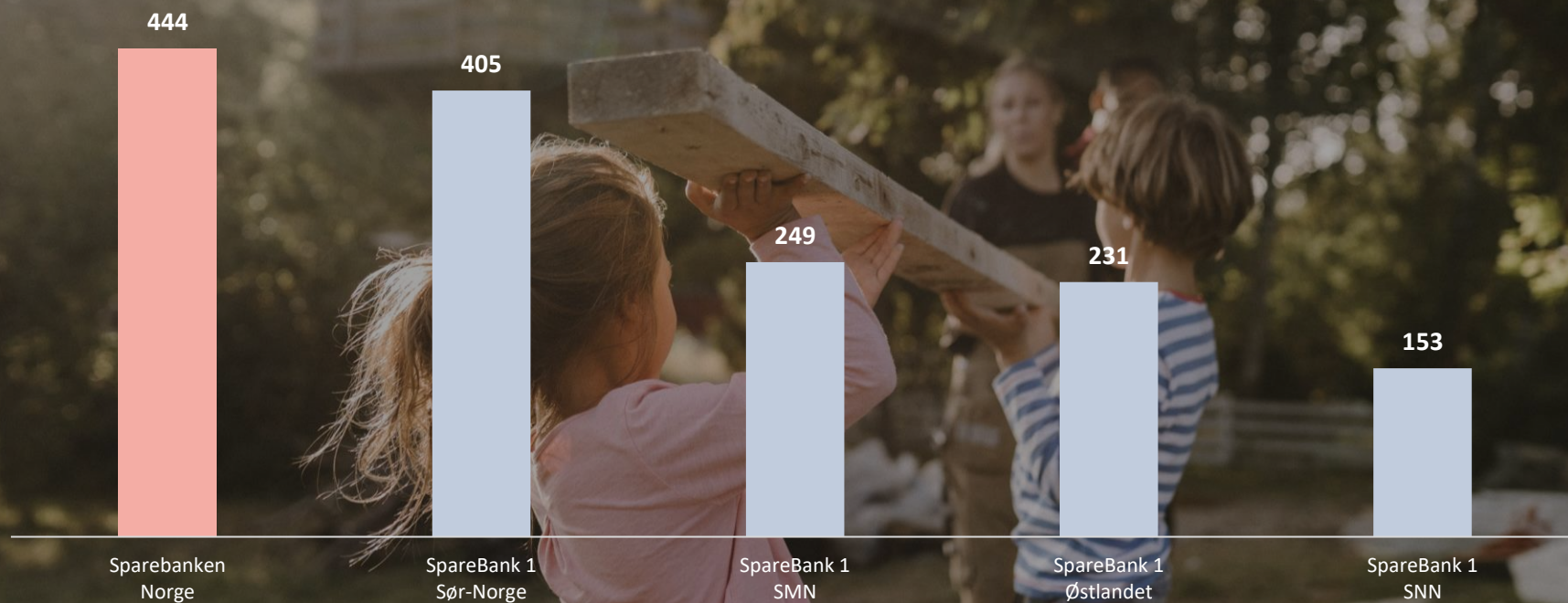
FTEs

1 604

Gross loans

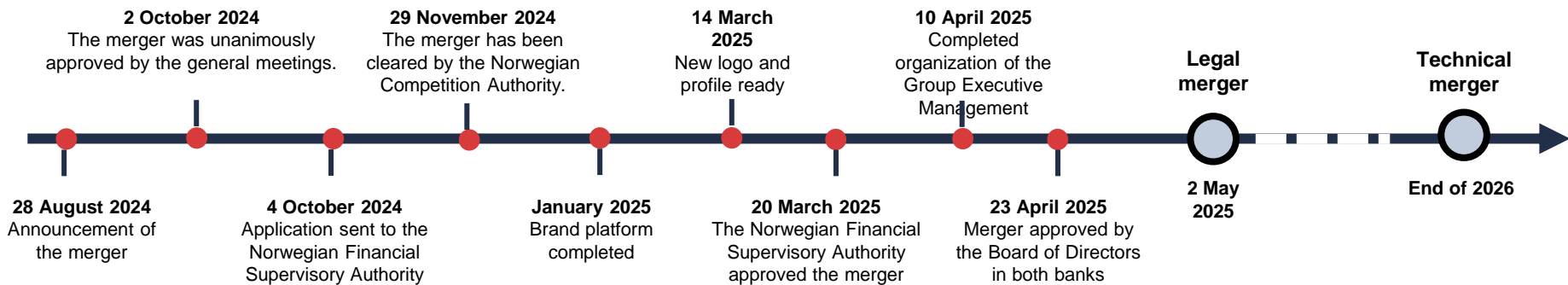
453_{bn.}

Norway's largest savings bank



Gross lending (billion) as of Q4 2024, including Brage Finans for Sparebanken Norge

Process towards legal merger on 2 May 2025



OUR AMBITION:

Building Norway's largest and best savings bank at a time when the savings bank sector is undergoing a major transformation.

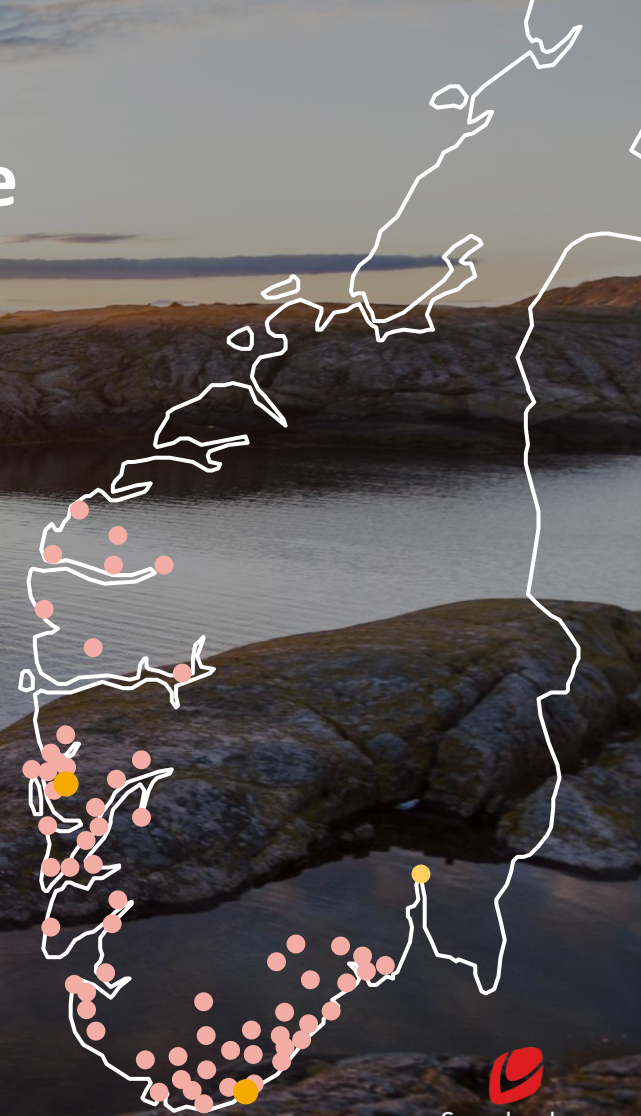
Through strong performance, ensure that we stand strong as an alliance-free bank where decisions and expertise are built within the bank.



National ambitions for Sparebanken Norge

We will become the first savings bank to take a nationwide position, with the goal of being present in the largest Norwegian city centers within 5-10 years.

This will happen through both structural and organic growth, with the Oslo area being an important market area.



Strategy hierarchy for Sparebanken Norge

Sparebanken Norges vision

Norway's best savings bank

*Long-term
goals*

Among the two best Norwegian savings banks in terms of banking operations and return on equity

Best customer experiences and customer satisfaction in Norway

Among the most attractive expertise environments in the Norwegian financial industry

*Strategic
positions next
2-3 years*

Strong nationwide brand and present in Norway's largest cities

Strong and profitable product platform as a basis for long-term alliance independence

An attractive consolidator in the Norwegian savings bank sector built on strong savings bank values

Leading in digital sales and efficient work processes

Low complexity and Norway's most cost-effective bank

Bulder is profitable and established as Norway's leading digital banking challenger

*Strategic
priorities
2025 and 2026*

Realized cost synergies of 350-400 million

One Sparebanken Norge

Realized Norway's most efficient retail/corporate loan processes

Successful technical integration by Q4 2026

Maintain growth and increase retail and corporate market share

Successful establishment in Oslo, Romsdalen and Tromsø

Bulder with NOK 83 billion in lending

We are establishing Eiendomsmegler Norge

Eiendomsmegler Vest and Sørmeegleren to merge before summer 2025

- To become the country's best real estate agent for both customers and agents
- Large and powerful, still close and local
- Sparebanken Norge is a strong owner
- High growth targets in existing and new markets



Significant cost and capital synergies

Cost synergies

Estimated to 350-400 million annually from 2027-2028

Capital synergies

Estimated at net NOK 2 billion. In addition, there is the effect of Basel IV of NOK 2.1 billion.

Increased risk weight floor on mortgages reduces the estimate by NOK 0.7 billion.

Transaction and integration costs

250-300 million



Together we will build Norway's best savings bank

- ✓ Leading in customer satisfaction
- ✓ Low complexity and low risk in the loan portfolio
- ✓ Proud performance culture and two strong headquarters
- ✓ New strong brand built on savings bank values
- ✓ Significant gifts and high customer dividends
- ✓ Leading the field on digital development
- ✓ Among the best in terms of return on equity

Appendix

Equity certificate owners

20 largest equity certificate (EC) owners as of 31.03.2025

	Name	Amount EC	Share of EC %		Name	Amount EC	Share of EC %
1	Sparebankstiftelsen Sparebanken Sør	10.848.993	26,01	11	Bergen Kom. Pensjonskasse	484.865	1,16
2	Sparebankenstiftelsen Sparebanken Vest	2.400.000	5,75	12	J.P. Morgan SE	483.232	1,16
3	Geveran Trading Company LTd	1.940.000	4,65	13	J.P. Morgan SE	445.979	1,07
4	Spesialfondet Borea Utbytte	1.646.621	3,95	14	Vpf Fondsfinans Utbytte	398.248	0,95
5	J.P. Morgan Securities LLC	1.525.688	3,66	15	Verdipapirfondet Fondsfinans Norge	299.585	0,72
6	EIKA utbytte VPF c/o Eika kapitalforv.	1.391.826	3,34	16	Hjellegjerde Invest AS	243.507	0,58
7	Skandinaviska Enskilda Banken AB	1.238.172	2,97	17	Verdipapirfondet Klp Aksjenorge	241.446	0,58
8	KLP Gjensidige Forsikring	1.127.403	2,70	18	U.S. Bank National Association	224.850	0,54
9	Pershing LLC	1.018.317	2,44	19	Catilina Invest AS	216.928	0,52
10	J.P. Morgan SE	763.795	1,83	20	Agil Capital AS	216.000	0,52
	Total 10 largest owners	23.900.815	57,31		Total 20 largest owners	27.155.455	65,12

- 41.703.057 equity certificates with a face value of NOK 50 each have been issued
- The profit (Group) for Q1 2025 amounted to NOK 4.9 per EC and NOK 18.2 per EC for 2024.
- The ownership fraction was 40.0 percent