

Quarterly presentation 2025

Q2



A strong challenger in the Norwegian banking market

The integration of SpareBank 1 Sør-Norge is proceeding as planned



**SpareBank 1 Sør-Norge
is formed**

1 October 2024



**Day 1 – merger of
Forretningspartner and
Regnskaphuset**

1 April 2025



**Technical integration
SpareBank 1 Sør-Norge**

September 2025



**Merger of real estate
brokers**

Autumn 2025

Financial targets

Long-term target ROE

> 14%

Cost- and capital
effective

Customer growth in
South of Norway

Growth in other
income

Joint effort in the
SpareBank 1 alliance

Diversified
portfolio

> 17,55%

CET 1
Capital ratio

< 40%

Cost to income

~ 50%

Dividend share

> NOK 300 million

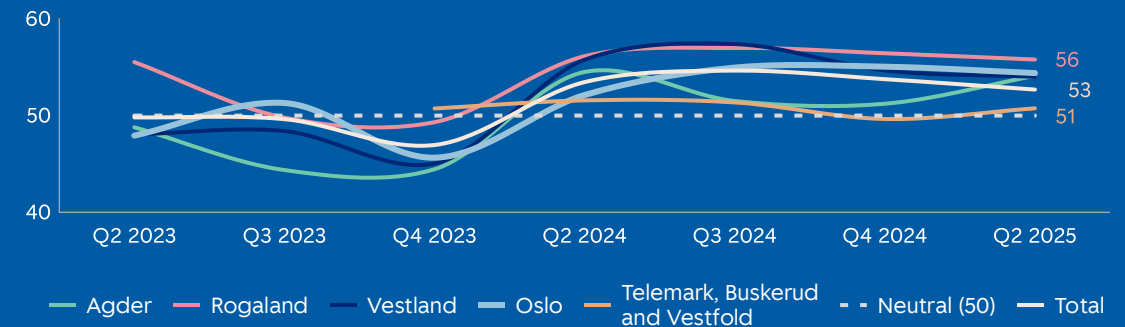
Operational synergies

Continued optimism among businesses

- Expects growth, but reduced investments
- Good demand for labor
- High optimism among companies in the South West region
- Reduced uncertainty related to customs and trade agreements

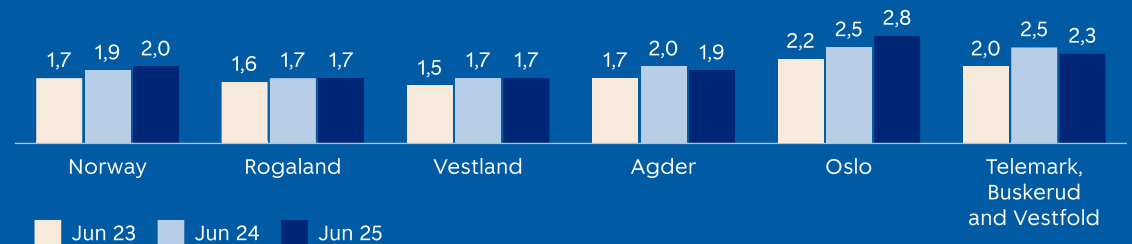
Corporates expect growth and more employees in 2025

SpareBank 1 Sør-Norge's business survey



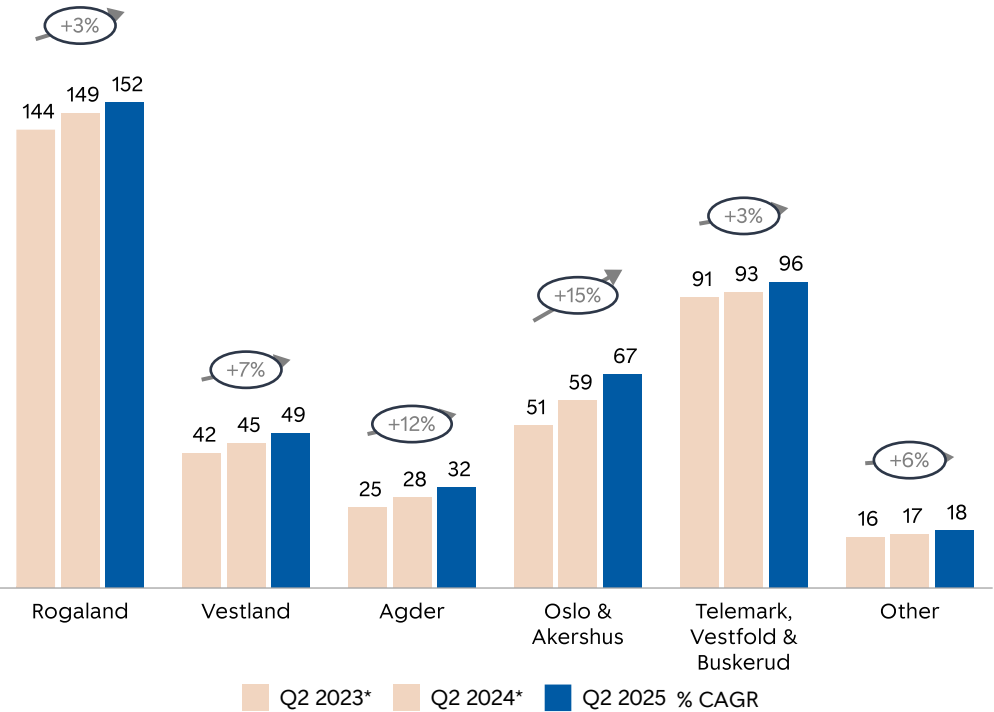
Unemployment remains low

(Percent)



SpareBank 1 Sør-Norge

Lending volume in NOK billion



*Pro forma

Solid result driven by good operations, growth and high activity

Result 30 June 2025

13.3%

14.9% excl. one-off effects*
Return on equity after tax

MNOK 4,236

Pre-tax profit

Result 2. quarter 2025

12.9%

14.9% excl. one-off effects*
Return on equity after tax

MNOK 76

Impairments on lending and
financial commitments

0.08% of gross lending

5.5%

12 months lending growth

Retail market	7.0%
Corporate market	-0.9%
SME and Agriculture	9.1%

39.9%

35.9% excl. one-off effects*
Cost to income ratio

8.4%**

12 months deposit growth

Retail market	9.7%
Corporate market	6.2%
SME and Agriculture	6.1%

18.6%

CET 1 capital ratio

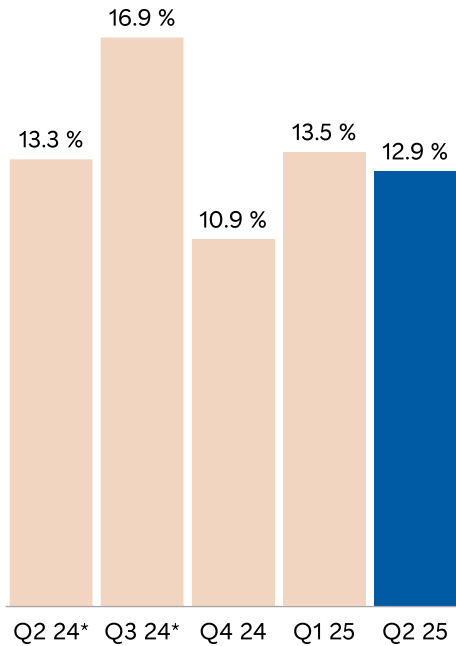
*Adjusted for cost related to verdict in legal case against Tietoevry Norway AS (MNOK 74), merger costs (MNOK 68) (YTD MNOK 90) and goodwill from merger (3.6 NOK billion)

**12 month deposit growth including deposits in treasury is 5.0%

Key figures – quarterly development

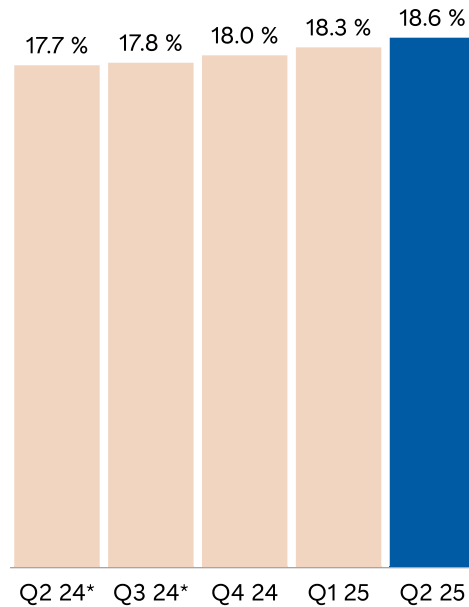
Return on equity

Target: > 14.0%



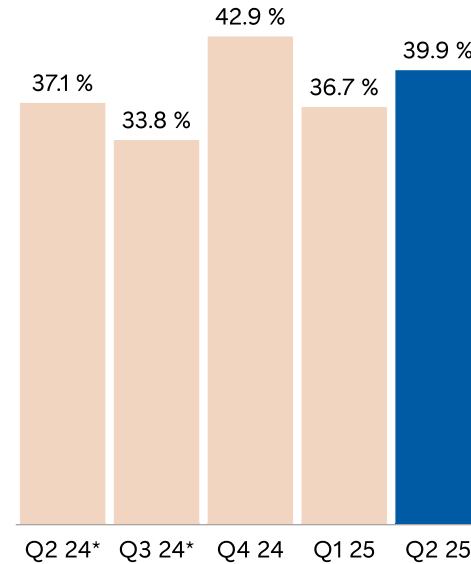
CET 1 capital ratio

Target: > 17.55%



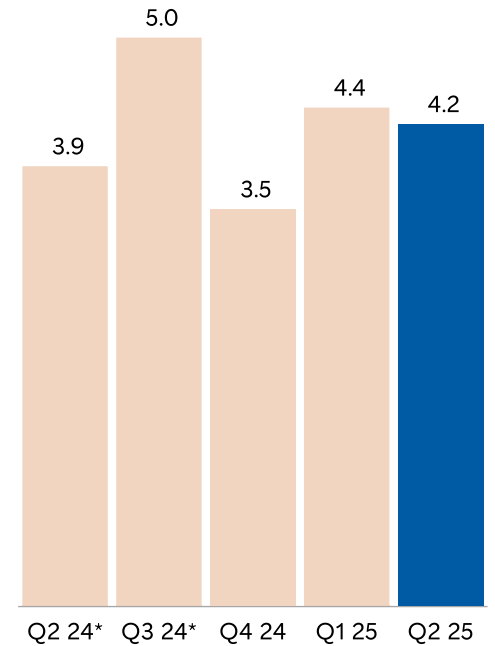
Cost to income ratio

Target: < 40%



Earnings per share (NOK)

Target: ~ 50% dividend share



* Pro forma

*CET 1 capital ratio SpareBank 1 SR-Bank ASA.

Good underlying operations

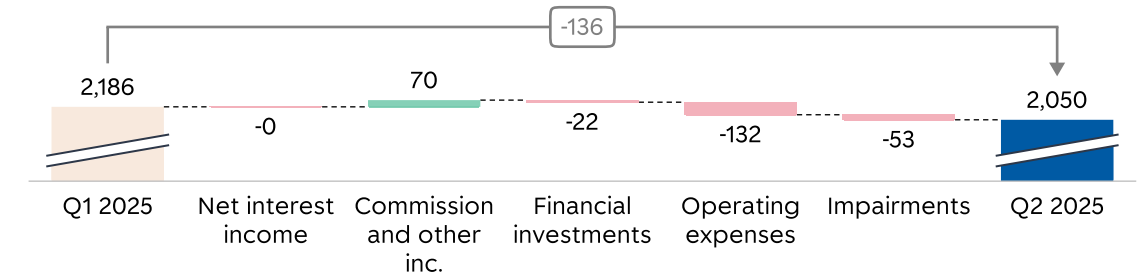
Group Income statement

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Net interest income	2,310	2,310	2,293	2,308	2,262
Net commission and other income	858	787	789	694	782
Net income on financial investments	373	394	125	743	173
Total income	3,540	3,492	3,206	3,745	3,217
Total operating expenses	1,414	1,282	1,376	1,268	1,193
Operating profit before impairments	2,126	2,209	1,830	2,478	2,025
Impairments on loans and financial commitments	76	23	90	166	98
Pre-tax profit	2,050	2,186	1,741	2,312	1,927
Tax expense	382	449	350	353	417
Profit after tax	1,668	1,737	1,390	1,959	1,510

*Pro forma

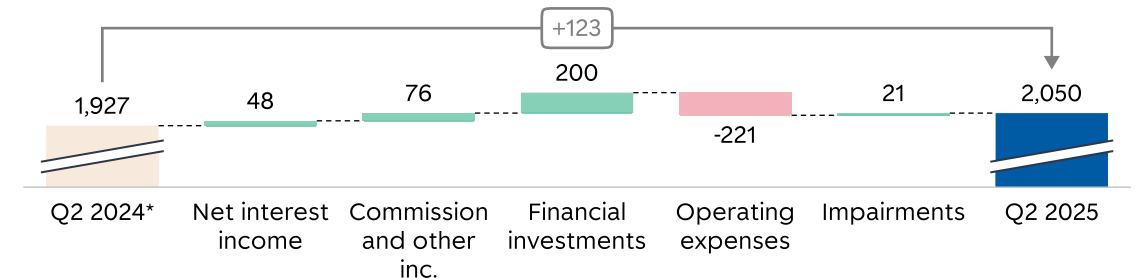
Change from last quarter

(MNOK)



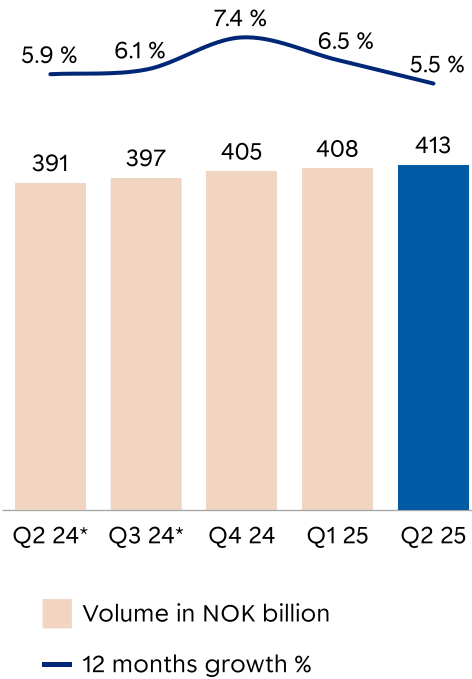
Change from Q2 2024

(MNOK)

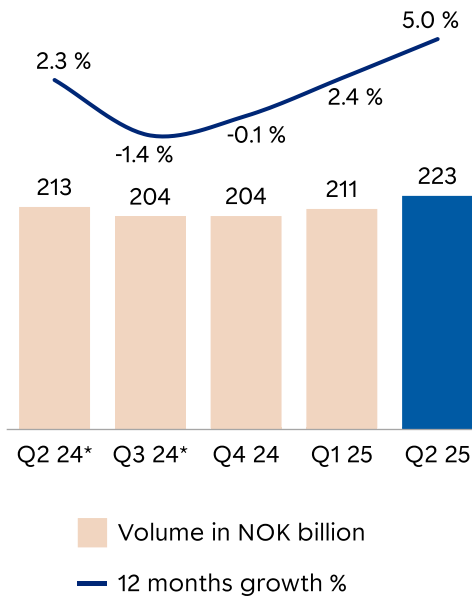


Group

Lending volume



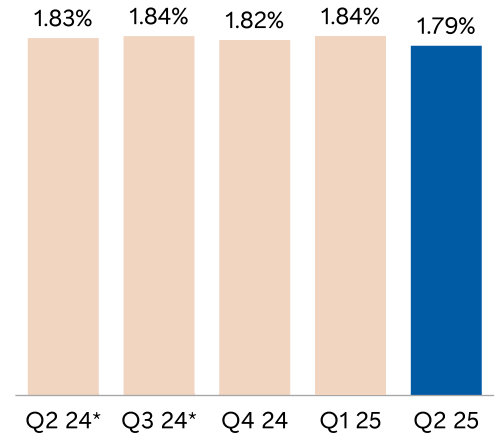
Deposit volume



Margins in customer-segments



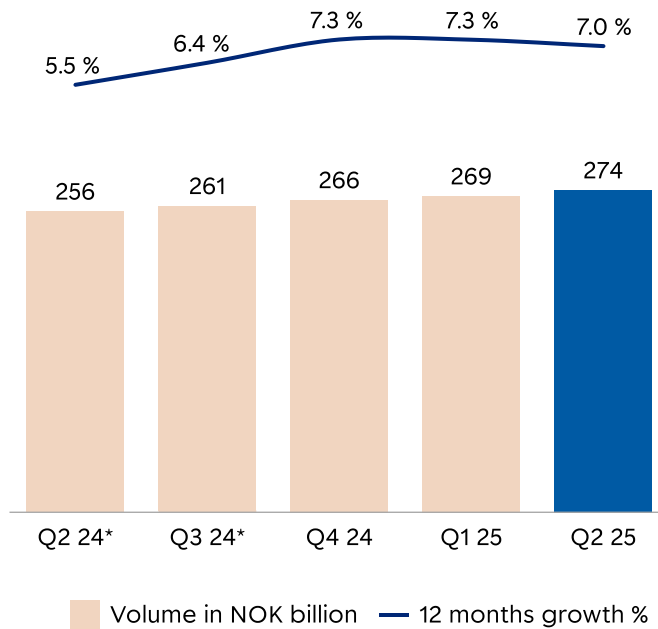
Net interest margin



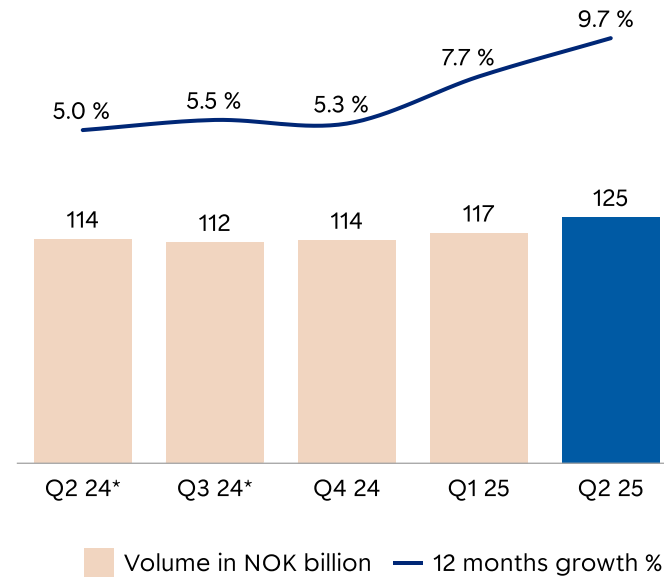
*Pro forma
Definition margins: Average customer rate measured against money market rates. The figures include loans transferred to credit institutions and commission received.

Retail market

Lending volume**



Deposit volume**



Margins



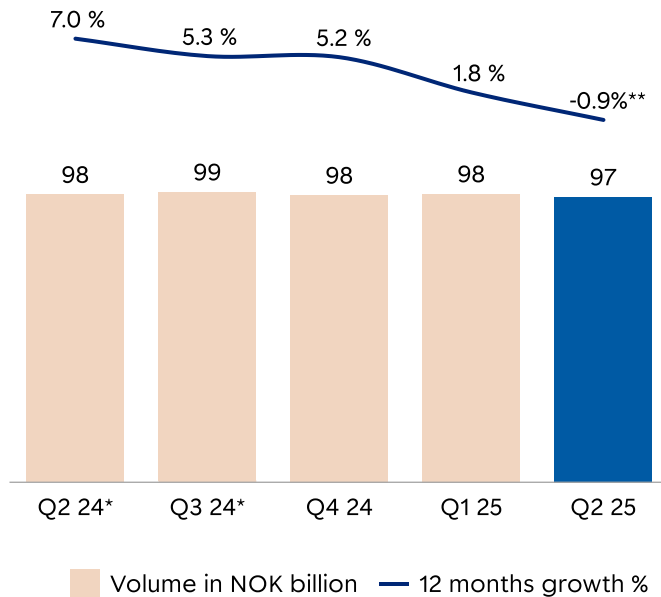
*Pro forma

**Including loans and deposits to employees.

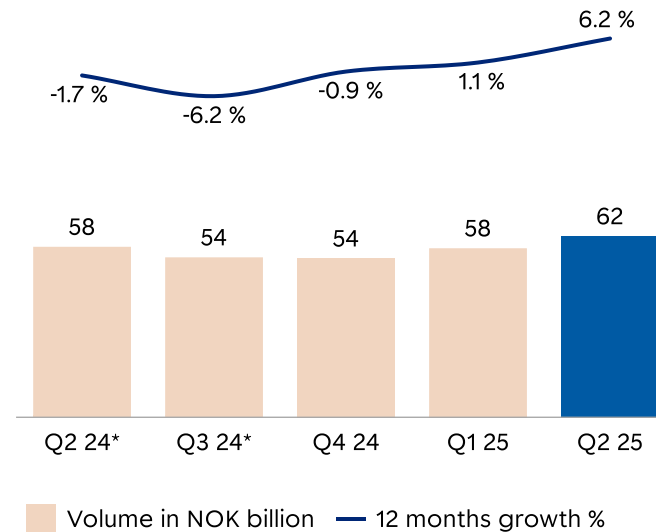
Definition margins: Average customer rate measured against money market rates. The figures include loans transferred to credit institutions and commission received.

Corporate market

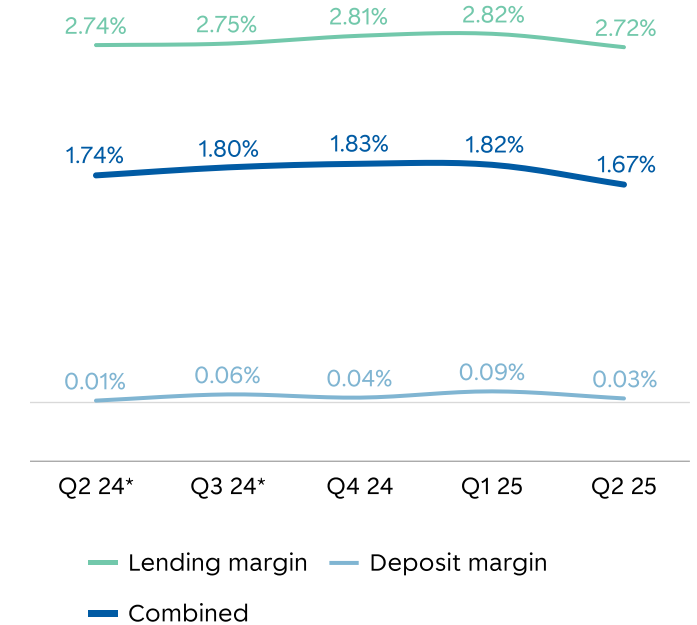
Lending volume



Deposit volume



Margins



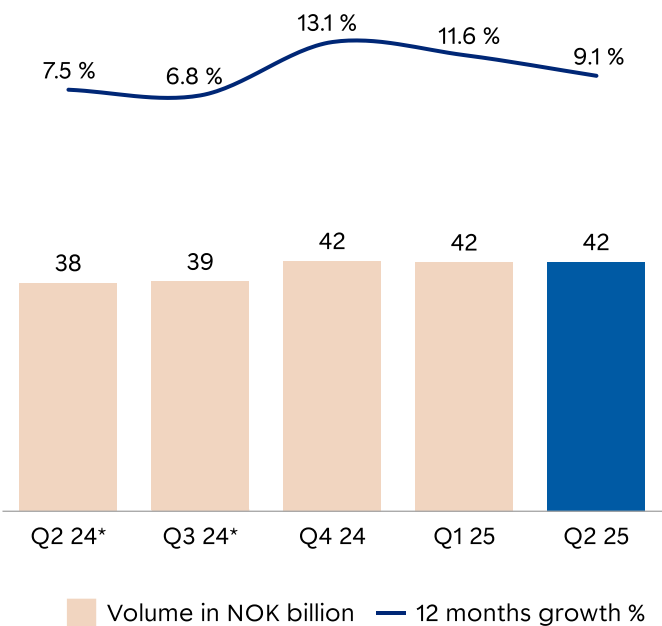
*Pro forma

**12 months lending growth in Corporate market excluding currency effect is -0.6%.

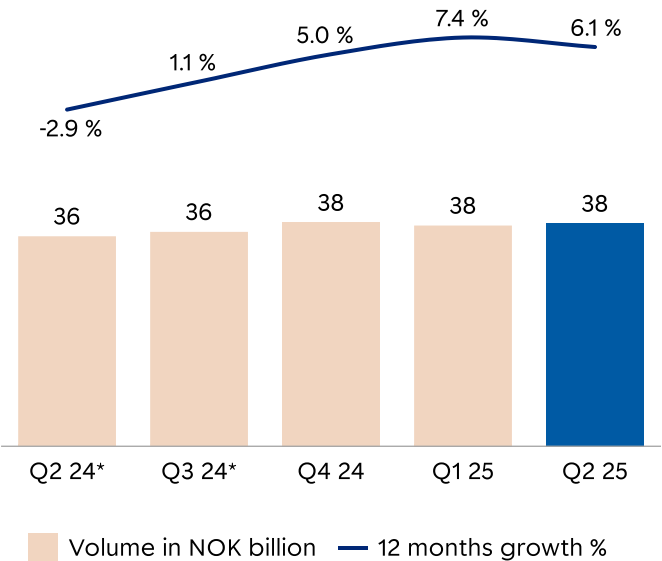
Definition margins: Average customer rate measured against money market rates. The figures include loans transferred to credit institutions and commission received.

SME and Agriculture

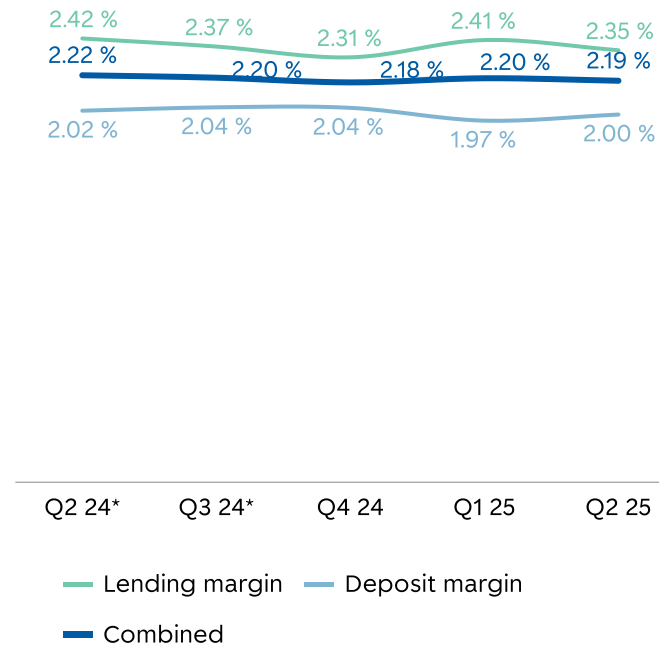
Lending volume



Deposit volume



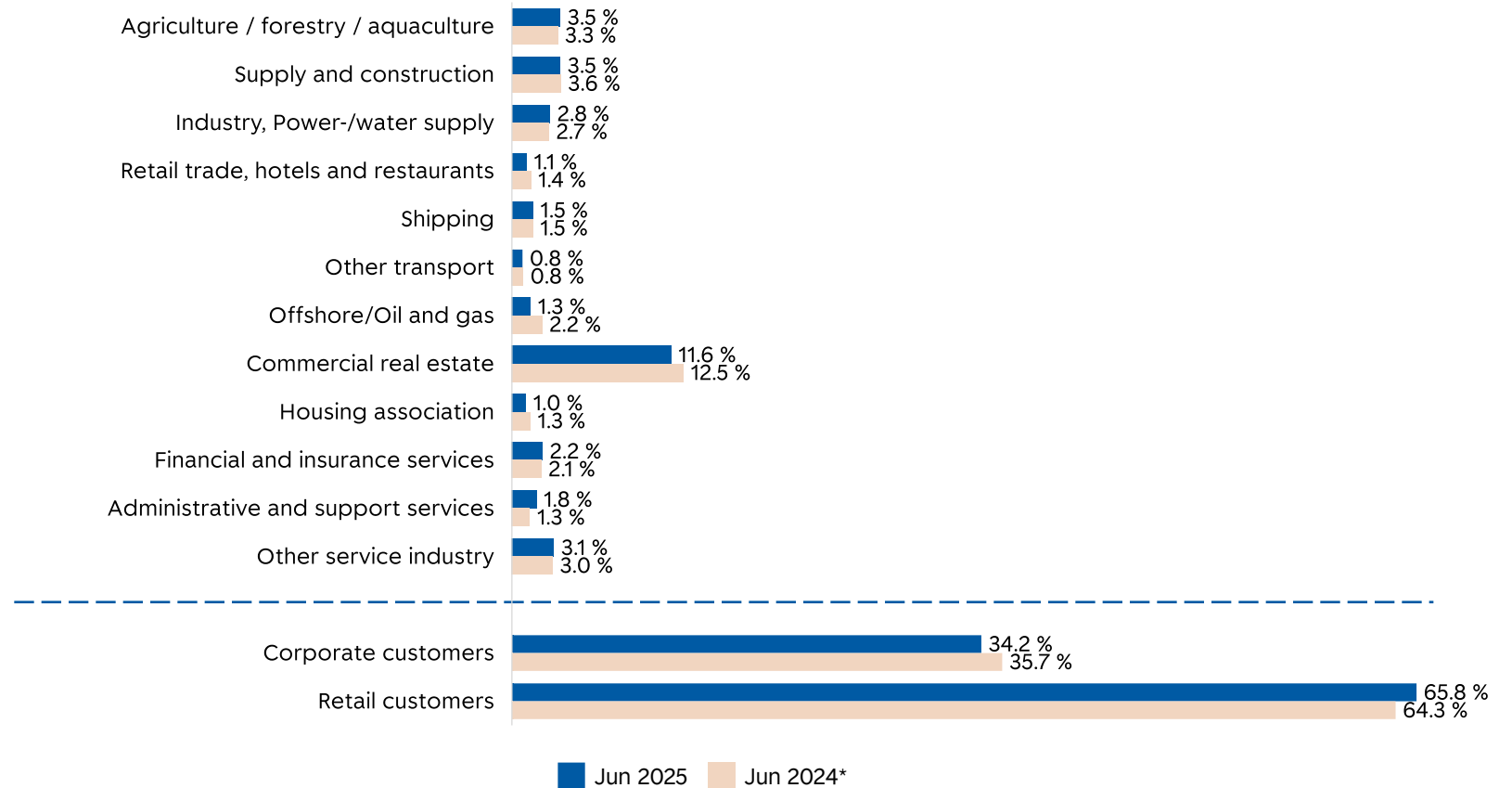
Margins



*Pro forma
Definition margins: Average customer rate measured against money market rates. The figures include loans transferred to credit institutions and commission received.

Well-diversified lending portfolio

- Gross loans increased to NOK 413 billion from NOK 391 billion year over year
- 12 months lending growth is 5.5%
- Low offshore, oil and gas exposure
- Commercial real estate – low concentration risk and good credit quality



Loans before impairments, nominal amounts.

**Pro forma*

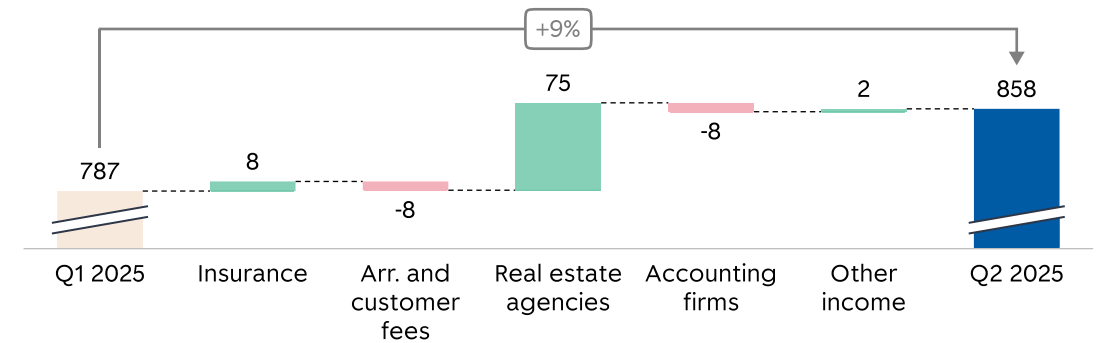
Industry distribution based on standard division from Statistics Norway (SSB).

Net commission and other income

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Payment facilities	117	122	161	153	135
Insurance products	118	109	104	103	99
Savings/placements	51	46	45	37	56
Guarantee commission	29	27	32	32	27
Commitment fee	29	31	34	27	36
Arrangement- and customer fees	28	35	37	30	27
Commission income - Real estate agencies	292	217	207	171	212
Commission income - Accounting firms	139	147	128	91	142
Commission income - Credit institutions	42	37	29	31	34
Other	13	16	12	19	15
Net commission and other income	858	787	789	694	782

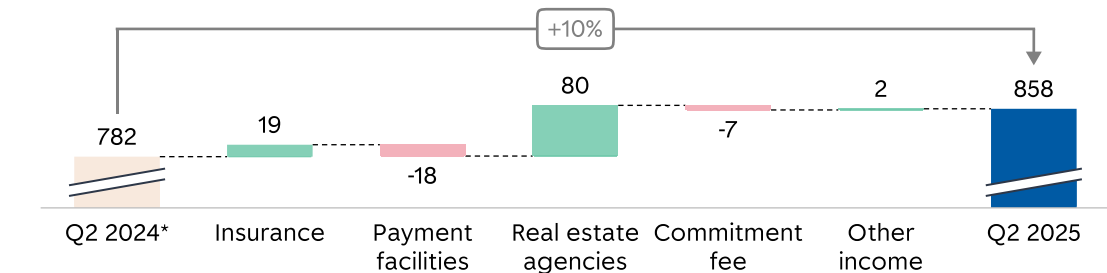
Change from previous quarter

(MNOK)



Change from Q2 2024

(MNOK)



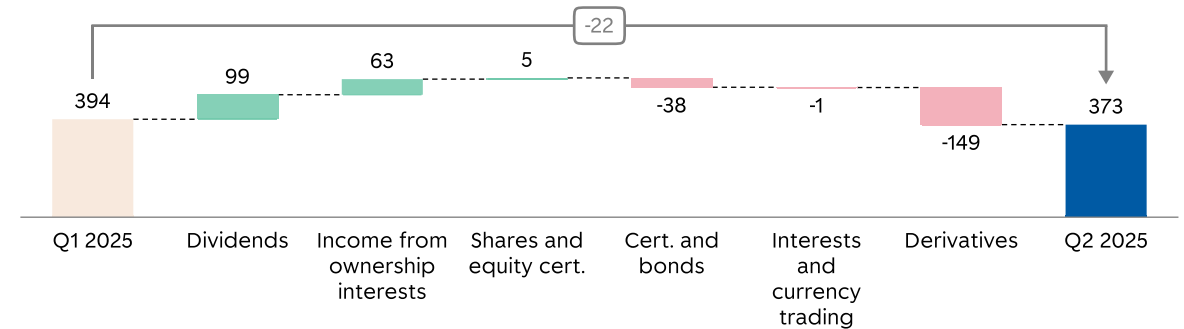
*Pro forma

Net income on financial investments

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Dividends	99	0	26	23	46
Income from ownership interests	256	193	223	242	136
Gain merger Eika/Fremtind				577	
Total securities gains/losses	18	201	-124	-99	-9
• Shares and equity certificates	52	47	16	-42	-24
• Certificates and bonds	-32	6	-97	-44	24
• Interests and currency trading	38	40	35	37	37
• Derivatives	-40	109	-78	-50	-46
Net income on financial investments	373	394	125	743	173

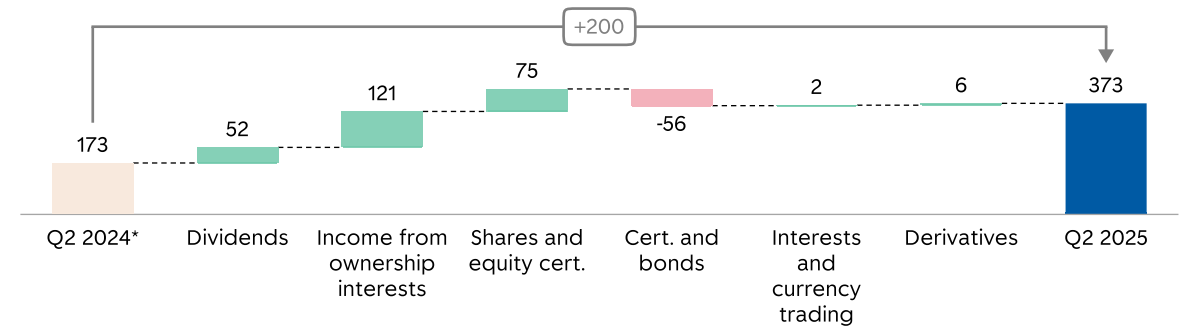
Change from previous quarter

(MNOK)



Change from Q2 2024

(MNOK)



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

*Pro forma

Income from ownership interests

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
SpareBank 1 Gruppen AS	114	59	99	686	1
BN Bank AS	104	89	83	93	89
SpareBank 1 Forvaltning AS	27	27	34	22	22
SpareBank 1 Markets AS	16	17	16	17	22
Kredittbanken ASA	4	-1	-7	-3	1
SpareBank 1 Betaling AS	-9	-5	-5	-1	-2
Others	1	7	2	4	2
Total income from ownership interests	256	193	223	819	136

*Pro forma

Ownership interests



Operating expenses

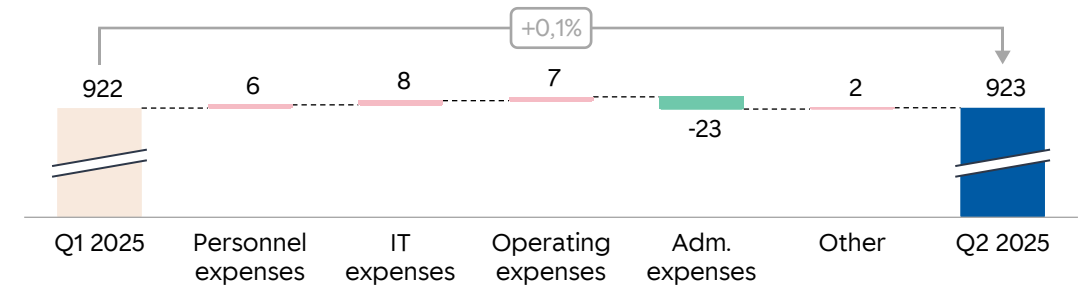
Operating expenses

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Personnel expenses	537	531	545	538	496
IT expenses	175	167	164	165	174
Marketing	34	33	41	32	36
Administrative expenses	74	97	101	76	83
Operating expenses	53	46	51	49	63
Depreciation and impairments	49	47	49	47	45
Sum operating expenses	923	922	951	908	895
Merger expenses	68	22	90	97	18
Provision Tietoevry case	74				
Total operating expenses parent bank	1,065	944	1,042	1,005	913
Total operating expenses group	1,414	1,282	1,376	1,268	1,193

*Pro forma

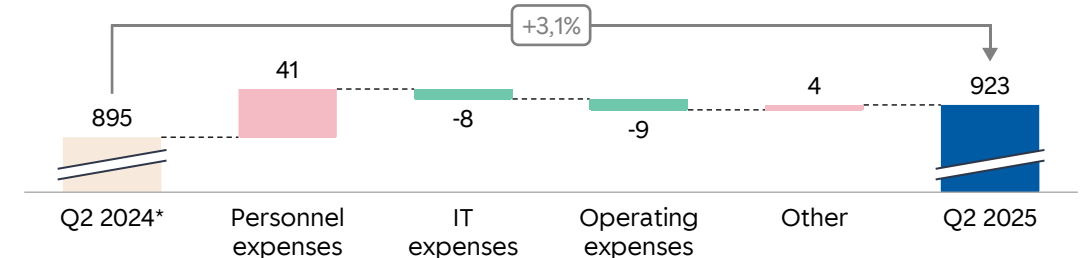
Change from previous quarter (parent bank)

(MNOK)



Change from Q2 2024 (parent bank)

(MNOK)



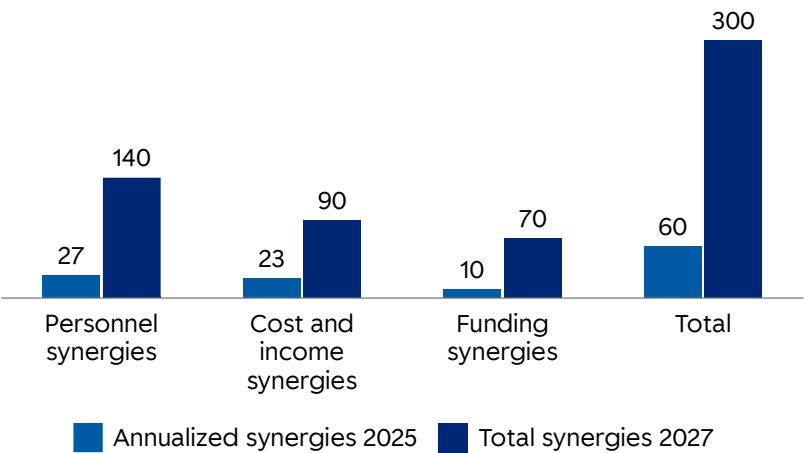
Synergies

Capital synergies

The introduction of new capital requirements in 2025 for A-IRB banks has reduced the previously assumed capital synergies from around NOK 2.5 billion to NOK 1.7 billion.

Operational synergies

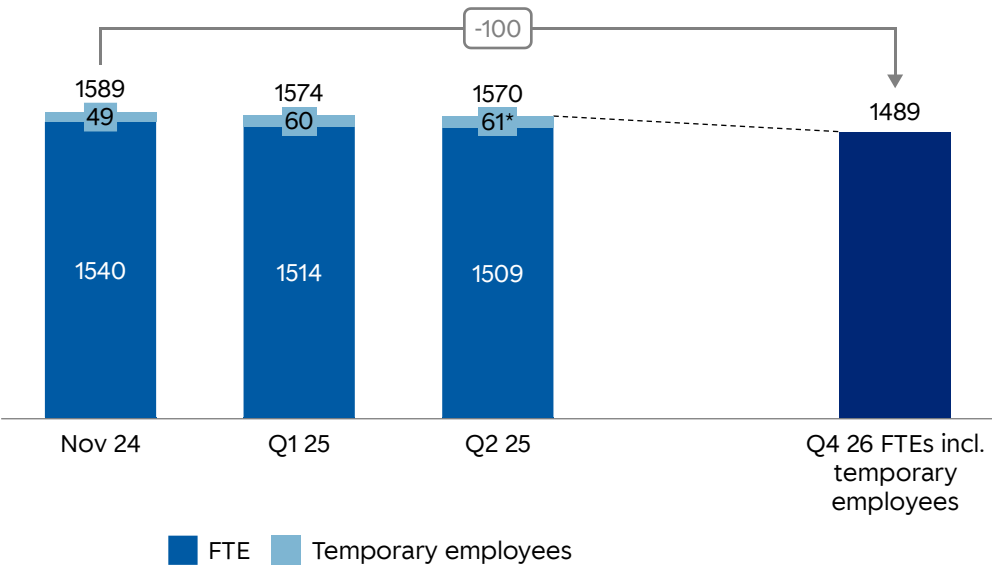
The Group is on track in realisation of funding, operations and cost synergies. Total synergies are estimated at NOK 300 million annually by 2027.



**Excl. Temporary summer employees*

Personnel synergies

Full-time equivalents have been reduced according to plan, and the technical merger in September 2025 will release additional resources.

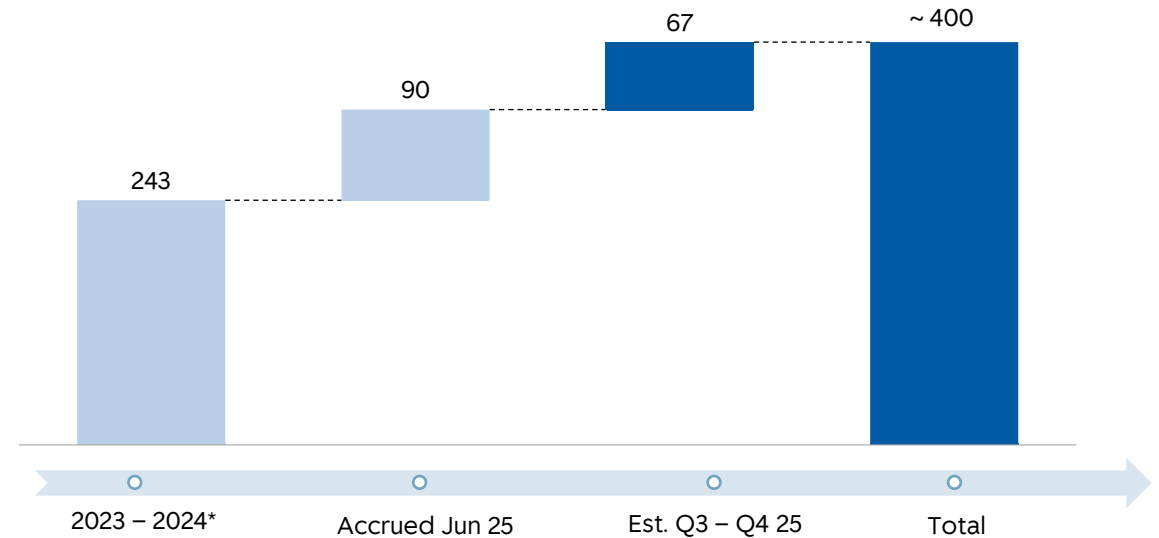


Merger costs

- Estimated merger costs have been increased by NOK 30 million as a result of updated estimates
- The majority of remaining merger costs will occur in the third quarter in connection with the technical merger

Total merger cost

(MNOK)



*Pro forma

Capital adequacy

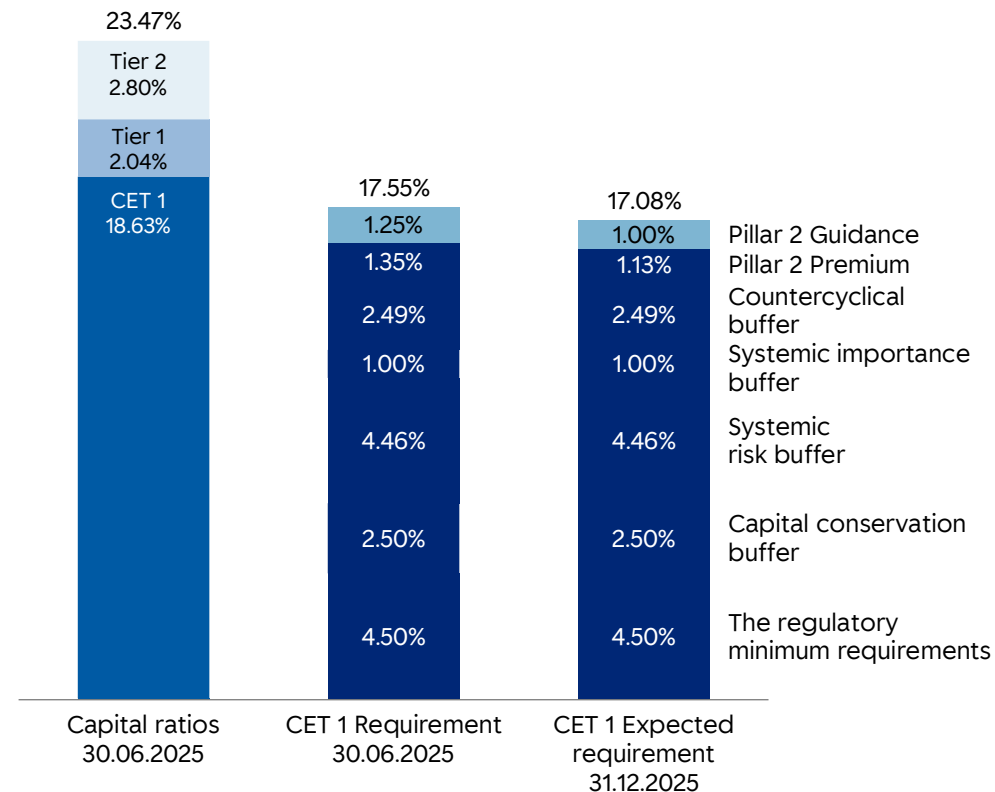
Solid capital ratio

- The CET 1 capital ratio is 18.63% as of 30 June 2025
- The minimum requirement for the CET 1 capital ratio is 17.55% as of 30 June 2025, including a temporary Pillar 2 requirement of 0.28% and a Pillar 2 guidance requirement of 1.25%
- The leverage ratio is 7.33% as of 30 June 2025, well above the minimum requirement at 3.0%

Regulatory changes

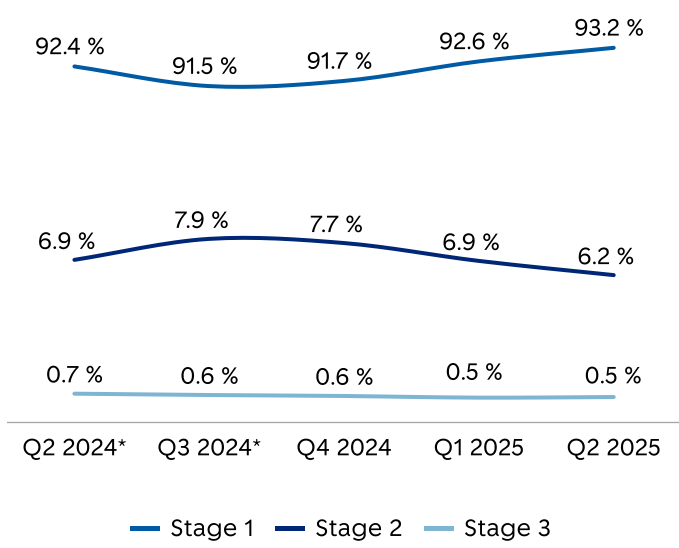
- CET 1 capital ratio
 - The Ministry of Finance has decided to increase the IRB risk weight floor for mortgage loans from 20 to 25 percent with effect from 1 July 2025
 - A-IRB approval of the former SpareBank 1 Sørøst-Norge portfolio is expected by September 30
- CET 1 Capital Ratio Requirement
 - In connection with this year's SREP process, the Norwegian FSA's preliminary assessment is that the Pillar 2 Premium in the CET 1 capital will be reduced from 1.35 to 1.13 percent and the expectation for the Pillar 2 Guidance will be changed from 1.25 to 1.00 percent
- Based on expected effects of regulatory changes, SpareBank 1 Sør-Norge ASA is well positioned for profitable growth and strong capital distribution
- As a tool for the group's capital optimization, the board plan to establish a share buy-back programme

Capital ratios

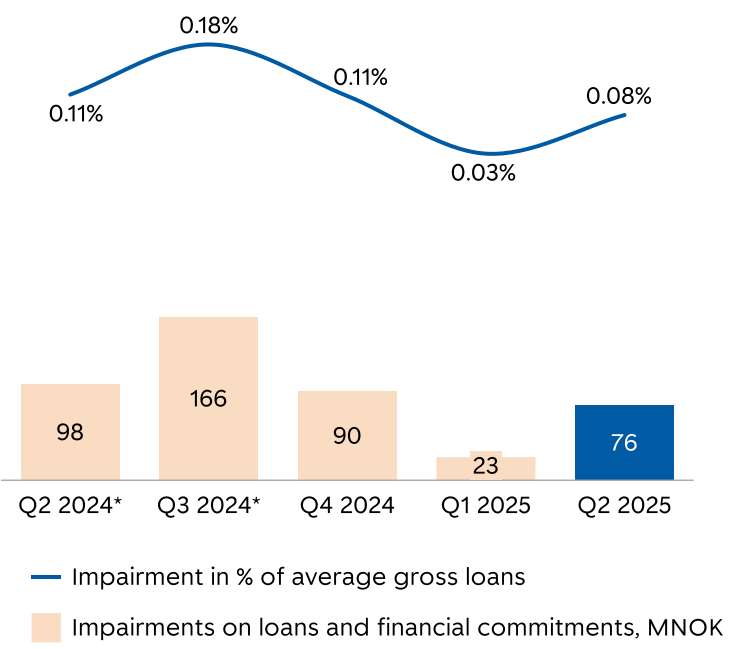


Loans and financial commitments

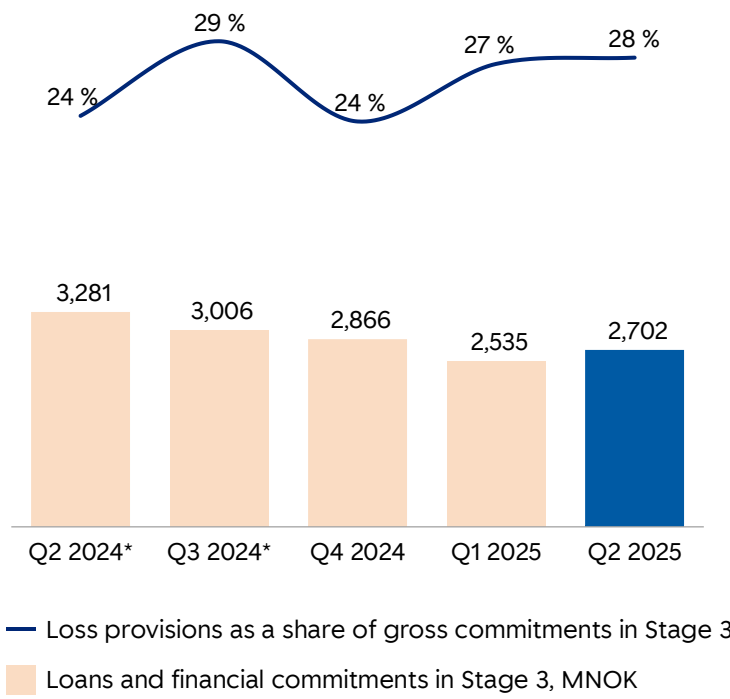
Change in gross loans and financial commitments



Impairments on loans and financial commitments



Changes in gross loans and financial commitments defined as Stage 3



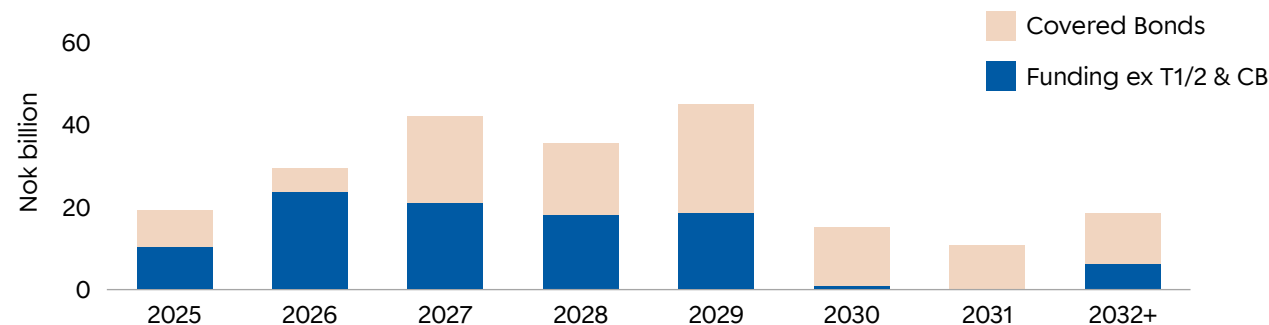
*Pro forma

Strong liquidity

Key figures

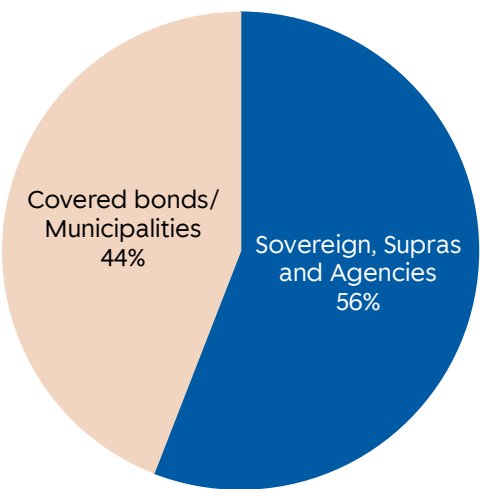
- LCR 209%
- NSFR 135%
- Average duration of funding is 3.6 years
- NOK 25.4 billion net refinancing need over the next 12 months
- Deposit to loan incl. transfers to credit institutions ratio 54.1%
- MREL-requirement 39.2%, MREL-subordination requirement 31.3%
 - As of 30 June 2025, SpareBank 1 Sør-Norge has issued NOK 22.9 billion in senior non-preferred. The requirement is approx. NOK 17 billion.

Annual funding maturity



Bonds and certificates

- The average duration of the portfolio is 2 years
- All fixed interest exposure is hedged to floating rate



Outlook

- Strong position in Southern Norway with growth opportunities
- Stable earnings and profitable growth
- Good prospects for the group and the region
- Reduced uncertainty related to customs and trade agreements



APPENDIX

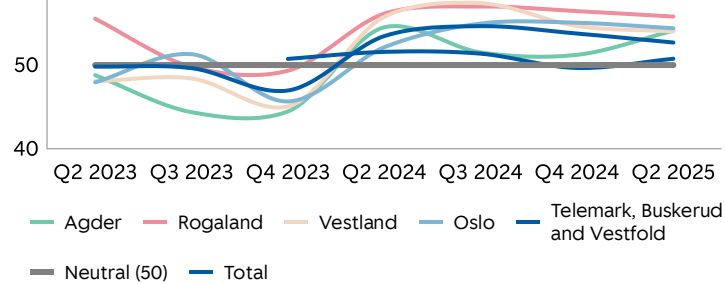
1) **Macro**

- 2) Loan portfolio
- 3) Risk
- 4) SB1NO

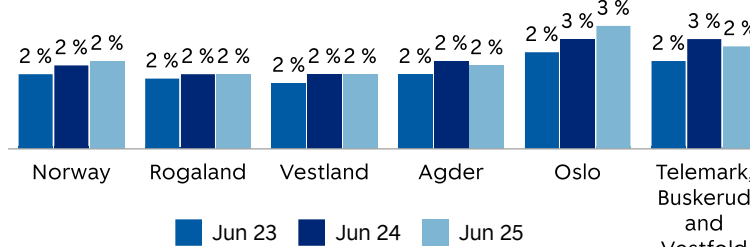
Macro in Southern Norway

SpareBank 1 Sør-Norges's business survey

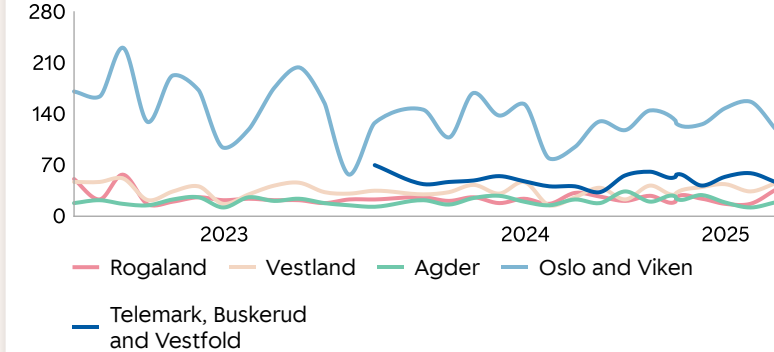
Main index of 53 percent as of the 2 quarter of 2025



Unemployment rate

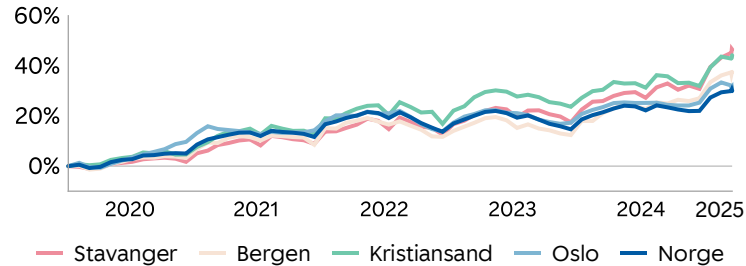


Number of bankruptcies

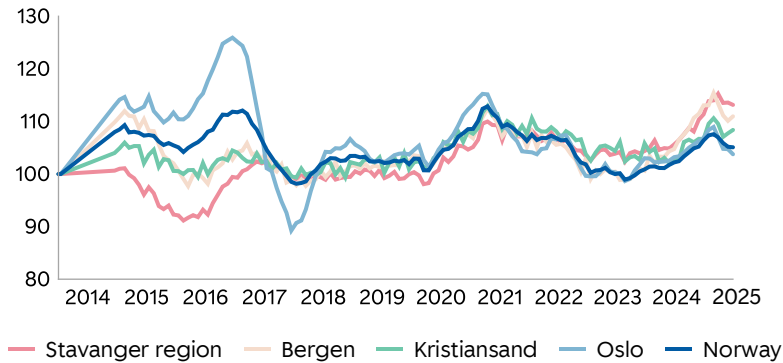


House price development

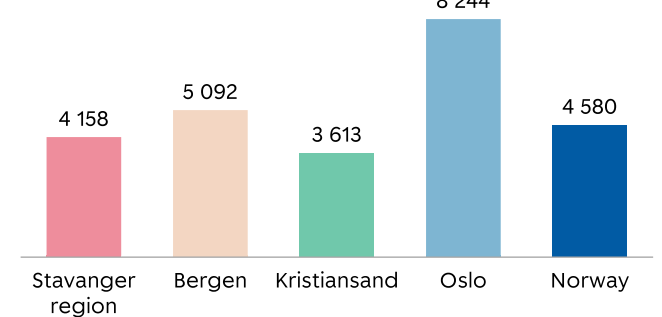
Norwegian house prices have increased by 5.1 % the last 12 months



Index change 12 month (%)



Prices by city per square meter (EUR)



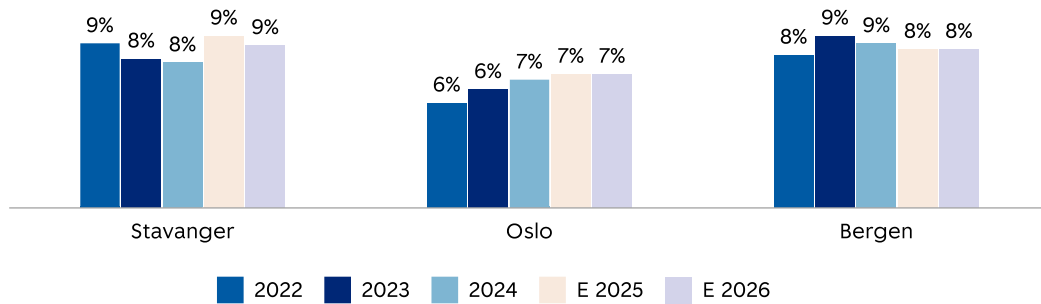
Sources: Eiendom Norge, Eiendomsverdi, NAV, Brønnøysundregisteret, SB1 Sør-Norge Business survey

APPENDIX

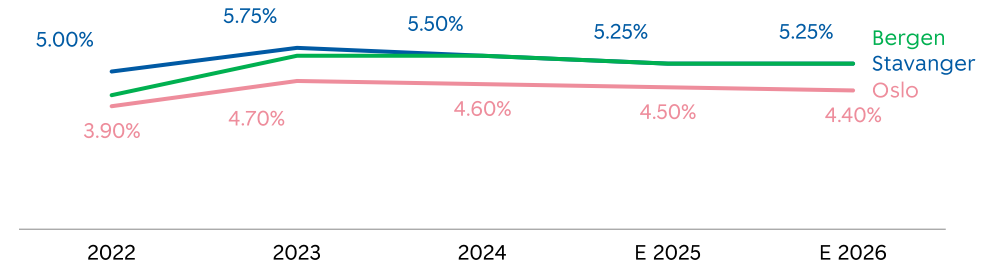
- 1) Macro
- 2) Loan portfolio**
- 3) Risk
- 4) SB1NO

Market – Commercial real estate

Office vacancy

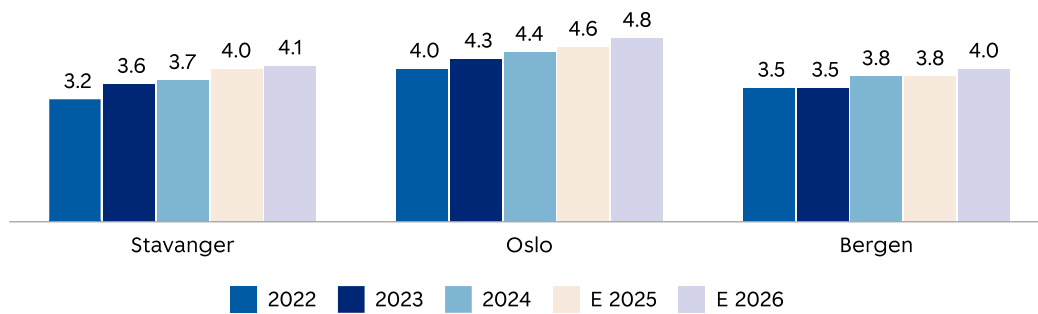


Prime yield



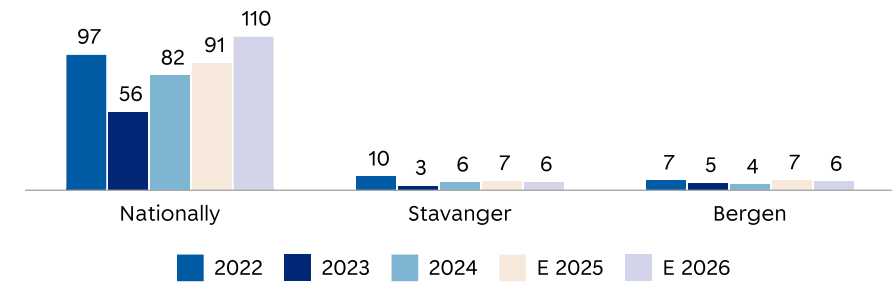
Rental prices

(TNOK per sq.m)



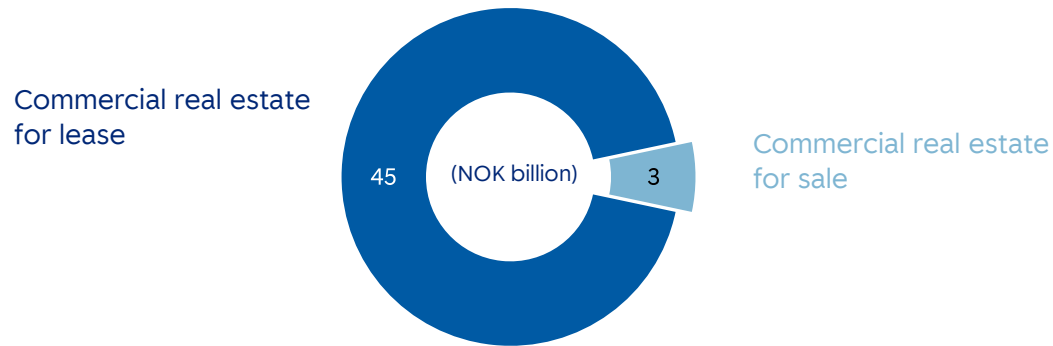
Transaction volume

(NOK billion)



Lending to commercial real estate

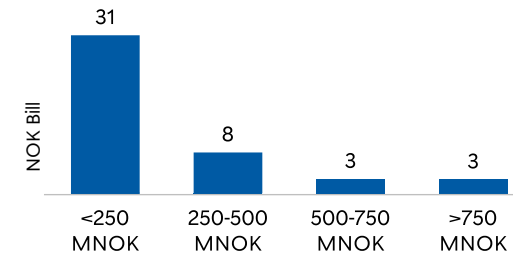
Commercial real estate portfolio 11.6% of total lending volum



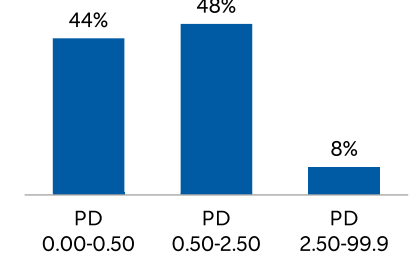
- Lending volume for commercial real estate for lease is NOK 44.6 billion, 10.8% of the bank's total lending volume
- The portfolio is characterized by lending to commercial properties for lease with long-term contracts and financially solid tenants.

Commercial real estate for lease

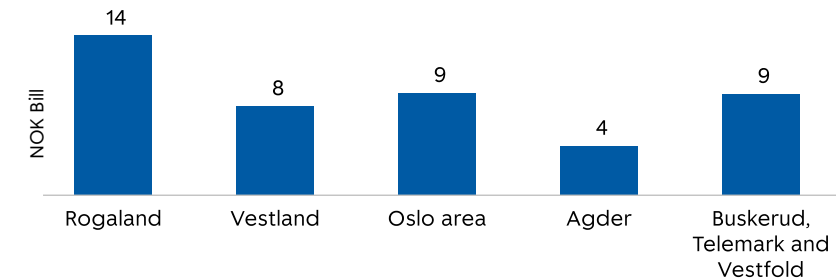
Low concentration risk



92% of volume has a PD under 2.5%



Well differentiated across regions

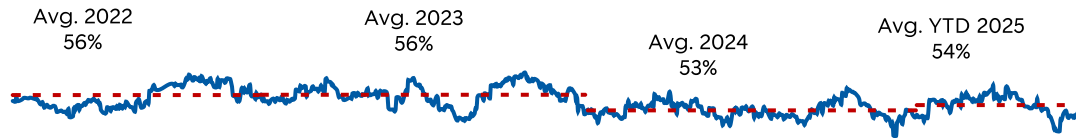


APPENDIX

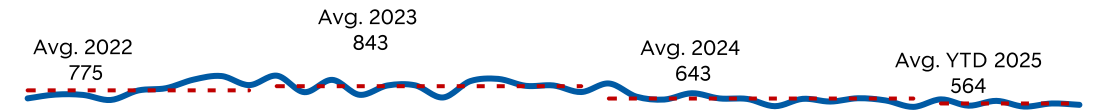
- 1) Macro
- 2) Loan portfolio
- 3) Risk**
- 4) SB1NO

Our customers are doing well

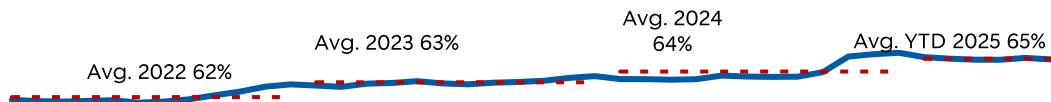
Corporate market - Drawn amount on credit facilities



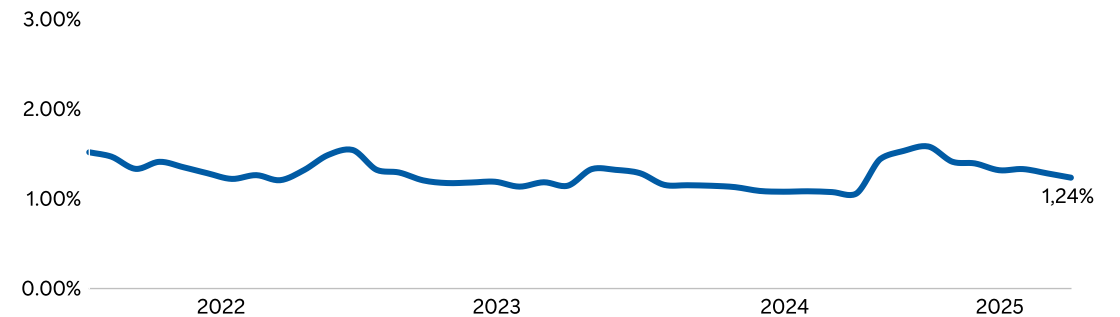
Retail market – Avg. number of applications for interest-only per month



Retail market – Drawn amount on interest only loans



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

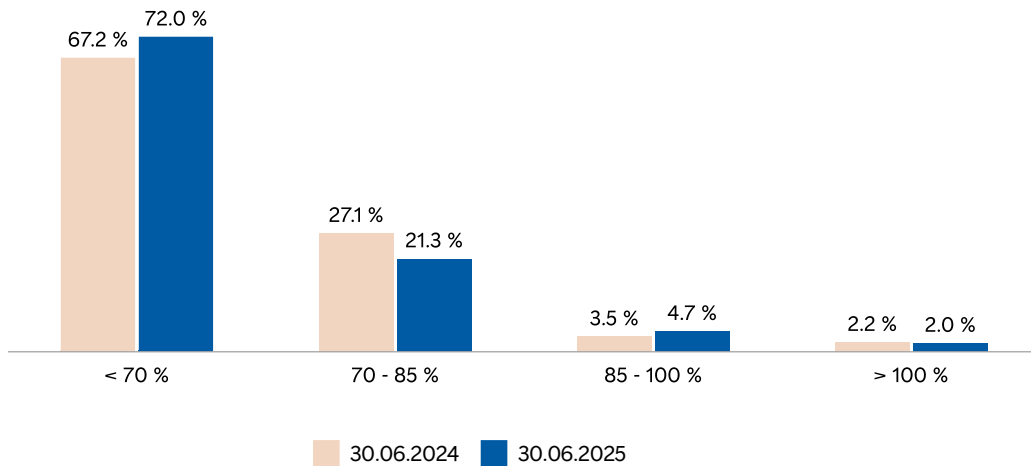


*Proportion of Exposure of default that has payment notice externally/Bisnode.

Loan to value ratio and RWA on home mortgage loans

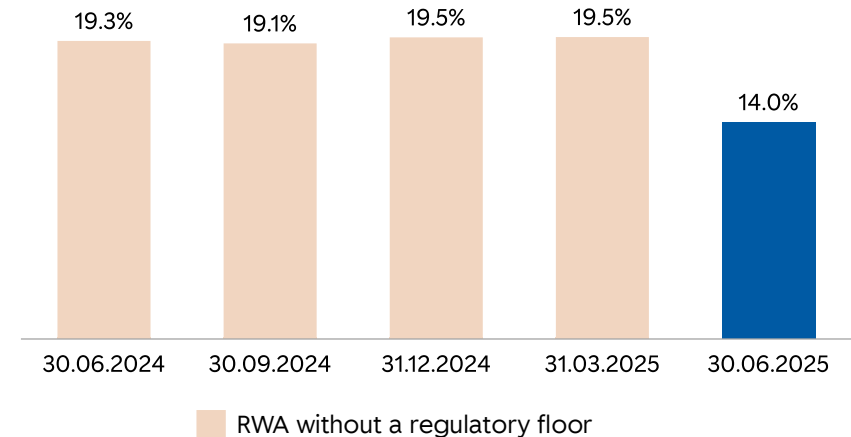
Loan to value ratio on home mortgage loans

- The proforma figures for SpareBank 1 Sør-Norge show that 93.3% of the exposure is within 85% of the assessed value of collateral.



Risk weight home mortgages*

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

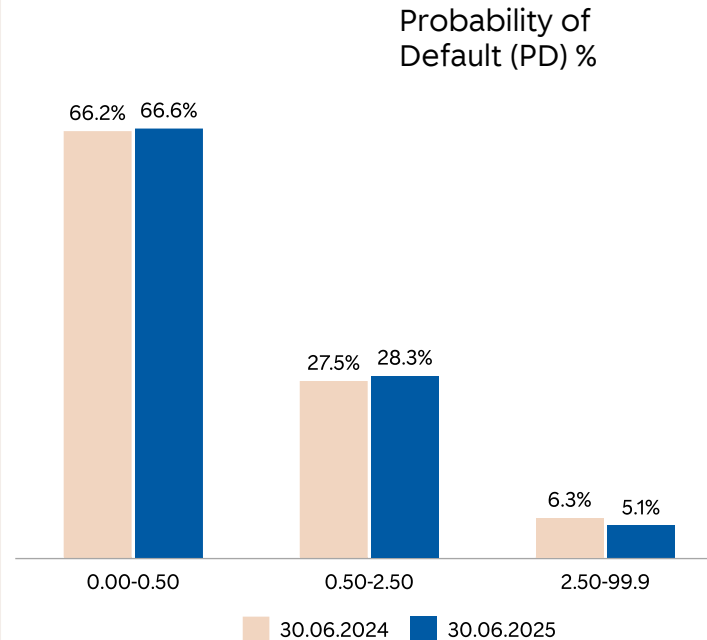


**IRB framework only applied to former SB1 SR-Bank and SR-Boligkredits loan portfolio, the former portfolio of SB1 Sørøst-Norge is based on the standard method
In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.
Home mortgages as defined in the Norwegian IRB framework; the value of the residential property must be at least 30% of a loan's security.
Historical figures before 31.12.2024 are pro forma*

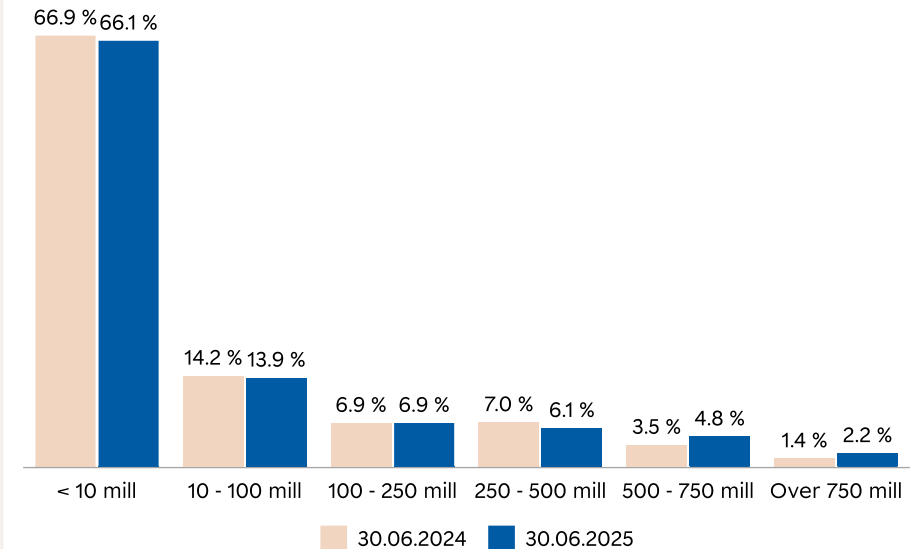
Profile of the loan portfolio

- SpareBank 1 Sør-Norge has a solid loan portfolio.
- The loan portfolio consists mainly of small and medium-sized loans.

Loan portfolio distributed by risk class



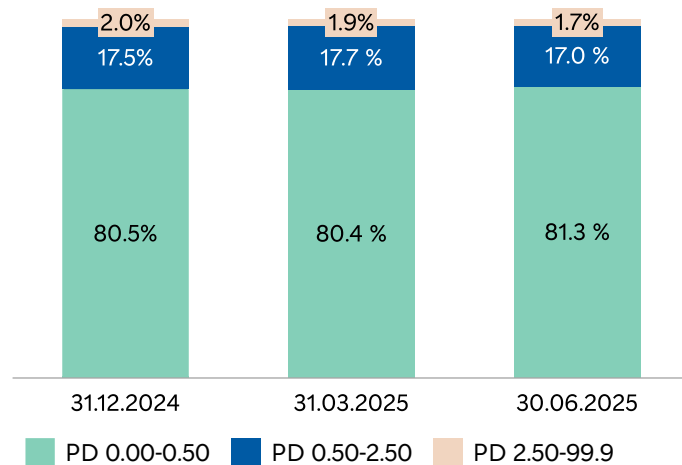
Loan portfolio distributed by size of loan



Risk profile – loan portfolio

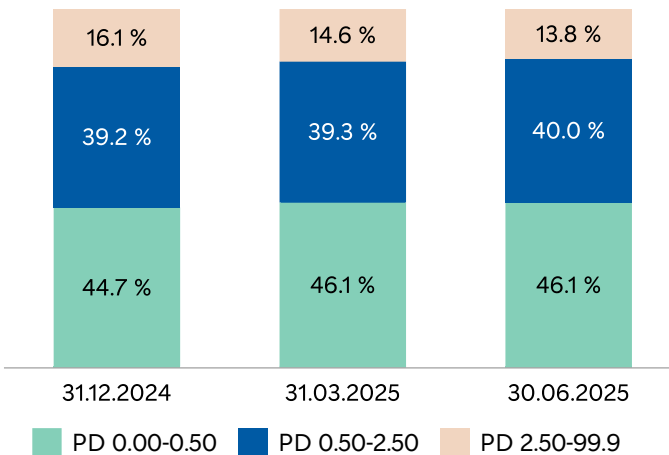
- Portfolio distributed by risk class

Retail



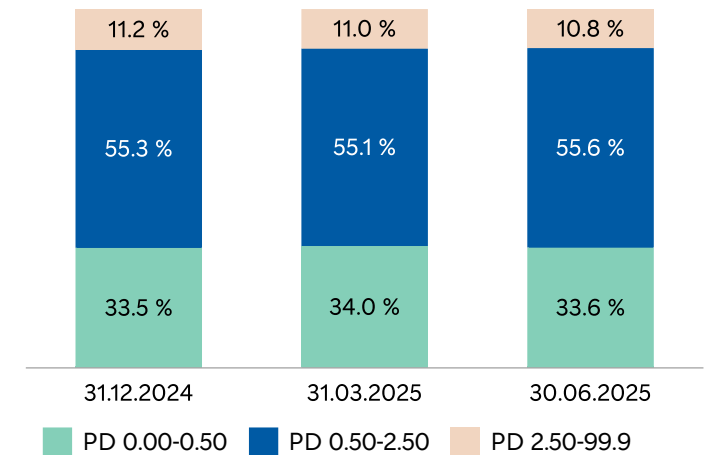
- The quality of the retail market portfolio is considered to be very good and has low potential losses.
- The low risk profile is achieved through prudent customer selection and requirements for moderate LTV. Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.

SME & Agriculture



- The quality of the SME and Agriculture market portfolio is considered to be good.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

Corporate



- The quality of the corporate market portfolio is good.
- There is a clearly defined framework that sets limits on what is funded and conditions for particular funding purposes. This ensures a robust portfolio.

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

Impairments on loans and financial commitments

Impairments on loans and financial commitments in the income statement

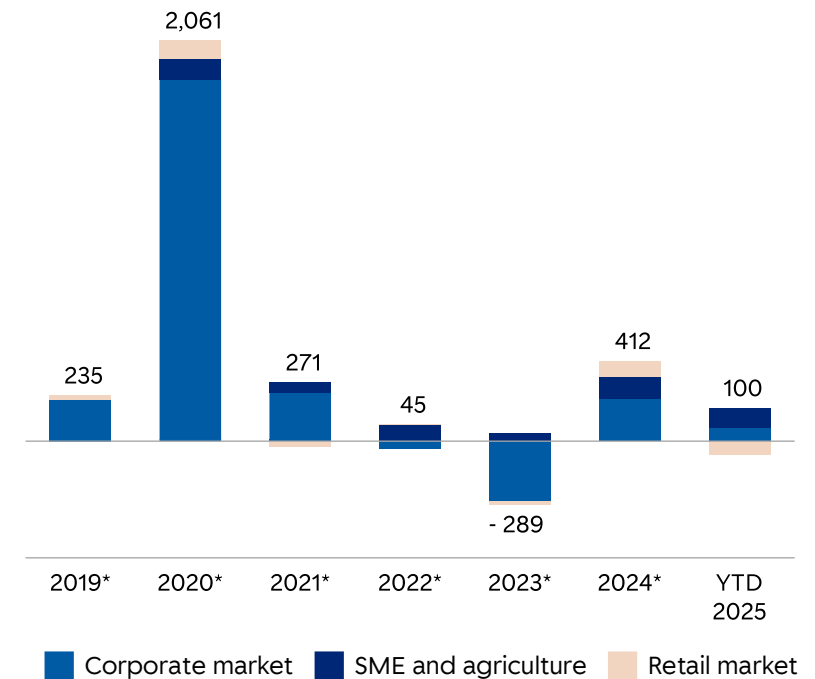
(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Corporate Market	33	37	85	86	83
SME and agriculture	52	48	- 35	85	- 12
Retail market	- 8	- 62	41	- 5	27
Total impairments	76	23	90	166	98

Impairments on loans and financial commitments in the balance sheet

(MNOK)	Q2 2025	Q1 2025	Q4 2024	Q3 2024*	Q2 2024*
Corporate Market	852	848	873	923	918
SME and agriculture	554	515	495	503	422
Retail market	234	248	313	254	266
Total impairments	1,639	1,611	1,681	1,680	1,606

*Pro forma

Impairments on loans and financial commitments in the income statement (MNOK)

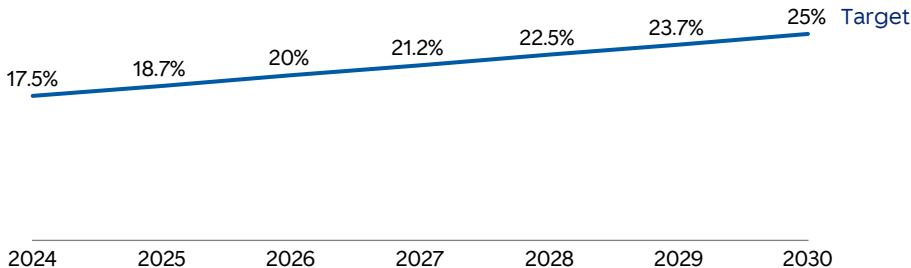


APPENDIX

- 1) Macro
- 2) Loan portfolio
- 3) Risk
- 4) **SB1NO**

Sustainable financing

Target: Sustainable lending constitutes 25% of the group's total lending volume by the end of 2030*



Retail market

- Green residential buildings
- Green car loans

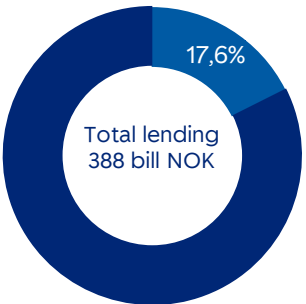


Corporate market

- Lending to the corporate market which qualifies as sustainable according to the internal sustainable product framework
- Sustainability-linked lending

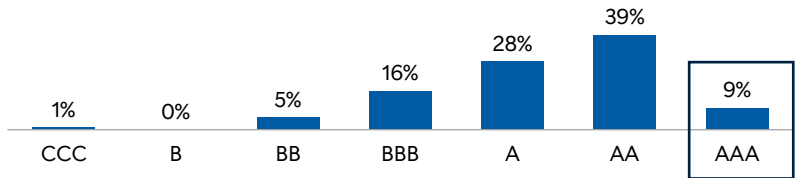


Sustainable lending constitutes 17.6% of total lending volume



SpareBank 1 Sør-Norge among top 9 % of banks globally

MSCI has maintained SpareBank 1 Sør-Norge's AAA ESG rating



(MSCI ACWI Index constituents, Banks, n=203)

*Sustainable lending according to the internal sustainable product framework

SpareBank 1 Sør-Norge ASA

Parent bank

SR-Boligkreditt

Covered Bond Funding

SpareBank 1 Sør-Norge ForretningsPartner

Accounting and advisory

EiendomsMegler 1

Sør-Norge

Real estate agency

FinStart Nordic

Investmentportfolio FinTec

EiendomsMegler 1

Sørøst-Norge

Real estate agency

EiendomsMegler 1

Telemark

Real estate agency (51 %)

Owners of the alliance

- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding

Owners of SB1 Gruppen

SpareBank 1
Nord Norge

19.5%

SpareBank 1
SMN

19.5%

SpareBank 1
Østlandet

12.4%

Samarbeidende
Sparebanker AS

19.5%

LO

9.6%

SpareBank 1 Gruppen

19.5%

SpareBank 1
Forsikring AS

100%

Fremtind
Holding AS

51.0%

SpareBank 1
Factoring AS

100%

SpareBank 1
Spleis AS

100%

LOfavør AS

49.0%

Kreditor AS

69%

BN Bank

42.5%

SpareBank 1
Markets

35.1%

Kreditt-
banken

23.3%

SpareBank 1
Forvaltning

42.0%

SpareBank 1
Betaling

26.7%

SpareBank 1 Utvikling DA

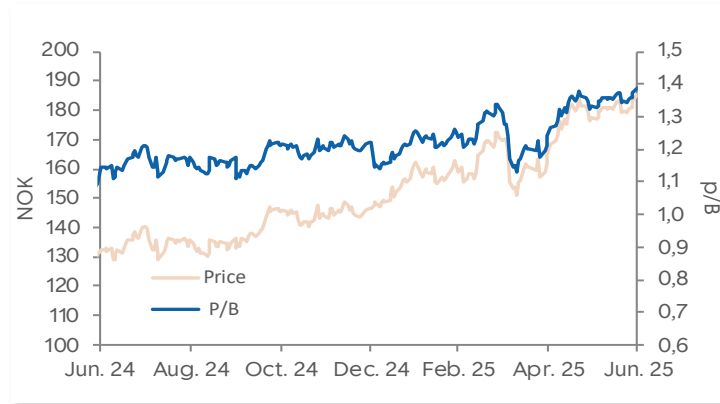
Balance sheet

Balance sheet (MNOK)	30.06.2025	30.06.2024*
Cash and balances with central banks	819	196
Balances with credit institutions	20,959	13,677
Loans to customers	386,104	360,335
Certificates and bonds	73,891	70,572
Financial derivatives	11,042	15,049
Shares, ownership stakes and other securities	2,475	3,190
Investment in associates	8,157	7,664
Other	9,973	6,734
Total assets	513,420	477,417
Balances with credit institutions	2,748	3,564
Deposits from customers	223,293	212,687
Listed debt securities	192,777	170,916
Financial derivatives	8,646	12,569
Other liabilities	4,860	3,802
Senior non-preferred bonds	22,891	21,898
Subordinated loan capital	5,774	4,976
Total liabilities	460,989	430,412
Total equity	52,430	47,004
Total liabilities and equity	513,420	477,417

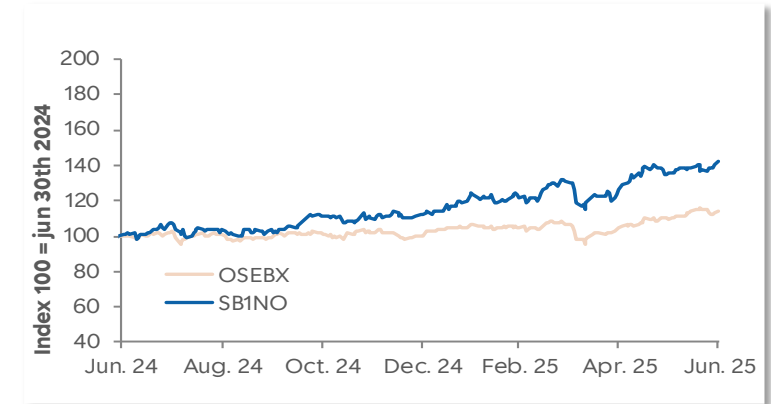
*Pro forma

- International ownership is 16.1% per 2. quarter 2025
- Total market value at 2. quarter 2025 is NOK 69,6 billion

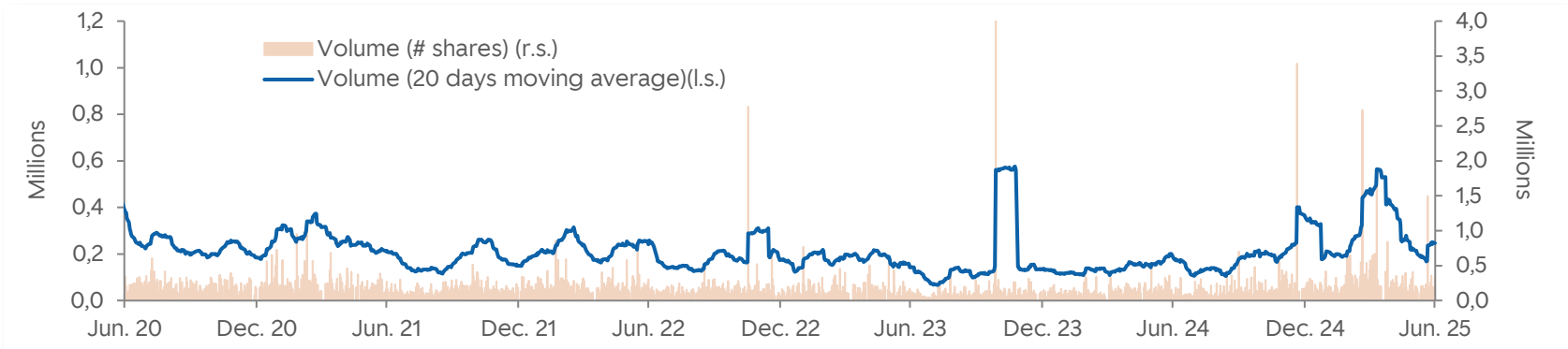
Development in Price/Book



Relative share price development



Trading volume development



- Number of shares issued
375.46 million
- Trading volume in Q2 2025:
5.0% (4.0%)

SB1NO	30.06.2025	2024	2023	2022	2021
Share price	185.40	146.60	128.90	120.70	133.20
Stock value (MNOK)	69,610	55,042	34,064	30,869	34,066
Book value per share (incl. Dividends) (group)	129.00	128.77	115.07	106.32	99.05
Earnings per share	8.60	13.08	16.27	12.88	12.08
Dividend per share	-	8.50	7.50	7.00	6.00
P/E	10.69	11.21	7.92	9.37	11.03
P/BV	1.44	1.14	1.12	1.14	1.34

Figures in parentheses as at 30 June 2024.

20 largest shareholders as at 30 June 2025

- Ownership interests:
 - International: 16.1% (20.7%)
 - 10 largest: 55.1% (50.5%)
 - 20 largest: 63.2% (58.4%)
- Number of shareholders:
24.023 (18.943)
- Employees owning
1.5% (1.8%) as at 30 June 2025

Investor	Number	Stake
Sparebankstiftelsen SR-Bank	78,677	21.0%
SpareBank 1 Stiftelsen BV	32,667	8.7%
Folketrygdfondet	25,859	6.9%
Sparebankstiftelsen Telemark	25,034	6.7%
Sparebankstiftelsen Modum	15,624	4.2%
Swedbank AB	6,736	1.8%
SpareBank 1-stiftinga Kvinnherad	6,527	1.7%
State Street Bank and Trust Co, U.S.A.	5,363	1.4%
Sparebankstiftelsen Nøtterøy-Tønsberg	5,263	1.4%
Sparebankstiftelsen Nome	4,949	1.3%
Skandinaviska Enskilda Banken AB	3,845	1.0%
Verdipapirfondet Alfred Berg Gambak	3,598	1.0%
J.P.Morgan SE, Luxembourg	3,361	0.9%
J.P.Morgan SE, Luxembourg	3,099	0.8%
Verdipapirfondet KLP AksjeNorge	3,046	0.8%
JPMorgan Chase Bank, N.A., London	2,987	0.8%
Pareto Aksje Norge Verdipapirfond	2,931	0.8%
Verdipapirfond Odin Norge	2,836	0.8%
State Street Bank and Trust Co, U.S.A.	2,626	0.7%
Spesialfondet Borea Utbytte	2,437	0.6%
Top 5	177,861	47.4%
Top 10	206,698	55.1%
Top 20	237,464	63.2%

Figures in parentheses as at 30 June 2024.

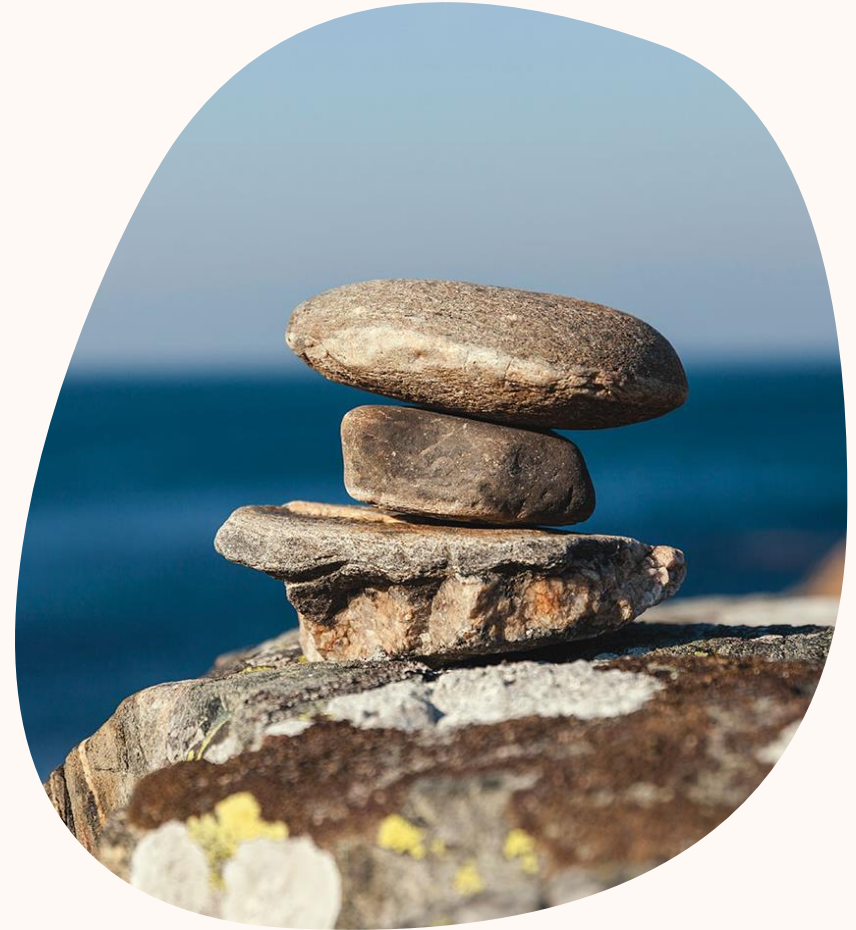
Disclaimer

This presentation contains forward looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 Sør-Norge believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 Sør-Norge include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 Sør-Norge has undertaken to revise these forward looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.



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