ANNUAL REPORT 2024

200 years

Indbydelse til Oprettelsen af en Sparebank i Christianssand.

I flere af Norges Byer er allerede Sparebanker med Held oprettede. Uden Tvivl vilde en saadan Indretning ogsaa paa dette Sted være høist gavnlig og bidrage til Arbeidsomhed og nyttig Anvendelse af smaa Summer, som ofte, af Mangel paa et sikkert Opbevaringssted og Anledning til at gjøre dem frugtbringende, paa en mere eller mindre letsindig og skadelig Maade bortødsles. Undertegnede tro derfor at gaa vore Medborgeres almindelige Ønske imøde, idet vi herved give os den Ære at foreslaa og indbyde til en Sparebanks Oprettelse i Christianssand, efter en saadan eller en lignende Plan, som er antaget paa andre Steder i Riget for deslige Indretninger. Vi holde os overbeviste om, at Enhver af vore Medborgere, der besidder Evne dertil, vil i Forhold til samme velvilligen bidrage til at sammenskyde det Fond, som vil være fornøden til Bestridelsen af Indretningens uundgaaelige Udgifter, der, da Bestyrelsen fra Forstanderes, Directeurers og Revisorers Side vil blive aldeles gratis, fornemmeligen vil komme til at bestaa i Anskaffelsen af de fornødne Protocoller og Skrivmaterialier, Løn til en Bogholder og mulige Tab ved Renter, forsaavidt de indskudte Capitaler ei altid strax kunne gjøres frugtbringende. Ligesom herved ærbødigst indbydes til Subscription i denne Henseende, saaledes skulle vi nærmere give os den Ære at forelægge vore Medborgere Subscriptions-Lister.

I Overensstemmelse med hvad der er bestemt for Sparebanken i Christiania ville alle de, som bidrage idetmindste 20 Spd. paa engang eller 4 Spd. aarlig i 5 paa hinanden følgende Aar, blive Indretningens Forstandere og have Stemmeret i dens Anliggender. Ligeledes ville de, der tegne sig for 4 Spd. aarlig paa ubestemt Tid, være Forstandere, saalænge de yde dette aarlige Bidrag, og skeer det i 5 paa hinanden følgende Aar, ere de permanente Forstandere. Iøvrigt vil ethvert nok saa lidet Bidrag enten paa engang eller aarlig med Erkjendtlighed vorde modtaget.

Christianssand den 4de Mai 1824.

Schmidt,	*Hansen,*	*G. Thilesen,*	*Johnson,*
Stiftsoverrets-Assessor.	Raadmand.	Brigadeadjutant.	Ingenieurlieutenant.

SPAREBANKEN SØR

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1 THIS IS SPAREBANKEN SØR

Chapter 1 – This is Sparebanken Sør

1.1 The Bank's 200-year history

Banking has a long history, dating back to Assyria and Babylon, and later to ancient Greece and the Roman Empire. The modern form of banking can be traced back to Renaissance Italy, where banks owned by the Bardi, Peruzzi, and Medici families dominated the economy. Just a few years before Giovanni Medici legitimised the family by establishing its own bank, no fewer than five members of the Medici family had been sentenced to death for serious crimes. Over the next three hundred years, the family, through its bank, played a dominant role in the Italian Renaissance, including securing the appointment of four Medici popes. Banking brought influence!

Two hundred eventful years

Credit in old Norway was about friendship, acquaintance and kinship. When the savings banks emerged in full force in the early 19th century, fifty years before commercial banks, they had an educational role, encouraging people to save for greater financial security in times of illness and old age. The savings banks also played a central role in the self-governance and financing of local communities. Over time, the savings banks evolved into professional intermediaries of credit, helping to create a society where more people could finance investments in agriculture, industry, trade, and shipping. This opportunity to finance loans became a momentum in building the modern Norway.

Sparebanken Sør celebrated 200 eventful years in 2024. The Bank's history is long and filled with transitions, mergers, crises, and economic upswings. Its earliest roots trace back to Christianssands Sparebank, which was founded on September 11, 1824. One hundred years later, Wilhelm Krag captured the spirit of the city's people when, in the Bank's centennial publication, he described those who had taken the initiative to establish the Bank through an advertisement in the local newspaper of the time.

"Who had written that advertisement? What were the names listed below it? Surely, it must have been the town's most prominent citizens, only people from Christianssand inviting others to establish Christianssand Savings Bank? However, there was not a single local resident among the signatories; they were all outsiders — three from Eastern Norway and one Dane — but not a single native son of the town. This is remarkably striking, though certainly not a coincidence. It was neither the first nor the last time that outsiders dared to take the initiative and move forward, while the locals, with their inborn and deeply rooted skepticism, held back. They preferred to wait and see how things would unfold; they were so afraid of being ridiculed. Nothing was more unsettling to them than the thought of 'jumping into the sea with a top hat on'."

— *Wilhelm Krag*

After Christianssands Sparebank, Arendals Sparebank followed, opening for the first time on October 1 the following year — the same day King Karl Johan laid the foundation stone for the Royal Palace in Oslo. Arendals Sparebank played an important role in building the city, financing, among other things, the old town hall and what is today Arendal Upper Secondary School.

The Arendal crash reshaped the Banking industry

In the mid-19th century, Arendal was the largest shipping city in Northern Europe, and there was a lot of money to be made. This created room for speculation, and many took out loans to invest.

At the time, Axel Herlofson was one of Arendal's largest shipowners and landowners. In 1874, he founded Arendals Privatbank, a bank where he was the manager. To secure funds, he gradually began a series of frauds and embezzlements. As his need for capital escalated, he fell into a downward spiral, borrowing money both from his own bank and other banks. In 1886, everything came to an end. Herlofsen was exposed, and the debt was colossal. Together, he and his brother had accumulated NOK 12.5 million in debt — equivalent to nearly 50,000 average annual salaries at the time. Adjusted for today's value, this would amount to approximately NOK 25 billion.

The financial collapse was a fact and had dramatic consequences for the region. All four banks in Arendal, along with numerous businesses, declared bankruptcy. Between 1,500 and 1,700 workers in the area lost their jobs. As a result of the crisis, the Norwegian Labour Party was founded in Eydehavn, and the Banking turmoil prompted the Norwegian Parliament (Stortinget) to introduce a savings bank law and establish the Savings Banks Inspectorate, the forerunner of today's Financial Supervisory Authority of Norway (Finanstilsynet). And Arendal Sparebank was the only bank to be refinanced.

Savings banks into the future

The world, Norway, and Southern Norway have changed significantly since Christianssands Sparebank was established in 1824. Two hundred years later, Sparebanken Sør is the result of mergers between more than fifty different banks from Agder and Telemark, which over time have strengthen competitiveness, and create sustainable growth and development in local communities.

In 2024, as part of documenting the Bank's history, Øyvind Raddum was interviewed. A newly retired banker, who started his career at Arendals Sparebank over fifty years ago — at just 19 years old. At that time, employees were recruited straight from upper secondary school and completed the Banking Academy while working at the Bank. Most banking tasks were performed manually; customer accounts were recorded on index cards, and interest was calculated by hand. During his half-century in the Banking industry, Øyvind witnessed a technological revolution: PCs became part of daily banking operations, postal giro payments were introduced in the early 1990s, online banking in 1995, and eventually, mobile banking transformed how people interact with their bank.

As Sparebanken Sør merges once again with another savings bank in 2025, it is part of a natural development. In 1959, Norway had 599 savings banks. By 1990, the number had dropped to 142. Today, the number of savings banks is around 80, but they are larger and better positioned for the future than ever before. The same applies to Sparebanken Sør!

1.2 Nature of the business

Sparebanken Sør is an independent financial institution whose core business is banking, securities trading and real estate brokerage activities in the counties Agder, Rogaland, Telemark and Vestfold. The real estate business is operated by the subsidiary company Sørmegleren. Non-life and personal insurance products are delivered through the insurance company Frende, co-owned by the Bank. The Bank is also a part owner of Norne Securities, a security trading company, Frende Kapitalforvaltning, an asset management company, and Brage Finans, a provider of leasing products and vendor's lien. The Bank has 30 branches, and the head office is in Kristiansand.

The Bank's branch locations are listed below

1.3 Our market

Sparebanken Sør is passionate about delivering value to our customers. The Bank serves a wide range of clients, from small sole proprietorships and private individuals to large, complex enterprises. Both the Bank and its customers have navigated successfully throughout 2024.

Retail market

Throughout the year, the Retail Market Division has continued to develop and strengthen its services for personal customers. With competent, authorised financial advisors in the branch network, there has been an additional demand for advice on personal finances and liquidity, which customers have appreciated. This is also reflected in the Bank's measurement of customer satisfaction through the EPSI survey (Extended Performance Satisfaction Index), where the Bank achieved its highest-ever score compared to its competitors. On the community engagement front, we are also receiving very positive feedback, with customers now expressing greater approval of the Bank's support for teams, associations, and community development initiatives.

Lending growth in the retail market was 4.9 percent in 2024, showing a significantly positive development compared to 2023. Total lending increased by NOK 4.0 billion, reaching NOK 86.4 billion. The growth in 2024 confirms that the Bank remains attractive to customers in its market area, successfully gaining market share. Total deposits from the retail customers also increased compared to previous years, with a growth of 5.8 percent, by NOK 1.9 billion, to NOK 34.9 billion.

The competitive situation in 2024 remained relatively stable throughout the year. The Bank experiences that the value proposition we have for retail customers is very good and attracts new customers, while we have had a stable and loyal customer base. The Bank's margins on lending and deposits remained at a solid level.

By leveraging new technology, centralising tasks, standardising products and work processes, the division is becoming increasingly efficient. In addition to continuously working on delivering strong customer experience while improving operational efficiency, 2024 has also been characterised by the work to comply with more extensive regulatory requirements related to anti-money laundering (AML), terrorism financing, and data privacy. The Bank's digital solutions are perceived as more functional and user-friendly, after further enhancements to mobile banking and online banking.

The retail market continues to experience strong demand for additional products, including insurance, savings, and financing.

The total investment in the fund portfolio increased by NOK 1.5 billion in 2024, corresponding to 26.1 percent and now has an AUM (Assets under management) of NOK 7.2 billion.

Additionally, more customers started mutual fund savings agreements in 2024, corresponding to an increase of 8.3 percent in the number of customers with (one or more) savings agreements.

Corporate market

Throughout 2024, the Bank has strengthened its position as the commercial bank in our market areas. This applies to the acquisition of new customers, but also to an expansion of additional products and services.

Lending to corporate customers increased by NOK 1.9 billion to NOK 47.4 billion in 2024, corresponding to a growth of 4.2 percent. Total deposits from corporate customers increased by NOK 3.0 billion to NOK 39.1 billion. This corresponds to growth of 8.3 percent.

The Bank’s corporate customers represent a balanced and solid portfolio and reflects the business community in the region. In addition to representing a large part of the regional business community — including large parts of the public sector — the Bank also represents a national customer segment through its agreement with Knif. This segment includes private hospitals and healthcare institutions, schools, kindergartens, church organisations, mission organisations, and children’s and youth organisations.

For corporate customers, the Bank offers non-life insurance, personal insurance and occupational pensions through Frende Forsikring AS and Nordea Liv Forsikring AS. The Bank also provides car financing through Brage Finans AS. In recent years, collaboration with Frende and Brage has been strengthened through an increased focus on financial advisory services and close cooperation between employees in the Bank and the product companies. There has been an increased focus on advice on other products, including Brage having more advisors in our market area, and by the Bank having hired more insurance advisors during 2024. Market conditions in 2024 led many customers to hedge both interest rates and currencies through Sparebanken Sør Markets. At the same time, Sørmegleren’s expansion into commercial real estate brokerage has further strengthened collaboration between the Bank and its real estate business.

The Bank’s corporate support division serves as an important center of expertise within customer service, customer onboarding, domestic and international payments, anti-money laundering (AML), cash management, and other daily banking services. The Bank continuously develops new digital solutions, and customer support for corporate clients remains a key service.

During 2024, the Bank has maintained close cooperation with trade associations in the regions. From Lyngdal in the west to Porsgrunn in the east, there has been cooperation on business seminars with current topics. During Arendalsuka (political gathering), the Bank was the facilitator and organiser of several events. The annual Sparebanken Sør Business Award generated significant interest among the business community.

The Bank has registered that, throughout 2024, many corporate customers have been impacted by increased costs and more demanding operations. Requests for adjusted repayment schedules on loans have increased, although relatively few customers have payment problems. The Bank is committed to providing good advisory services, even in demanding times.

Throughout 2024, the division has worked systematically to develop even better services for customers. Changes have been made to the organisation to ensure improved competence development and responsibility awareness. All managers have completed a six-month leadership training program, and a pilot project has been launched to enhance industry-specific expertise and service delivery. The division has also worked actively with other parts of the Bank to improve digital user solutions for our customers.

1.4 The relationship-oriented bank

This is Sparebanken Sør - We create sustainable growth and development in the region.

The world has changed since Christianssands Sparebank was established in 1824. Nevertheless, the role of savings banks remains just as important today as it was 200 years ago. Sparebanken Sør is part of a sustainable and resilient group, with the ability to change, develop and adapt. This is what makes us play the most important role in Norwegian banking and finance.

We have an unwavering belief in the savings bank model, and for 200 years, we have played an essential role in countless local communities — ensuring growth, activity, jobs, and financial security. As a savings bank, we are created by society — for society. It is the unique combination of strong profitability and strong community ownership that drives us forward and upward.

Together, we have created sustainable growth and development in the region for 200 years—and we will continue to do so for the next 200 years. In 2025, we will become bigger and stronger as we merge with Sparebanken Vest, but we will — and must — remain as close and local as we are today.

SPAREBANKEN SØR IN FIGURES

- Established in 1824 and listed on the stock exchange since 1998
- Celebrated its 200th anniversary in 2024
- Head office in Kristiansand and additional 29 branches from Bryne to Sandefjord
- 535 full-time equivalents (FTEs) in banking operations at the end of 2024
- Subsidiary Sørmegleren is the largest real estate agency in Southern Norway
- The second-largest shareholder in Frende Forsikring, Frende Kapitalforvaltning, Brage Finans, and Norne Securities
- Total assets of NOK 177 billion

- 204,100 personal customers and 18,900 corporate customers
- Listed with equity certificates and an ownership ratio of approximately 40 percent

1.5 Employees and Equality

Employees

At the end of 2024, the Bank had 535 full-time equivalents (FTEs), with a total of 637 FTEs in the Group. The sickness absence rate for the year amounted to 4.08 percent, a decrease from the previous year, where the absence rate was 4.45 percent. Both short-term and long-term absences declined.

The Bank systematically and continuously works on sick leave follow-up, with the ambition of keeping the absence rate below 4 percent.

The Bank has also made accommodations for employees with reduced functional ability. New buildings and renovations follow the principles of universal design, ensuring that facilities are accessible to all without the need for special adaptations or assistive devices.

Continuous efforts are being made to ensure that the Bank's employees have the necessary expertise. In addition to ongoing training in products, systems, procedures, and key areas such as anti-money laundering (AML), information security, and data privacy. For more detailed information on the Bank's workforce, see Chapter 4.

Equality

At the turn of the year, the Bank had a total of 558 employees, consisting of 272 women and 286 men. The proportion of women in leadership positions was 39.1 percent, up from 38.6 percent the previous year. The Bank has set a target for the share of female leaders to be between 40 and 60 percent and is working systematically with various initiatives to achieve this goal. In the Bank's governing bodies, women accounted for 42 percent of the general assembly and 50 percent of the board of directors.

The Bank has developed a dedicated policy on equality and diversity. In August 2024, the Bank was recertified for the second time in the field of equality and diversity for the period 2024–2027. The recertification process resulted in a three-year action plan with various measures to promote equality and diversity and prevent discrimination. These measures comply with the requirements set out in the Activity and Reporting Duty (ARP). The report, prepared in accordance with the Equality and Anti-Discrimination Act, is publicly available on the Bank's website under Corporate Social Responsibility.

1.6 Corporate social responsibility

Corporate social responsibility is an integral part of Sparebanken Sør's business activities. The Bank's strong local presence and ideology are based on promoting sustainable growth and development in the region. With a history spanning over 200 years, Sparebanken Sør has been a responsible social actor and a driving force for the development of local communities in its market areas.

As an employer, investor, lender, and provider of financial products and services, Sparebanken Sør has a central role in operating with sustainable growth. The Bank is committed to amplifying positive effects and minimising negative consequences for people, society, climate, and the environment. Through responsible choices and strategic priorities, the sustainability initiatives aim to strengthen the Bank's competitiveness while ensuring long-term value creation.

For more information on the Bank's sustainability efforts and subsequent topics, see Chapter 4.

Climate challenges and the external environment

Sparebanken Sør has a limited direct environmental impact, as the Bank's operations involve minimal input factors or processes that lead to pollution. However, the Bank is aware of its responsibility and annually produces a climate report to identify and reduce its environmental impact. This report includes consumption related to transport, energy use, waste, and air travel.

The greatest environmental and climate impact associated with Sparebanken Sør's activities occurs indirectly — through financing, investments, and interactions with customers, suppliers, and partners. The Bank acknowledges its role in contributing to a sustainable transition in business and society at large.

Sparebanken Sør has joined the UN Global Compact and the UNEP Principles for Responsible Banking, thereby committing to following the precautionary principle in addressing climate and environmental challenges.

Money laundering and combating the financing of terrorism

Combating financial crime, including money laundering and terrorist financing, is a core element of Sparebanken Sør's corporate social responsibility. The Bank takes this responsibility very seriously and has established a comprehensive framework of governance documents, policies, and guidelines to ensure compliance with applicable regulations. Significant resources are invested in this work to protect customers, the financial system, and society. Based on a business-oriented risk analysis, the Bank has a risk-based approach, after which adequate measures are implemented to manage the risk to which the Bank is exposed. The risk analysis is regularly updated to ensure continuous improvement and adaptation of measures in line with new trends and threats in financial crime.

Sparebanken Sør actively participates in national networks for combating financial crime and collaborates with industry players, supervisory authorities and public bodies. The Bank experiences low barriers to experience- and knowledge-sharing across the sector, which strengthens the collective efforts against financial crime. Each year, the Bank conducts in-depth reviews of a substantial number of suspicious transactions. If suspicions cannot be disproven through internal investigations, the case is reported to Økokrim (The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) in accordance with legal requirements.

Human rights

Sparebanken Sør supports and respects international human rights and labor rights in accordance with Norwegian standards and legal requirements. As a member of the Financial Industry Employers' Association, the Bank is bound by relevant collective agreements and has its own corporate agreement with employee representatives.

The Bank's operations are based in Norway, and its guidelines on human rights and labor rights are published under Corporate Social Responsibility on the Bank's website.

Ethics, conflicts of interest, whistleblowing procedures and anti-corruption measures

Sparebanken Sør sets high standards for ethical behavior and the management of conflicts of interest. Employees are expected to act with care, integrity, and in compliance with applicable norms, laws, and regulations to ensure trust, competitiveness, and a good reputation. The guidelines on ethics and conflicts of interest apply to all employees, managers, elected representatives, temporary employees, and hired consultants. These guidelines describe the handling of impartiality concerns, conflicts of interest, participation in external business activities, and trading in financial instruments. The guidelines are available on the Bank's website under Corporate Social Responsibility.

Sparebanken Sør has a zero-tolerance policy for corruption and bribery. The Bank has established anti-corruption guidelines that apply to employees, customers, and business partners, which are published on the website.

The whistleblowing procedure allows employees, customers, and external parties to report unwanted incidents or misconduct. Reports are handled by an independent external body (BDO). The procedure is reviewed annually by a working group and is easily accessible on the intranet and the Bank's website.

The Transparency Act

Sparebanken Sør is obligated under Section 5 of the Norwegian Transparency Act to report on due diligence assessments related to fundamental human rights and decent working conditions.

The report will be updated and published by June 30, 2025, under Corporate Social Responsibility on the Bank's website. This is a joint report for Sparebanken Sør and Sparebanken Sør Boligkreditt, both of which have independent reporting obligations. Sørmegleren also has an independent reporting obligation but will publish its own report on its website. Other subsidiaries are not covered by the reporting requirements under the Transparency Act.

1.7 Sustainability topics of importance

Sparebanken Sør has identified six key sustainability topics in accordance with the European Sustainability Reporting Standards (ESRS). These topics form the foundation of the Bank's sustainability reporting, reflecting the most significant impacts, risks, and opportunities related to sustainability. They are categorised into three main areas: Nature and climate, social conditions, and business activities.

Within nature and climate, E1 Climate change, E4 Biodiversity and ecosystems and E5 Circular economy have been identified as material themes. These topics address the Bank's exposure to climate risks, the importance of biodiversity, and the transition to a more circular economy for sustainable resource utilisation.

Within social matters, S1 Own workforce and S4 Consumers and end users are key. S1 focuses on equality and secure employment, emphasising fair working conditions and equal opportunities. S4 includes responsible advisory practices and measures to protect customers against financial fraud and fraudulent practices, with a strong focus on enhancing customer security and trust in financial services.

Within business activities, G1 Business Conduct is a material topic, with an emphasis on responsible corporate governance, ethical guidelines and measures against financial crime.

These six topics reflect the most relevant sustainability challenges and opportunities for Sparebanken Sør and are an essential part of the Bank's commitment to responsible and long-term value creation. For more details on the identified risks, opportunities, and impacts associated with these topics, as well as how the Group manages them, see Chapter 4.

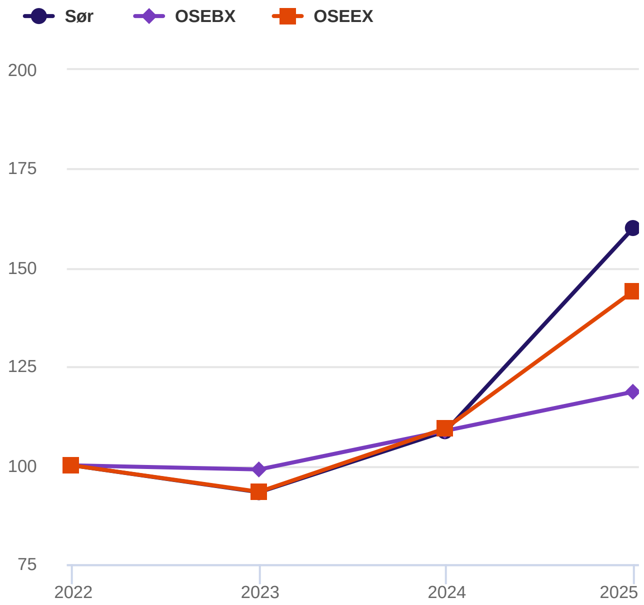
1.8 Equity certificates and dividend policy

Sparebanken Sør is an equity certificate bank, meaning the Bank has two capital classes and two ownership groups. The Bank is 60 percent self owned in the form of primary capital and 40 percent listed on the stock exchange owned by equity certificate holders. By issuing equity certificates, the Bank has the ability to raise capital when needed, while the owners of equity certificates are entitled to a share of the Bank's profit in the form of dividends, if this is distributed.

Sparebanken Sør will, through good, stable and profitable operations, ensure that equity certificate holders achieve competitive returns in the form of dividends and appreciation in the value of the equity certificates.

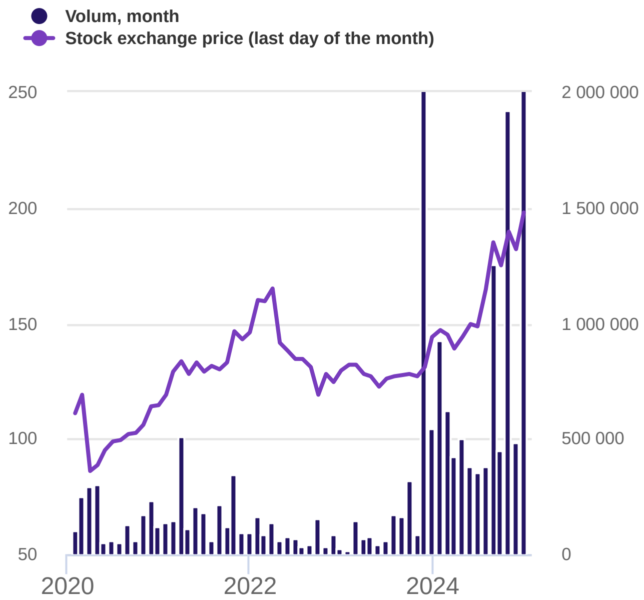
The price of Sparebanken Sør's equity certificate has shown a positive development over several years.

*Sør equity certificate price vs. OSEBX and OSEEX since the beginning of 2022**



**The SØR price in this graph is adjusted for dividend reinvestment.*

Monthly trading volume



In November 2023, Sparebankstiftelsen Sparebanken Sør carried out a partial divestment in connection with the conversion of primary capital into equity certificates. As a result, the total trading volume for the month amounted to 24 million, although this is not fully reflected in the graph above. The liquidity of the equity certificate has significantly improved following the divestment.

As of December 31, 2024, the Bank had issued 41,703,057 equity certificates, each with a nominal value of NOK 50.

Dividend Policy

An important element of the Bank's dividend policy is the equal distribution of dividends between capital classes. The profit is allocated equally between equity certificate capital (equity certificate holders) and primary capital, in proportion to their respective share of the Bank's total equity capital. This ensures that the ownership ratio remains stable. Hybrid capital (perpetual bond loans), which is classified as equity, is excluded from the ownership ratio calculation.

The Bank aims to distribute approximately 50 percent of the Group's net profit as dividends. Dividends are distributed through cash dividends to equity certificate holders, customer dividends to the Bank's customers, and donations to regional communities where primary capital has been accumulated. When determining the dividend payout, the Bank considers the potential for profitable growth, expected earnings development under normalised market conditions, external framework conditions, future needs for Common Equity Tier 1 capital, and the Bank's strategic plans.

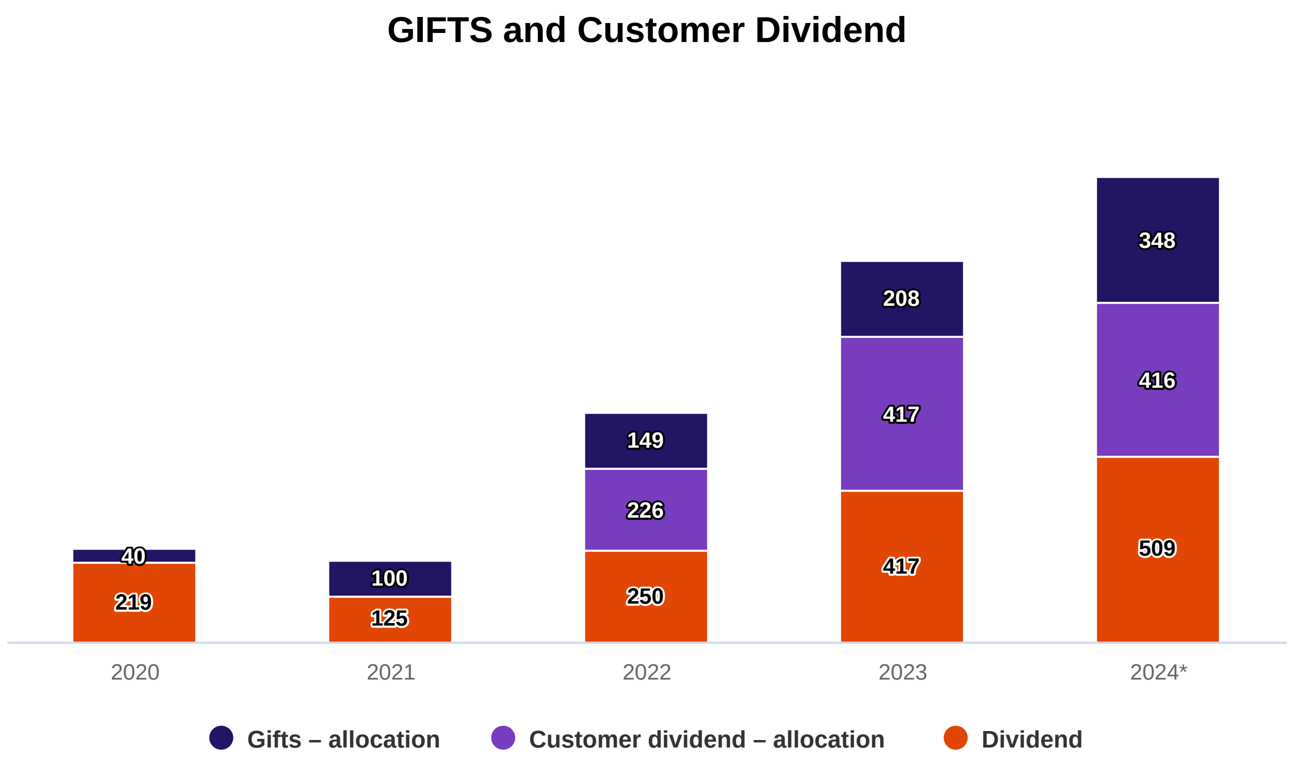
For the financial year 2024, the Board of Directors has proposed a dividend of NOK 12.21 per equity certificate to the General Meeting. This corresponds to approximately 67 percent of the Group's profit per equity certificate. As of December 31, 2024, the market price of the equity certificate was NOK 197.9. Based on this, the proposed dividend represents a dividend yield of 6.2 percent. For 2024, it has been proposed to allocate NOK 348 million to donations and NOK 416 million to customer dividends.

Community Contributions

Sparebanken Sør is a prominent and vital community stakeholder, committed to fostering sustainable growth and development in the region it serves. As the Bank is partially owned by the region, a portion of its profits is reinvested locally.

Community contributions are a strategically important focus area for Sparebanken Sør. Through the Sør Fund, the Bank provides grants for public-benefit projects that contribute to community development and strengthen the region. The Bank's giving strategy prioritises children and youth, with a significant share of the fund allocated to initiatives related to education, sports, and culture. Broad-based engagement is prioritised over niche initiatives, with support directed toward teams and organisations rather than individual participants. As the Sør Fund has grown, so has the Bank's ability to make larger, more strategic contributions. In recent years, this has resulted in substantial support for research and development in the region, including partnerships with the University of Agder.

Gift distributions have grown significantly in recent years, and if this year's proposed allocation is approved, a total of NOK 1.5 billion will have been allocated in gifts and dividends to the Sparebankstiftelsen Sparebanken Sør over the past five years. These funds have benefited, and will continue to benefit, volunteer organisations, sports clubs, cultural initiatives, educational and research institutions, and local communities.



** The proposed distribution for 2024 has been announced but has not yet been formally approved.*

Customer dividend

In March 2022, Sparebanken Sør decided to introduce a customer dividend, whereby a portion of the primary capital's dividend is distributed to the Bank's customers. The customer dividend can be awarded to both retail and corporate customers. Customers may receive a dividend based on loans of up to NOK 2 million and deposits of up to NOK 2 million. Customer dividends below NOK 100 are not paid out. Similar to community donations, the customer dividend is an important part of Sparebanken Sør's savings bank model, ensuring that customers and local communities receive a share of the Bank's profits.

For 2024, the Board of Directors has proposed allocating NOK 416 million for the distribution of customer dividends, corresponding to 0.35 percent (compared to 0.36 percent in 2023) of customers' average deposits and loans up to NOK 2 million.

In November 2024, the Savings Bank Committee presented its report (NOU 2024:22). The committee was mandated to assess the capital structure of savings banks, including the regulatory framework for customer dividends and donations for public-benefit purposes. The report proposed removing the option to distribute customer dividends.

The report was submitted for consultation with a deadline of February 3, 2025. Sparebanken Sør, along with several other savings banks, has submitted a consultation response, highlighting several negative consequences of the committee's proposal, including key reasons why customer dividends should be maintained. The Bank believes that the introduction of customer dividends, as proposed in the Banking Law Commission's report (NOU 2009:2), was a natural part of modernising the regulatory framework for savings banks.

1.9 Financial Calendar 2025

Date	Raport
February 7	Q4 2024 Quarterly Report
March 27	Annual Report 2024 / Ordinary General Meeting
April 30	Q1 2025 Quarterly Report
August 12	Half-Year Report (Sparebanken Norge)
November 6	Q3 2025 Quarterly Report (Sparebanken Norge)

Reports are generally published before the stock exchange opens, unless otherwise specified. We reserve the right to make changes to the publication dates.

SPAREBANKEN SØR

2 HIGHLIGHTS OF 2024

Chapter 2 – Highlights of 2024

2.1 The CEO reflects on 2024

2024 was an extraordinary year in every sense. It marked the 200th anniversary of Sparebanken Sør – and the year we announced our merger with Sparebanken Vest to establish Norway's largest savings bank, Sparebanken Norge. These two milestones from the past year stand in contrast to each other, yet they also reflect an evolution from a historical perspective. I will return to that shortly, but first, I would like to begin with the solid banking operations that form the foundation of who we are and everything we do.

Strong growth and solid results in an uncertain world

The global landscape around us has not changed significantly from a year ago. The economy continues to be characterised by high inflation and relatively high interest rates. Although we have seen a decline in inflation from 2023 to 2024, price developments in services and Norwegian goods (excluding energy) have contributed to maintaining inflationary pressure. The timing of the first interest rate cut, and how many cuts we might see in 2025, remains uncertain.

While more customers have required assistance and sought advice, we can conclude that the retail banking market has fared reasonably well in 2024. The same can largely be said for the corporate market, although our region has also experienced several major bankruptcies and industries that have endured a challenging year. The new housing market remains flat, which has negatively impacted the construction sector.

As a leading corporate bank in the region, we aim to be a trusted advisor in challenging times, a source of stability in periods of uncertainty, and a reliable long-term partner. We are also committed to being a key driver of growth and development for the region and its business community. In 2024, we can reflect on close collaboration and valuable engagement with the business sector – through business forums in Kristiansand, Arendal, Lister, and Grenland, as a partner to numerous business associations, and as an important contributor to regional development through the Bank's endowment fund.

Throughout the year, the Bank has strengthened its leading market position in a dynamic and growing region and is today one of the most financially solid banks in Norway. Our strong focus on insurance, investment advisory services, leasing, and real estate brokerage has delivered excellent results, positioning the Bank as a leading financial institution. At the same time, Sparebanken Sør has maintained its strong commitment to green and sustainable banking, digitalisation, and new technology.

In 2024, Sparebanken Sør delivered solid financial results driven by strong growth in operating income, solid contributions from associated companies, low costs, and continued modest losses. Robust growth in both lending and deposits contributed to an increase in net interest income throughout the year. Combined with highly efficient cost management, this has resulted in the best financial performance in the Bank's history.

2024 in Highlights

I will soon share more about what was undoubtedly the biggest news of the year, but first, I would like to summaries some other key events from 2024.

- **2024 marked the Bank's 200th anniversary.** We celebrated this milestone with birthday events and gift distributions at our branches, numerous interviews highlighting the Bank's history, anniversary concerts for the public, and a special employee gathering in honor of the anniversary.
- **2024 was the year of significant anniversary gifts to the region.** With NOK 208 million allocated to our endowment fund, we had the opportunity to provide strategically important contributions from the Sør Fund to the region in 2024. One of the most exciting was nearly NOK 19 million to NFF Agder's initiative to promote girls' football.
- **2024 saw a near doubling of our paid customer dividend.** In the second year of distributing customer dividends, we nearly doubled the payout – from NOK 226 million to NOK 417 million – directly from the Bank's profits back to our personal and business customers.
- **2024 was the year our customers finally received Apple Pay.** Many of our customers have long requested Apple Pay. We had held back for good reasons, but in August, we finally gave the green light, and the response from our customers was overwhelmingly positive.
- **2024 brought a significant improvement in the EPSI survey.** Customer satisfaction reflects how well we meet our customers' expectations, demands, and needs. Therefore, the strong improvement in our EPSI results in 2024 was a powerful validation of the work we do.

Sparebanken Norge in the making

"We aim to become Norway's best savings bank." That was our message to customers, employees, society, and the capital markets when we announced on August 28, 2024, that Sparebanken Sør and Sparebanken Vest will merge to form Norway's largest savings bank, Sparebanken Norge. The response exceeded our expectations – from both employees and the broader community. We have made a strong start to the integration process, with a well-structured integration program and high levels of engagement from all

employees – all while our retail and corporate banking divisions have maintained momentum, delivering strong results and growth for our customers throughout the period.

The trends driving structural changes in the Banking sector have been visible for some time, but the past year marked a clear acceleration. Larger strategic mergers are reshaping the competitive landscape, with more consolidations expected. These structural changes, combined with increasing regulatory and technological complexity in the years ahead, present a historic opportunity for Sparebanken Sør and Sparebanken Vest.

It is no coincidence that Sparebanken Sør and Sparebanken Vest have chosen to join forces. Both banks have consistently demonstrated that while efficient banking operations are essential, our ultimate goal is to create value for the regions we serve. Each bank brings more than 200 years of history, and through changing times, both have remained firmly committed to the savings bank model. Together, we will create even greater strength and continue on our strategic path.

We share the same ownership structure, a joint focus on customer dividends, and have developed common product companies. The defining characteristic of both banks is our strong and visible commitment to the development of our regions. None of this is coincidental, but the result of systematic efforts over time. This is precisely why we are well-positioned to build Norway's largest and best savings bank.

200 new years in the region

In last year's annual report, I concluded with the following sentence: "…we embark on 200 new years as the region's largest and best bank." The establishment of Sparebanken Norge ensures that this ambition is more relevant than ever.

Steady, engaged and future-oriented!

Geir Bergskaug
CEO

2.2 Highlights of the anniversary year of 2024

On 11 September 1824, Christianssands Sparebank was founded. Two hundred years and dozens of mergers later, Sparebanken Sør proudly celebrated its anniversary in 2024. Like other Norwegian savings banks, the Bank has weathered many challenges: the Arendal crash, two world wars, the dissolution of the union, banking crises, financial crises, and a pandemic. Two hundred years later, the Bank remains strong and resilient, demonstrating an exceptional ability to adapt and endure. Sparebanken Sør's contribution to socially beneficial growth and development has always been, and will always remain, the foundation of our mission as a savings bank. The Bank was created by, and has grown in step with, the society it serves – a tradition we will continue for the next 200 years!

The 2024 anniversary year was marked, communicated, and celebrated in true savings bank tradition:

Our history, told by those who shaped it

The Bank's role in the past, present, and future was documented and shared through interviews with people who have experienced and understood the Bank from various perspectives. Customers, employees, key community stakeholders, and grant recipients shared how Sparebanken Sør has supported and developed local communities, contributed to regional growth, and stood by individuals and businesses through both prosperous and challenging times.

Significant Contributions to the Region and Local Communities

An important part of last year's anniversary celebrations was the allocation of grants aimed at strengthening the region the Bank is part of and where its capital has been built. Major anniversary contributions to the Tømmerrenna in Vennesla, the training ship Sørlandet, school bands across the region, and the large-scale investment in girls' football from Bryne to Sandefjord are clear examples of the savings banks' commitment to public benefit.

A Celebration for the entire Region

Turning 200 years old calls for a proper celebration – and Sparebanken Sør marked the occasion together with residents across the region. Speeches and slices of cake were shared with both customers and residents at all the Bank's branches, along with three magical anniversary concerts in Kristiansand, Arendal, and Mandal – a gift to the community. In November, the Bank's employees celebrated with a memorable staff gathering in full anniversary spirit!

2.3 Framework Conditions for 2024

The Norwegian economy

The year 2024 has been characterised by persistently high interest rates, a record-weak Norwegian krone, and strong wage growth, but also by inflation approaching the target rate. The global unrest caused by the aftermath of the pandemic and Russia's aggressive warfare is gradually coming under control. In most countries, key interest rates were cut several times in 2024. Norway stands out as an exception, maintaining interest rates at their highest level.

Key reasons for this include strong wage growth (5.2 percent in both 2023 and 2024), a significant depreciation of the currency, high activity in the petroleum sector due to the oil tax package introduced during the pandemic, and robust public sector activity driven by the phased use of the Government Pension Fund Global.

Housing prices increased by 6.4 percent nationwide in 2024, approximately in line with the Bank's main market areas (6.6 percent in Agder and 6.3 percent in Telemark). The Bank considers the housing market in its core regions to be relatively stable and balanced.

The annual growth in domestic gross debt to the public (K2) remained consistently low throughout 2024, amounting to 3.3 percent at year-end (compared to 3.7 percent in 2023). Credit growth to households and businesses was 3.7 percent and 1.3 percent, respectively.

Developments in the financial markets

Credit spreads for bond financing of the types used by the Sparebanken Sør Group declined over the course of 2024. For many types of financing, spreads reached their lowest levels since the surge following Russia's invasion of Ukraine in 2022. However, credit spreads for covered bonds (OMF) increased slightly towards the end of the year in both Norwegian and European markets. During 2024, Sparebanken Sør issued hybrid capital, subordinated loans, senior non-preferred bonds, senior preferred bonds, and covered bonds.

Regulatory Framework

In November 2024, the Savings Bank Committee presented its report. The purpose of appointing the committee was for the Ministry of Finance to assess the capital structure in relation to preserving the unique characteristics and societal role of savings banks. One of the key objectives of the report was to ensure that savings banks continue to have equity instruments of sufficiently high quality to absorb potential losses, in line with the European capital requirements framework.

However, the committee disregarded this objective and instead proposed solutions to problems that do not exist. The committee recommended weakening the position of community capital (primary capital), simplifying the process of converting savings banks into commercial banks, and removing the option for customers to receive dividend payouts. Collectively, these are intrusive and unnecessary measures that, if implemented, would undermine the 200-year legacy of savings banks. The way the government and the Norwegian Parliament choose to follow up on the committee's report will be of critical importance.

2.4 Outlook

The prolonged high key policy rate has had an impact, and the interest rate-sensitive parts of the economy have significantly cooled down. Investments in mainland businesses are declining, and households are opting to wait on the sidelines with very high financial savings instead of investing in real capital (houses, cabins, cars, boats, etc.).

Interest rates are expected to fall in 2025. With households' strong net financial savings in 2024 and the pentup demand for new homes and other capital goods, the housing market, in particular, is expected to gain momentum if Norges Bank lowers the key policy rate. This will have a positive and much-needed effect on the construction industry, which has faced several tough years.

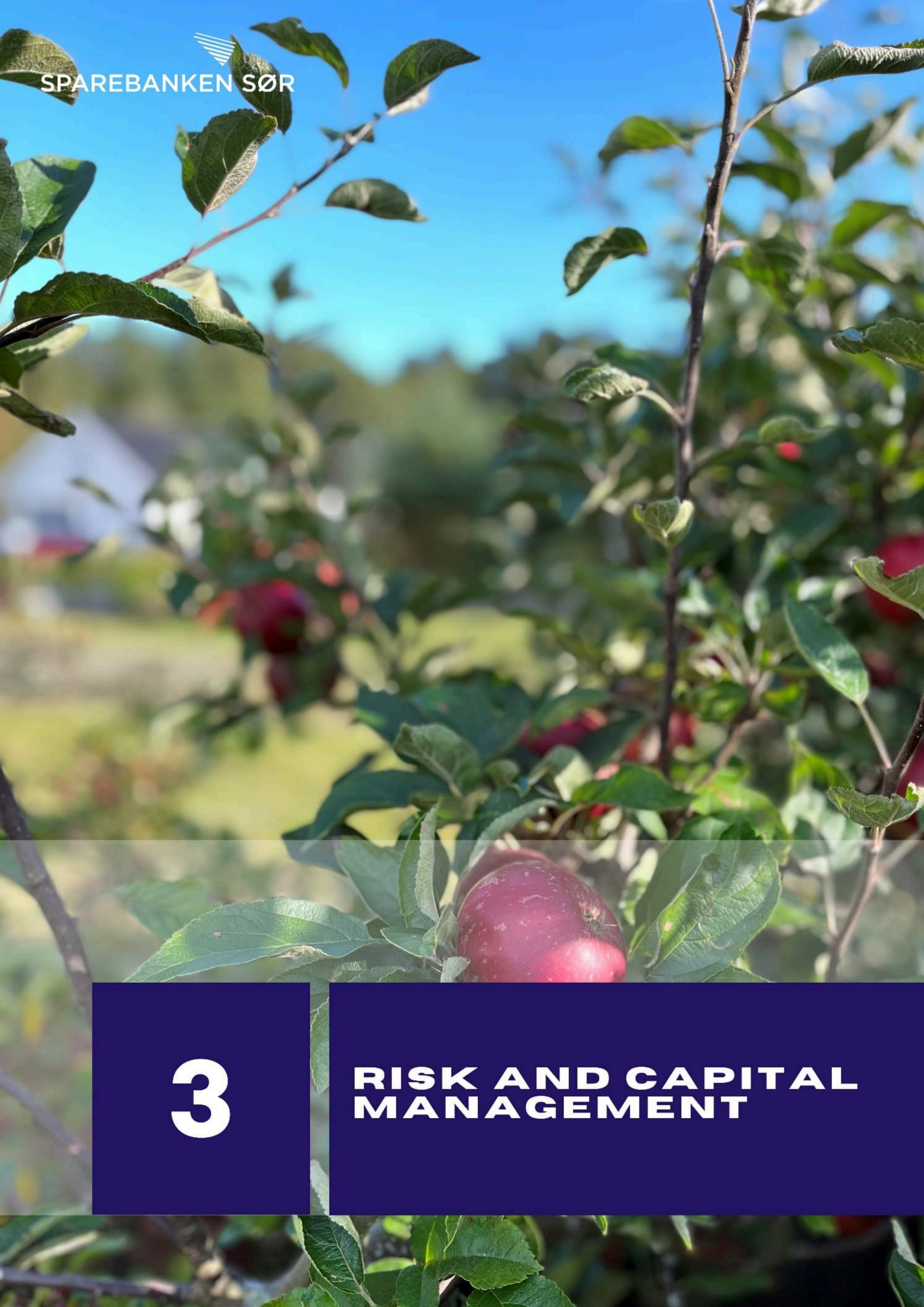
When the markets for housing and other capital goods experience increased activity in 2025, it may limit further reductions in the key policy rate.

At the same time, we face growing global uncertainty, with a new presidential administration in the United States, unresolved conflicts in Ukraine and the Middle East, and tense relations between China and the West. These factors could negatively impact the economy.

The Group has board-approved guidelines that ensure refinancing in the bond market is normally carried out well before final debt maturity. This has contributed to a solid financial position. The Group has low risk in its lending portfolio and high loss-absorbing capacity through a high equity ratio. The Group operates very costeffectively and maintains strong underlying performance.

The Group has a long-term ambition for loan growth exceeding credit growth (K2) and a target of a return on equity above 12 percent.

On 2 October 2024, the General Meeting decided to merge Sparebanken Sør with Sparebanken Vest. The planned merger is a strategic initiative to strengthen market position. The new bank will be called Sparebanken Norge and aims to serve the entire country. The merged bank will gain significantly enhanced competitiveness and be able to offer a broader range of products and services to our customers. Konkurransetilsynet (The Norwegian Competition Authority) raised no objections to the merger and has cleared its execution. Subject to approval by Finanstilsynet (FSA), the legal merger is planned for 2 May 2025. The Board expects the merger to contribute to increased efficiency, robust earnings, and even better customer experience. The merger will also strengthen the Bank's solidity and position us well to meet future regulatory requirements.



3 RISK AND CAPITAL MANAGEMENT

Chapter 3 – Risk and capital management

3.1 Risk culture and organisation

Banking operations involve exposure to various types of risk. The objective is not to eliminate risk, but to ensure that it is properly assessed and accurately priced. Risk represents a cost, which in the Banking context typically manifests as losses, increased operating expenses, and capital requirements, but it can also be perceived as lost income. Calculated risk means that there is an assessed probability of the risk materialising. If the risk materialises, it must be priced in a manner that offsets the cost of the risk.

Risk culture is a critical factor in achieving the desired level of the Bank's risk management, and is also the foundation on which other elements of comprehensive risk management are based.

The Bank's risk management is based on a good practice combined with a good theory, and the Bank must have a culture to assess and deal with risk in all contexts. The Bank will develop and maintain a good risk culture through communication, information and training about the Bank's strategy, activities and desired risk profile.

Active risk management means that risk evaluation is an integral part of the evaluations made in both the first and second lines. The Bank must practice sound risk management and have good systems that support risk management. The Bank's risk management must be structured in such a way that both risk exposure and the Bank's risk management meet established management objectives.

Management objectives have been set for the Group's overall level of risk, as well as specific management objectives for each individual area of risk. There is an established system and structure for measuring, managing, monitoring and controlling risk. The Group's exposure to risk and capital adequacy is followed up through periodic reports.

The overall guidelines for the Bank's risk management and limits on risk exposure are assessed and established annually by the Board of Directors in conjunction with maintenance of the Bank's internal strategy and governing documents. The Board of Directors establishes frameworks for risk appetite, including specified management objectives and limits on risk tolerance for the various categories of risk such as credit risk, market risk, liquidity risk and operational risk

The most significant risk factors can be grouped into financial risk (which includes credit risk, market risk (relating to the Bank's exposure in the interest rate, foreign currency exchange and stock markets) as well as liquidity risk), operational risk (including compliance risk, money laundering risk, ICT risk, cybersecurity risk and modelling risk), as well as strategic and business risk. The Bank is also exposed to ESG (Environmental, Social and Governance) risk, which is linked to climate and the environment, social conditions and corporate governance. This is not a standalone risk, but a risk that must be evaluated in the context of other risks, for example credit risk and operational risk.

Strategic risk relates to the strategies, plans, and changes that the Bank has implemented or is planning to implement. Business risk refers to the risk of unexpected fluctuations in income or expenses due to external factors such as economic cycles, competitive conditions, customer behavior, lack of business development, and regulatory changes imposed by public authorities. Reputational risk is the risk of reduced earnings or access to capital due to a loss of trust and reputation in the market. Reputational risk is considered a part of business risk.

The Bank has an ongoing process linked to monitoring and assessment of the various risk factors. Internal control processes are performed in accordance with relevant regulations for all main business areas. The Bank's Group management regularly processes cases relating to risk management and provides the Board's risk committee with periodic reporting.

The Bank's management and control of risk has to be on a par with comparable banks, and the Bank's aim is to have low risk exposure. Developing and improving the Bank's risk management is a continuous process. The view of the Board is that the Bank's risk management works well.

3.2 Low credit risk

Credit risk is the risk of loss arising from a counterparty's failure to meet its contractual obligations. In a lending relationship, credit risk arises when the borrower fails to comply with the loan agreement, and the established collateral does not cover the exposure. Credit risk is the Group's most significant risk and the risk that requires the highest capital allocation.

Concentration risk is a form of credit risk arising from the potential for losses due to significant exposure to a single counterparty or groups of related counterparties (large exposures), counterparties operating within the same industry (industry concentration), or within the same geographic area (geographic concentration). The Bank currently maintains a well-diversified portfolio in terms of geography, customer segments, and industries.

The Group applies the standardised approach for calculating risk and capital. In addition, the Bank regularly assesses whether there are other aspects of the Bank's credit risk that warrant capital allocation for risks not covered by the standardised approach.

The Board of Directors has overall responsibility for the Bank's credit activities and is responsible for establishing the Bank's credit strategy and credit policy. The Board has defined objectives and guidelines, as well as quantitative limits that specify boundaries and tolerance levels for risk. The Risk Management Division operates an independent risk control function that identifies, measures, assesses, and reports significant credit-related risks.

The Bank's risk classification system is used both in the credit assessment process and for the ongoing monitoring of risk at the portfolio level. Customer classification is based on the probability of default within a 12-month period, with the probability calculated using various internal and external financial data. Scorecards are used to assign customers to 10 different risk classes, in addition to a separate risk class for defaulted exposures. The development of risk within the portfolio is continuously monitored and followed up.

The Bank's credit risk is intended to maintain a "Moderate" to "Low" risk profile, with a moderate overall concentration risk. The Bank's total credit risk should be in line with comparable banks.

3.3 Rating

To utilise the opportunities for funding, both internationally and from various investors, the Bank has an international rating from Moody's, one of the world's most respected rating agencies. In addition to the fact that the rating outcome is of value to the Bank, the Board also considers the actual rating process and maintenance of the rating to be of value in terms of raising the quality of various processes and procedures.

Sparebanken Sør has a long-term credit rating of A1. In September 2024, Moody's confirmed the A1 rating and revised the outlook from "Stable Outlook" to "Positive Outlook" due to the planned merger.

All covered bonds issued by Sparebanken Sør Boligkreditt AS are rated by Moody's and hold an Aaa rating. Since June 2023, Sparebanken Sør Boligkreditt AS has been assigned an A1/Prime-1 issuer rating by Moody's, in line with the rating assigned to the parent bank. As of the end of 2024, Sparebanken Sør Boligkreditt AS holds an A1 rating with the same outlook as the parent bank.

3.4 Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its obligations nor is it able to finance ordinary lending growth and its assets, and that financing cannot be obtained without creating significant extra costs or causing significant price falls for assets that need to be realised. Liquidity risk can arise when events in the financial markets mean that regular financing cannot be established.

Liquidity risk is managed through the Group's liquidity strategy, overarching and Board-approved risk tolerance levels and limits. Key operational management parameters are the requirement for the deposit-to-loan ratio, the long-term funding indicator and the stress indicator for liquidity disposals within 30 days, as well as the guidelines for survivability in situations where there is no access to market funding. Liquidity risk is also managed by ensuring funding from the capital market with different maturities, sources of funding and instruments. Liquidity risk is periodically stress tested, and contingency and recovery plans have been established for the Group.

Deposits from customers are the Bank's largest and most stable source of funding. The Board emphasises that the ratio between customer deposits and customer loans should be aligned with the Group's overall funding situation. The Group's deposit coverage ratio was 55.4 percent at year-end. Sparebanken Sør Boligkreditt AS serves as an important financing instrument for the Group, ensuring access to long-term funding through the issuance of covered bonds. To issue covered bonds, approximately 70 percent of total retail mortgage loans were transferred from the parent bank to the mortgage credit company in 2024.

The Board-approved risk tolerance levels for the Bank's liquidity risk are based on guidelines provided by the Financial Supervisory Authority of Norway. As of year-end, the liquidity risk levels were within the Board-approved limits.

The Net Stable Funding Ratio (NSFR) was 123 percent at the end of 2024. The Group maintains a liquidity reserve in the form of liquid interest-bearing securities that meet both regulatory and Board-approved requirements for LCR holdings and liquidity stress testing. In addition, the Bank holds a buffer of residential mortgages prepared for transfer to the mortgage credit company, which can secure funding from Norges Bank through the issuance of covered bonds or through market sales.

The Bank's short-term liquidity risk is managed, among other measures, by adjusting the Liquidity Coverage Ratio (LCR). As of December 31, 2024, the Bank's interest-bearing liquidity portfolio qualifying as LCR reserves was sufficient to cover expected liquidity outflows under stress over the next 30 days with a comfortable margin. The Group's and the parent bank's LCR were 199 percent and 162 percent, respectively, as of December 31, 2024. The Group's liquidity risk is reported to the Board periodically.

3.5 Concentration risk

Concentration risk is a credit risk constituting the risk of loss due to a large combined exposure to a single counterparty, groups of related counterparties (large exposures), counterparties operating in the same sector (industry concentration) or geographical area (geographical concentration). The Bank today has a well diversified portfolio both in terms of geography, customer segments and industries.

The Bank must maintain a moderate combined concentration risk. Although additional risk due to debtor concentration does exist, it does not, in the Bank's opinion, represent a significant risk for the Group. This is a result of low exposure when considering the quality of the collateral.

The greatest concentration risk facing Sparebanken Sør relates to "Real estate". This part of the portfolio will thus be exposed to risk factors that affect property companies specifically. These risk factors are primarily vacancy, rental prices and interest rates. The latter is a general macro-variable, but property companies are more heavily exposed to interest rate levels than many other sectors because they are highly leveraged and because property is an asset with a longevity. Similar reasoning can be applied in relation to lessee concentration.

Individual commitments will vary considerably in terms of sensitivity to these factors, and how it therefore contributes to the portfolio's concentration risk. This depends, among other things, on tenancy, property location and type of building. In addition, the debtor's financial situation has a major impact.

The Bank has set aside additional capital under ICAAP to cover concentration risk.

3.6 Market risk

Market risk is the risk of changes in value because of changes in market prices. Market risk can be divided into interest rate risk, currency risk, equity risk, credit spread risk, basis swap risk and property risk. Financial market risk is part of market risk and is the risk of changes in the value of unsecured positions as a result of changes in market prices for interest rates, currency, shares, credit spreads and basis swaps (combined interest rate and currency swap agreements).

A separate methodology document has been drawn up setting out policies and assumptions for measuring the Group's market risk.

Sparebanken Sør shall have a low market risk and various financial instruments are used to hedge market risk that arises in connection with the Bank's ordinary customer activities and financial operations.

The Board has established risk-tolerance guide levels for investment in shares, bonds and positions in the interest rate and currency markets. Compliance with these performance targets is followed regularly and reported to the Board.

The interest rate risk limit is defined as the maximum allowable loss on uncovered interest rate positions due to shifts and twists in the interest rate curve. Interest rate risk arises from the Group's regular operations, including fixed-rate customer loans, interest rate derivatives with customers, fixed-rate investments, and fixed-rate and foreign currency financing, and is continuously managed. As of the end of 2024, the measured interest rate risk after hedging transactions amounted to NOK 90.9 million, which was within the Board-approved risk tolerance level.

The Bank is exposed to earnings effects due to timing differences between the interest rate reset on the Bank's market funding, which is linked to the 3-month Nibor, and the timing of potential interest rate changes on the Bank's loans to customers.

In addition to the interest rate risk limit, an upper risk tolerance for credit spread risk has been established. This is defined as the impact on earnings based on an assumed market change in credit spreads, which would result in value changes in the Group's interest-bearing securities portfolio. The Financial Supervisory Authority of Norway's stress testing model for credit spread risk is used to calculate the risk exposure. The Bank's credit spread exposure is related to the liquidity portfolio. As of the end of 2024, the measured credit spread risk was 73 percent of the Board-approved limit.

The Group is affected by fluctuations in the foreign exchange market through its currency-related activities with customers. Open currency exposure is hedged through the purchase and sale of currency (including forward contracts and swaps), as well as derivatives such as options. Currency exposure is measured based on a 25 percent change in exchange rates on the net foreign exchange position. The Bank's currency exposure related to customer activities is very low.

Foreign currency financing creates interest rate and currency risk, as financing is conducted with fixed interest terms and in currencies other than NOK. The same applies to the purchase of interest-bearing securities in foreign currencies. The Bank hedges interest rate and currency exposure by entering derivative contracts with reputable financial counterparties. Hedge accounting is applied when recognising value changes in financial statements.

3.7 Counterparty risk

Counterparty risk is the risk of the Bank's partners in the financing field not being able to fulfil their contractual obligations towards the Bank.

Derivative contracts are entered to hedge risks which arise when managing the Bank's financing and liquidity risk, and by entering into customer contracts that involve fixed-interest-rate and currency exposure. The derivative contracts must be established with reputable counterparties with a good rating and must be regulated by an underlying system of ISDA agreements. Derivative contracts must be distributed among various counterparties to avoid counterparty concentration.

The Bank complies with the regulations for derivatives trading under the EMIR (European Market Infrastructure Regulation) for settlement, certifications, documentation and reporting to the authorities.

The Bank's counterparty risk is regulated through the establishment of agreements on furnishing of collateral (Collateral Support Annex) between the parties. Under CSA settlement, the value of derivatives is reconciled with the derivative counterparty and settlement of collateral takes place. By entering into an agreement on collateral settlement for changes in the value of derivatives, the Bank manages to maintain the lowest possible counterparty risk. The Bank has established clearing against the London Clearing House through a clearing agent.

3.8 Operational risk

Operational risk is the risk of losses due to deficiencies or errors in internal processes or systems, human error or external events. Sparebanken Sør has established specific guidelines for the management of operational risk to help the Group achieve its strategic goals. It may be necessary to accept some risk to facilitate innovation and it will never be possible or necessarily desirable to eliminate the inherent operational risk associated with all activities.

Sparebanken Sør has identified seven main risks within operational risk: supplier and outsourcing risk, financial crime, IT and information security risk, behavioral risk, compliance risk, change risk and risk relating to resources, competence and human error. A qualitative description of risk appetite has been established for each main risk area, to be supplemented by quantitative key risk indicators.

The Group's overall risk appetite for operational risk is moderate, but the Bank has a low risk appetite for some subgroups of operational risk, such as financial crime, behavioral risk and compliance risk. The Bank has zero tolerance for losses that could threaten strategic goals and the Bank's independence.

The Group focuses on having good processes to ensure compliance with applicable laws and industry standards. Compliance risk is the risk of the Group incurring legal or regulatory sanctions, financial losses or impaired reputation as a result of non-compliance with laws, regulations or governing documents. Work is done continuously to assess best adaptation to new rules and regulations to maintain both compliance and efficiency in the organisation. New rules and regulations are implemented in the Group's governing documents and procedures.

The Group's compliance function is organised independently of the business units.

The Group must have a low compliance risk.

3.9 Business risk

Business risk is the risk of unexpected fluctuations in revenues and expenses as a result of changes in external factors such as cyclical fluctuations, the competitive situation, customer behavior, unsatisfactory business performance and regulations issued by public authorities, i.e., factors other than credit risk, market risk and operational risk.

Reputation risk, which is the risk of loss of earnings or access to capital due to lack of credibility or reputation in the market, is included as part of business risk.

Sparebanken Sør must have a low business risk that ensures stable and diversified earnings. The Group must not be involved in individual incidents or activities that may threaten its reputation and strategic goals.

3.10 Ownership risk

Ownership risk is the risk of the Group incurring negative results from ownership interests in subsidiaries and/or having to contribute new equity to these companies. Ownership is defined as companies in which Sparebanken Sør has a significant ownership interest or influence.

Sparebanken Sør must have an ownership risk based on strategic aims and where profitability is in proportion to risk. The Group must not be involved in companies or activities that may threaten its reputation or strategic goals.

The management and boards of subsidiaries comply with the provisions of the Limited Liability Companies Act. Several of the companies use managers and/or employees from the Group on their boards of directors or in other positions.

The Bank's ownership risk is assessed as low.

3.11 Capital management, subordinated capital adequacy

Net subordinated capital amounted to NOK 18.7 billion, total tier 1 capital stood at NOK 16.4 billion and total common equity tier 1 capital amounted to NOK 14.7 billion at the end of 2024. The capital adequacy ratio was 20.7 percent, the tier 1 capital ratio 18.3 percent, and the CET1 capital ratio 16.4 percent for the Sparebanken Sør Group. The calculations are based on the standardised approach in the capital requirements regulations. Brage Finans AS is proportionately consolidated in the Group's capital reporting.

For the parent bank, the capital adequacy ratio was 25.3 percent, a tier 1 capital ratio of 22.2 percent, and the CET1 capital ratio 19.8 percent at the end of 2024.

The Group met the capital requirements with a solid margin, achieving 19.1 percent for total capital, 16.7 percent for core capital, and 14.9 percent for common equity tier 1 (CET1) capital. The Group's target for CET1 capital ratio from 2024 was set at 16.2 percent.

The Group's leverage ratio stood at 9.1 percent at the end of 2024, compared to 9.0 percent at the end of 2023. The Bank's financial strength is considered highly satisfactory.

The Bank's capital management ensures that the Group maintains a capital adequacy level that meets both regulatory requirements and market expectations. Additionally, capital management supports the Bank's ability to seize market opportunities, achieve its strategic ambitions, and generate a satisfactory return relative to its risk profile.

An annual assessment of the Bank's capital needs is conducted based on the calculated total risk exposure. The Internal Capital Adequacy Assessment Process (ICAAP) ensures robust risk management and a comprehensive overview of the risks to which the Bank is exposed, while also ensuring that the Group remains adequately capitalised.

In 2024, the Bank received a new Pillar 2 requirement and capital requirement margin expectation (P2G), effective from May 31, 2024. The new Pillar 2 requirement is 1.6 percent, which is 0.1 percentage points lower than the previous Pillar 2 requirement that had been in effect since April 30, 2022. The Financial Supervisory Authority of Norway's expectation for the Bank's capital requirement margin remains unchanged at 1.0 percent. The capital requirement margin must be maintained in the form of common equity tier 1 (CET1) capital, in addition to the total requirements for CET1 capital ratio, core capital ratio, and total capital ratio. The composition requirements for Pillar 2 capital follow the Capital Requirements Directive, which means that the CET1 capital requirement to cover the Pillar 2 requirement is 0.9 percent.

The countercyclical capital buffer requirement increased to 2.5 percent, effective from March 31, 2023, and remained at 2.5 percent as of December 31, 2024. The purpose of the countercyclical capital buffer is to strengthen banks' resilience and prevent their credit practices from exacerbating economic downturns. As of December 31, 2024, the Bank's systemic risk buffer requirement was 4.5 percent. This increased from 3.0 percent to 4.5 percent as of December 31, 2023.

A key objective for the Group is to maintain a CET1 capital ratio in line with comparable banks. Among the major regional banks, Sparebanken Sør is the only one that applies the standardised approach in capital adequacy calculations. As a result, the Bank currently has a significantly higher leverage ratio than the other regional banks.

Sparebanken Sør has made significant progress in developing its risk management framework and model portfolio, with an initial ambition to apply for approval from the Financial Supervisory Authority of Norway for internal models in capital calculations during the second half of 2024. However, this ambition was revised following the announcement of the planned merger with Sparebanken Vest. The Bank now aims to obtain IRB (Internal Ratings-Based) approval for Sparebanken Sør's portfolio by leveraging Sparebanken Vest's IRB-models.

Regulation (EU) 2024/1623 (CRR3) amends the Capital Requirements Regulation and was adopted by the EU on May 31, 2024. The changes implement the majority of the remaining Basel III recommendations. The new regulatory framework is set to take effect in the EU from January 1, 2025, with the exception of new capital requirements for market risk (FRTB), which have been postponed until 2026.

On December 6, 2024, the Norwegian Ministry of Finance adopted regulatory amendments that are largely in line with the Financial Supervisory Authority's proposals. The most significant change for Norwegian banks is the introduction of the new standardised approach for credit risk. This new approach particularly lowers capital requirements for the safest residential mortgages, reducing the applicable risk weight from 35 percent to 20 percent.

The new standardised approach also entails lower overall risk weights for commercial real estate, where loans with low loan-to-value (LTV) ratios will require less capital, while loans with higher LTV ratios will face slightly increased capital requirements compared to the current framework. In line with the Financial Supervisory Authority's proposal, the Ministry of Finance has set higher requirements for commercial real estate loans than the minimum stipulated in CRR3.

CRR3 is implemented into Norwegian law through an amendment regulation to the CRR/CRD regulation. However, this amendment cannot take effect until CRR3 has been incorporated into and entered into force under the EEA Agreement. On February 26, 2025, Liechtenstein lifted its constitutional reservations to CRR3, and the EEA Agreement will enter into force on April 1, 2025.

Based on the composition of the Group's loan portfolio, the new standardised framework for credit risk is expected to have a highly positive impact on the Group.

Sparebanken Sør will merge with Sparebanken Vest in May 2025. In this context, the capital structure will be significantly optimised by applying Sparebanken Vest's IRB models to the portfolio. The estimated net capital synergies amount to NOK 2 billion. Efficiency gains will be achieved through loans granted using the IRB models post-merger, and the merged bank will also apply for IRB model approval for the entire portfolio following the completion of the merger.

Minimum requirement for the sum of subordinated capital and convertible debt (MREL)

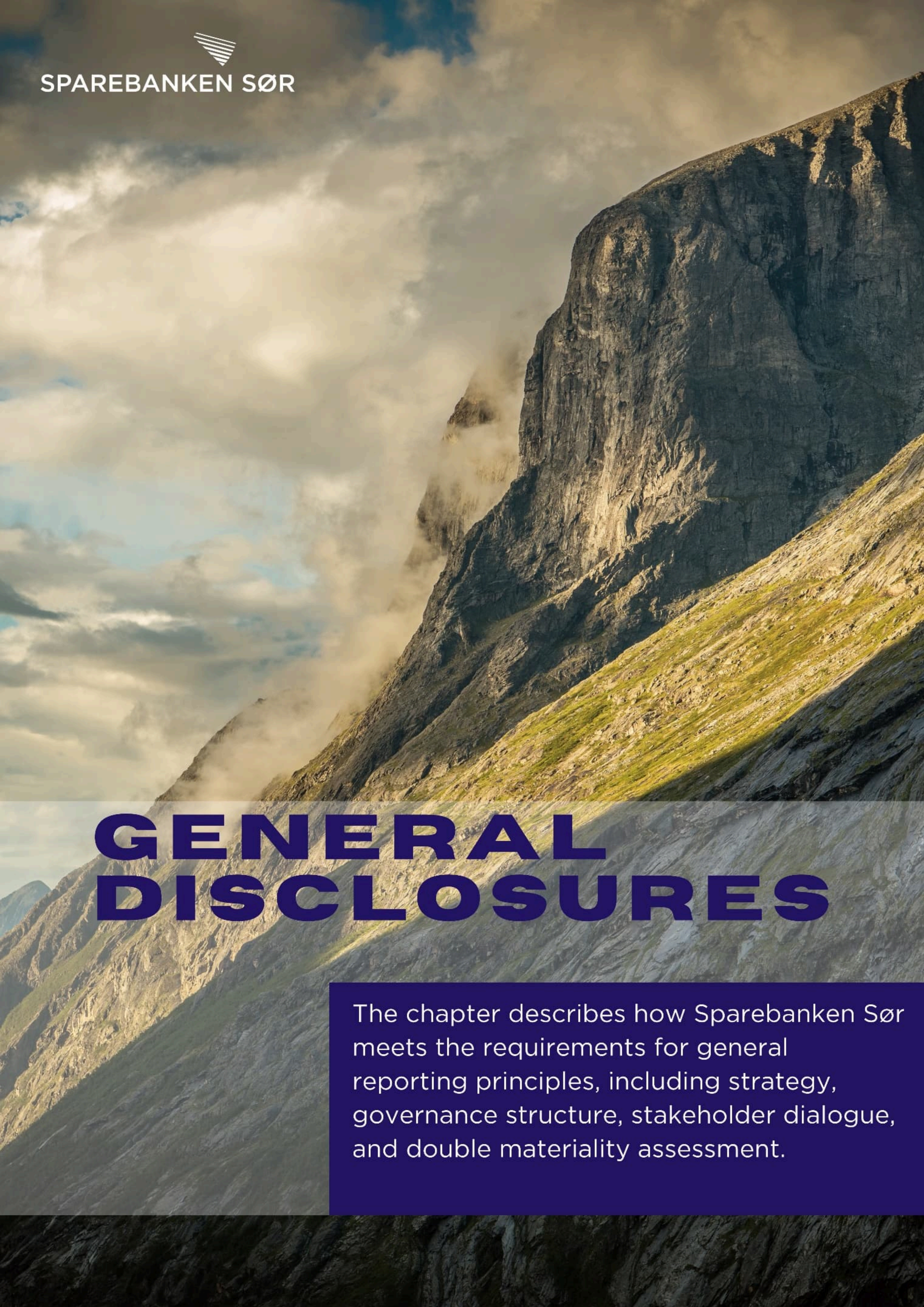
The EU Bank Recovery and Resolution Directive (BRRD) was introduced in Norway with effect from 1 January 2019. This entails requirements for convertible and non-preferred debt for Sparebanken Sør. The requirements are set by the Financial Supervisory Authority of Norway based on capital requirements and calculated based on the current adjusted risk-weighted assets. Based on capital requirements and the adjusted risk-weighted assets on 31 December 2024, the effective MREL requirement was set at 35.7 percent and amounted to NOK 23.1 billion. The requirement for the subordinated MREL was set at 28.7 percent and amounted to NOK 18.6 billion. At the end of the fourth quarter of 2024, the Bank issued a total of NOK 8.1 billion in senior subordinated bond loans (Tier 3).

3.12 Hedging instruments

The Group uses interest rate and foreign exchange instruments is to hedge the Bank's interest rate and currency exposure.

SPAREBANKEN SØR

4 SUSTAINABILITY



SPAREBANKEN SØR

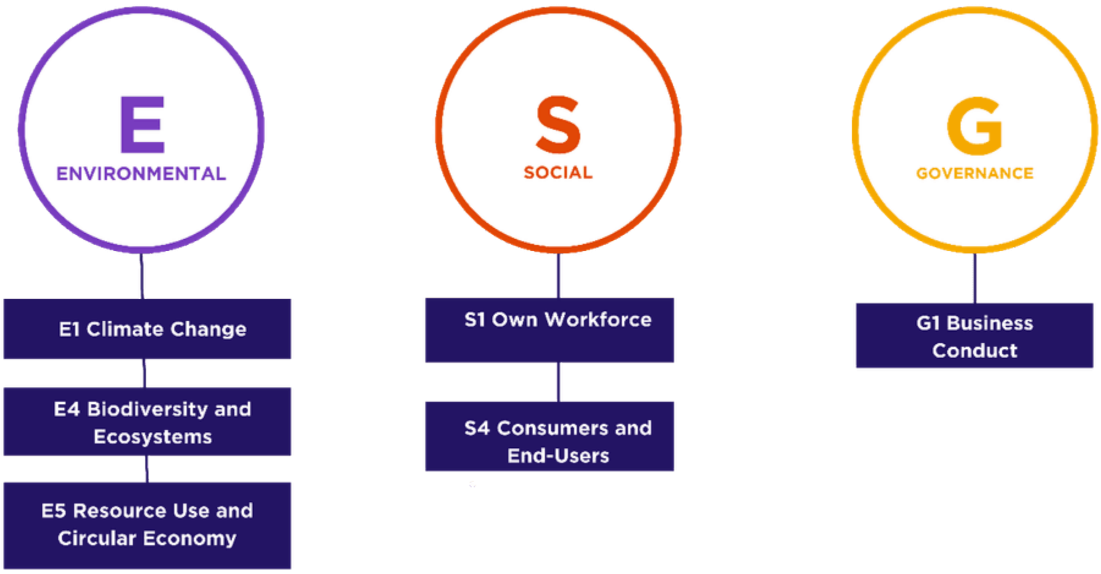
GENERAL DISCLOSURES

The chapter describes how Sparebanken Sør meets the requirements for general reporting principles, including strategy, governance structure, stakeholder dialogue, and double materiality assessment.

Chapter 4 – Sustainability
General information (ESRS 2)

Sparebanken Sør's double materiality assessment (DMA) has been used as the basis for preparing the Group's transition plan and reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) for 2024. The Group's current transition plan is not fully aligned with the disclosure requirements set out in the European Sustainability Reporting Standards (ESRS). The sustainability topics the Group reports on reflect the material topics identified in the assessment, as illustrated in the figure below.

The sustainability chapter is structured into four main parts: general information about reporting (ESRS 2), environmental matters (E), social matters (S) and governance (G).



On 28 August, 2024, it was announced that Sparebanken Sør and Sparebanken Vest would merge. The legal merger is planned to be completed on 2 May 2025, and the two banks will jointly establish "Sparebanken Norge". This means that the reporting for 2024 will only apply to the Sparebanken Sør Group, while the reporting for 2025 will apply to the merged Bank.

In light of the merger, all strategic directions, future targets, existing policies and action plans will be revised and brought together under the new framework for Sparebanken Norge. Where reporting items request strategic directions or targets, it is not yet possible to provide specific answers, as these will be developed as part of the establishment work for the new bank.

4.1 Basis for sustainability reporting

2024 marks the first year that Sparebanken Sør integrates sustainability reporting into its annual report, in accordance with the requirements of the EU's new Corporate Sustainability Reporting Directive (CSRD). Previous reports have only included limited sustainability information through a few key indicators. This year, however, a more holistic approach has been implemented that encompasses environmental, social and governance (ESG) factors, in line with the European Sustainability Reporting Standards (ESRS). This change is a result of new regulations that require increased transparency and consistency in reporting, as well as an aim to provide the business's stakeholders with more detailed and reliable insight into the Bank's sustainability impact.

The Group follows the requirements of Article 8 of the EU Taxonomy, which specifies how entities should report the proportion of their economic activities that comply with the taxonomy. This involves a calculation of the proportion of the Bank's turnover, capital expenditures and operating expenditures that can be classified as sustainable according to the technical screening criteria of the EU taxonomy. Furthermore, Sparebanken Sør has used the methodology from the Task Force on Climate-related Financial Disclosures (TCFD) to report on climate risk management and the financial consequences of climate risk for the business, and to refer to the principles of the Greenhouse Gas Protocol (GHG Protocol) and the Partnership for Carbon Accounting Financials (PCAF) when reporting greenhouse gas emissions where necessary.

All data points reported under E, S and G have been assessed as material according to Sparebanken Sør's double materiality assessment (DMA). The sustainability reporting describes how Sparebanken Sør has assessed significant impacts, risks and opportunities across all stages of the value chain, from suppliers to end users. Please refer to Chapter 4.4 for further information about the Group's position in the value chain.

Relevant policies, actions and targets for material topics are described under each main topic: E1, E5, S1 and G1.

In the sustainability reporting, the Group has not utilised the option to omit specific information related to intellectual property, know-how, or innovation results. Furthermore, the Group has not used the option to omit disclosure of impending developments or matters in course of negotiation.

Minimum Disclosure Requirements (MDR) under ESRS

Sparebanken Sør has, over several years, developed and implemented comprehensive policies on sustainability, business ethics, governance, environmental, and social matters. These policies have been designed to ensure compliance with regulatory requirements, strengthen the Bank's value creation, and contribute to responsible business practices. Since the Bank's sustainability strategy and governance documents were established before the introduction of the specific Minimum Disclosure Requirements (MDR) under ESRS, the policies are not explicitly tailored to address each individual IRO (Impact, Risk & Opportunity) identified through the Bank's double materiality assessment.

Nevertheless, the IROs have largely been within the areas already covered by the Bank's existing policies, strategies, targets, and action plans. This means that several of the Bank's current policies, actions, targets, and metrics do not fully cover all details of the MDR requirements but still address the material topics encompassed by MDR. In some cases, the Bank will supplement or further develop existing policies, targets, and actions to ensure a more precise coverage of identified risks and impacts in line with the ESRS requirements.

To ensure a gradual and systematic adaptation to the ESRS requirements, the Bank will strengthen the alignment between the IROs and reporting, as well as clarify how existing policies, strategies, actions, and targets contribute to managing sustainability risks and opportunities. This includes further development of metrics, reporting systems, and internal control procedures to ensure increased transparency and compliance with regulatory requirements.

Assumptions and estimates

Sparebanken Sør uses assumptions and estimates for reporting certain data points, and considers the use of estimates based on experience, developments in ESG reporting and a number of other factors. For example, assumptions and estimates have been used in the reporting of Scope 3 emissions. If there is uncertainty associated with an area in the sustainability report, this is described in the presentation of the relevant data point. Where applicable, the cause, extent and any actions to reduce this uncertainty are also described.

Scope of reporting

The reporting period for sustainability reporting covers the fiscal year 2024, from 1 January to 31 December.

The data in the sustainability reporting is consolidated in the same manner as the financial statements. This means that the sustainability data presented in "Chapter 4 – Sustainability" in the annual report includes data for the parent bank Sparebanken Sør and the subsidiaries Sparebanken Sør Boligkreditt AS, Sørmegleren Holding AS, Prosjektutvikling AS, Transitt Eiendom AS and Sørlandets Forsikringssenter AS.

Corrections and adjustments

As a result of the new requirements in the CSRD and changes in reporting methods, it is not considered appropriate to adjust or include comparable sustainability information from previous periods, where the reporting method has changed from previous years.

Sparebanken Sør has also previously collected and reported sustainability data, but the level of detail and the methods used have changed for parts of the reporting. This particularly applies to data related to financed greenhouse gas emissions in Scope 3 and social indicators, which are now an integrated part of the reporting. Comparable information is included in the reporting of the EU Taxonomy, as well as in the reporting of Scope 1 and 2 emissions. Although comparable data for other areas is not included, a consistent baseline will be established starting this year, which will enable comparisons to be made in future reporting periods.

Use of phase-in, in accordance with Appendix C of ESRS 1

The ESRS framework allows for phase-in reporting over several years on certain data points. In practice, the use of phase-in will mean that a data point or topic is not reported in full in this year's reporting, but within given phase-in periods in the standard.

Sparebanken Sør uses phase-in, in accordance with Appendix C of ESRS 1, as the company has less than 750 employees. Topics related to E4 Nature (Biodiversity and Ecosystems) and S4 Consumers and end users are considered material through the double materiality assessment, but the Bank chooses to use “phase-in” in the reporting for these topics. The Bank will also use phase-in on certain sub-topics regarding other material topics that emerge in the relevant thematic chapters.

Below is an overview of significant ESRS topics for which phase-in has been used:

ESRS topic	ESRS Sub-topic	ESRS Sub-sub-topic	Phase-in	Where
E1 Climate change	E1 Climate change mitigation		E1-6 scope 3	ESRS 2 BP2
E1 Climate change	E1 Climate change mitigation		E1-9	ESRS 2 BP2
E4 Biodiversity and ecosystems	E4 Direct impact drivers of biodiversity loss	E4 Land-use change, fresh water-use change and sea-use change	X	ESRS 2 BP2
E4 Biodiversity and ecosystems	E4 Impacts and dependencies on ecosystem services		X	ESRS 2 BP2
E5 Circular economy	E5 Resource outflows related to products and services		E5-6	ESRS 2 BP2
S1 Own workforce	S1 Equal treatment and opportunities for all	S1 Training and skills development	S1-13	S1
S4 Consumers and end-users	S4 Information-related impacts for consumers and/or end-users		X	ESRS 2 BP2

E4 Nature (biodiversity and ecosystems)

ESRS E4 shall contribute to integrate considerations of biodiversity and ecosystems into the Bank's operations. Ecosystem services provided by natural capital are fundamental to economic activity and social development. The Bank's work on nature and biodiversity is in an early phase, but measures have been initiated to establish targets and strategies that are compatible with national requirements and the Kunming-Montreal Global Biodiversity Framework. The work includes the development of policies, the Taskforce on Nature-related Financial Disclosures report (TNFD), mapping of nature-related impacts, dependencies, risks and opportunities, as well as integrating nature and exclusion criteria into our business processes. This lays the foundation for the Bank's work with nature, where the Bank will continuously adapt to regulatory requirements, government priorities and society's expectations.

The Bank has adopted a policy for climate, nature, and circular economy, as well as a transition plan. These are further described under E1. The most important activity is to map nature-related risk and the impact of granting credit. The Bank plans to develop targets and define a baseline for environmental impact from both its own operations and the value chain. The Bank expects that actions to preserve and restore nature will become an integrated part of its operations in the coming years.

S4 Consumers and end users

Sparebanken Sør uses phase-in for S4 consumers and end users. The topic is considered material related to responsible consultancy services and the prevention of financial crime. For more information on the methodology, process, and thresholds applied in the double materiality assessment, see Chapter 4.5. The Bank's business model facilitates tailored consultancy services and access to financial services that support the customer's needs. The strategy focuses on trust and sustainability, and the actions will contribute to reduce the risk of financial crime.

Although targets in the area have not been fully implemented, Sparebanken Sør plans to continue its work on developing clear targets for customer satisfaction and efforts to combat financial crime during 2025, to ensure a structured and targeted approach to responsible consultancy services and fraud prevention.

Sparebanken Sør has established several policies and procedures which concern consumers and end users, including:

- Policy for responsible consultancy services: Guidelines to ensure correct and ethical consultancy services that meet regulatory requirements.
- Policy for the development and modification of products: Will ensure that new and existing products are in line with sustainable and regulatory standards.
- Risk and capital management policy: Defines how risks related to consumers are managed, including negative impacts.

Actions
The Bank utilises customer satisfaction surveys as regular evaluations to monitor the impact of its advisory services. In 2024, Sparebanken Sør conducted a customer survey using EPSI Rating as an independent third party. The purpose of the survey was to enhance responsible advisory services for both retail and corporate customers. The survey included:

- 3 945 retail customers and 1 637 corporate customers, which assessed how they perceive being taken care of by the Bank.

The results of the survey were presented to management, with a focus on specific challenges and opportunities in the Retail Market and Corporate Market segments.

In addition, monitoring systems and procedures have been established to prevent financial crime. Due to the sensitivity of the data, the Group cannot disclose the impact of actions related to financial crime and fraud prevention. Figures from the incident database related to end users and external parties have been omitted from the report. This applies to the following categories: customer complaints and external fraud, as these are to be reported under Chapter S4, which is currently under phase-in. Other figures from the incident database are reported in Chapter S1.

The Bank monitors key performance indicators (KPIs) such as the proportion of certified advisors, reported fraud cases, and customer satisfaction through EPSI.

Customer Satisfaction Metrics – EPSI Survey
As part of its commitment to responsible advisory services, Sparebanken Sør regularly measures customer satisfaction through recognised surveys such as EPSI Rating. These assessments evaluate key aspects of the customer experience, including:

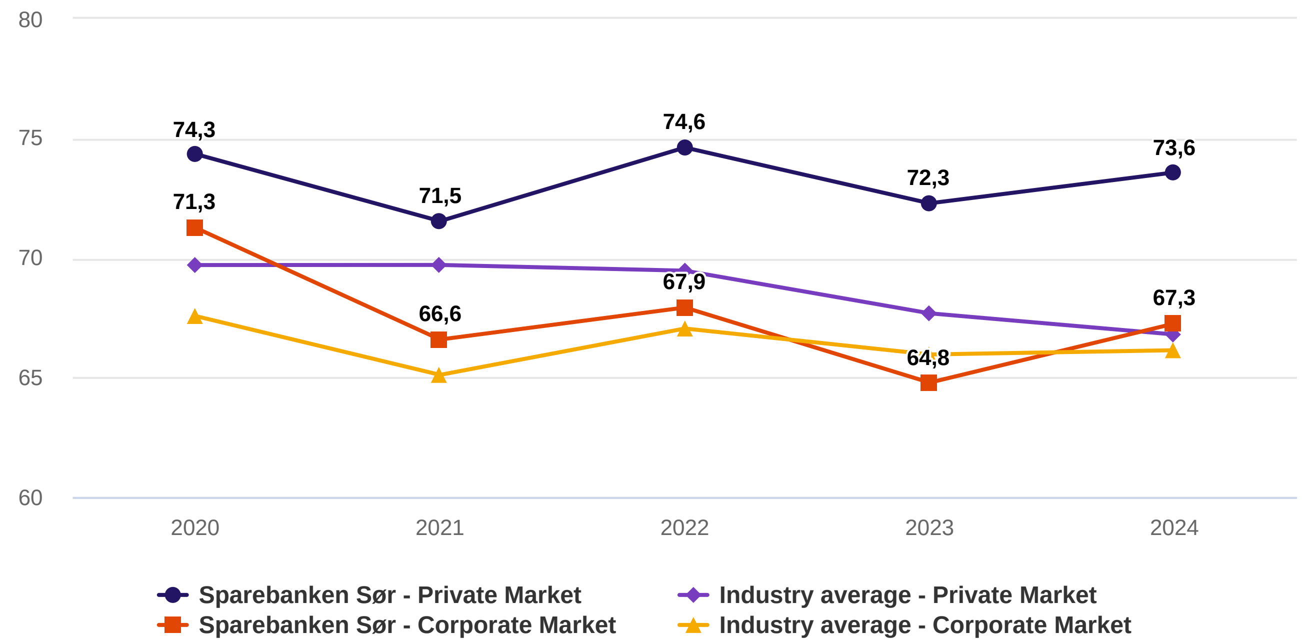
- **Understanding of products:** How customers perceive the information provided about the Bank's products.
- **Trust in advisors:** The extent to which customers feel that their advisors act in their best interest.
- **Satisfaction with advisory services:** Customers' assessment of the Bank's ability to offer solutions that support their long-term financial needs.

These measures provide the bank with valuable insight into how the advisory services are perceived and identify areas for improvement. At the Group level, Sparebanken Sør has set a long-term objective to be among the top 3 in EPSI Rating for customer satisfaction within the Banking industry. This target is a key strategic action to ensure high-quality advisory services, build and maintain customer trust, and increase customer loyalty in both the retail and corporate banking segments.

The latest EPSI survey results indicate a positive development for the Bank. Customer satisfaction in the retail market segment increased by 1.3 points from 2023, reaching a Customer Satisfaction Index score of 73.6 points. In the corporate market segment, the score improved by 2.5 points, reaching 67.3 points. In both segments, the Bank remains well above the industry average.

The 2024 EPSI survey ranked the Bank 6th in the retail market segment and 7th in the corporate market segment, maintaining a similar ranking since 2020. Over the past five surveys, the Bank has consistently performed above the industry average, by respectively 4.6 points in the retail market segment and 1.2 points in the corporate market segment.

EPSI Rating Customer survey for the Banking industryCustomer satisfaction historical development



Targets for the Prevention of Financial Crime

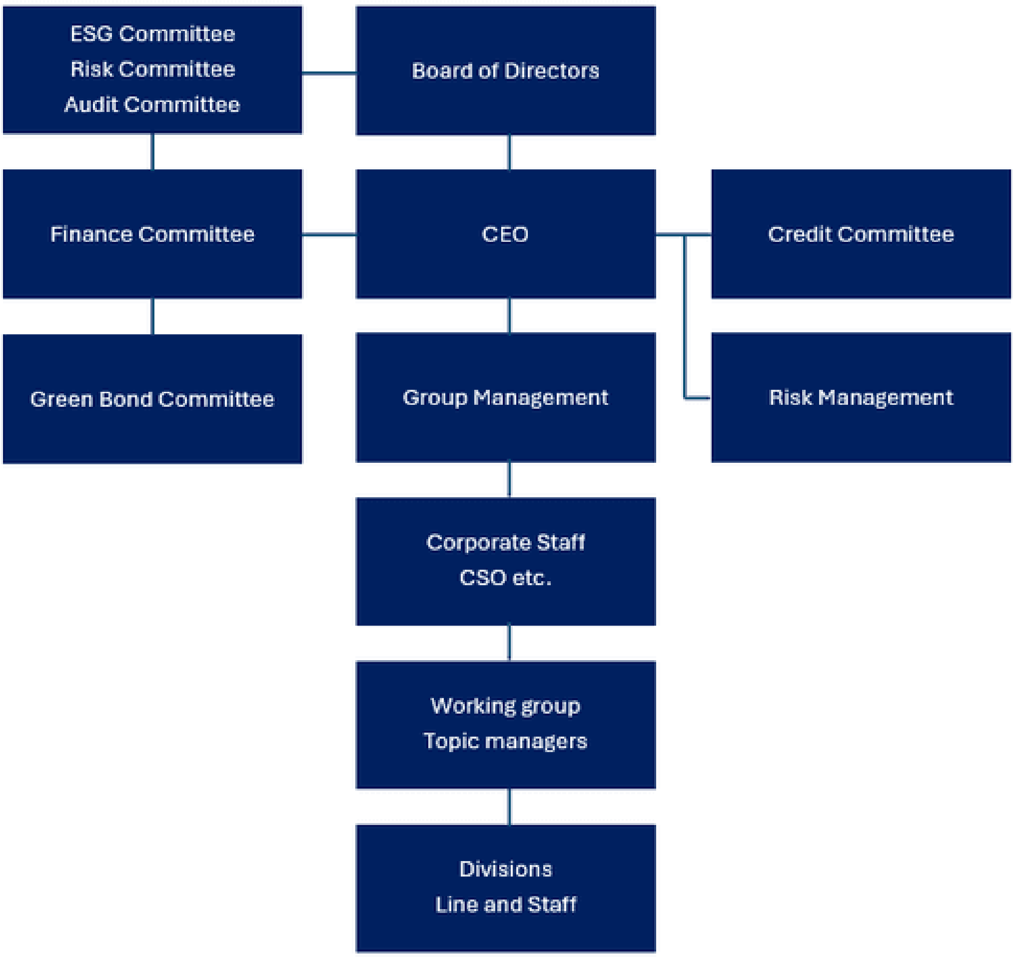
The Bank does not publicly disclose the details of its targets and key metrics but continuously monitors developments in, for example, flagged transactions and fraud cases related to payment cards. This is followed up monthly with the Group CEO and quarterly with the Group Executive Management, Risk Committee, and the Board of Directors.

Phase-in lays the foundation for further reporting on ESRS S4 and ensures that the topics of consumers and end users are treated with the necessary level of attention in future reports. The Bank will spend the coming years developing a more comprehensive strategy, including target and actions, to meet all the requirements of ESRS S4.

4.2 Governance and management

This subchapter addresses the composition, competence, and responsibilities of the governing bodies, with a focus on the Group's sustainability efforts. Governing bodies refer to the Board of Directors, Group Executive Management, and Board Committees.

The Bank’s organisation of its sustainability work is presented below:



The composition and competence of the management

The Bank’s Board of Directors has developed expertise in sustainability, ethics and responsible business operations over several years. This expertise has been developed through processing its annual sustainability report, sustainability strategy and associated governing and policy documents. In the annual self-assessment of the Board's suitability, these sustainability areas are also mapped, further strengthening the board's knowledge base. Overall, the Board of Directors appears to have good knowledge of the area.

The Bank’s Group Management has been stable over time and has played a key role in developing the Bank's sustainability framework and policies. Group Management has also reviewed and contributed to the Bank’s sustainability report, sustainability strategy and double materiality assessment. Sustainability expertise has been gradually developed through active involvement in this work.

The Board of Directors is elected by the general meeting and manages the Bank’s operations in accordance with the law, the articles of association and the general meeting's resolutions. It comprises eight permanent members and one permanently attending deputy Board member. Among the board members, two are elected by the employees. Three deputy members have been elected, including one employee representative. In 2024, the Board of Directors comprised 50 percent women and 50 percent men. All Board members who are not employee-elected are independent members, and for 2024 constitute a percentage of 75 percent.

Group Management is responsible for the daily operations of the Bank and must ensure that the Bank operates in accordance with applicable laws and regulations, and that the Bank's assets are handled in a safe and responsible manner. Group Management is responsible for day-to-day business activities towards the General Meeting and the Board of Directors, as well as the further development of the Bank and its financial arrangements. The Bank’s Group Management consists of 11 members. Sparebanken Sør aims to have 40–60 percent female managers at all levels by 2025. For 2024, the composition of the Group Management consists of 36 percent women and 64 percent men.

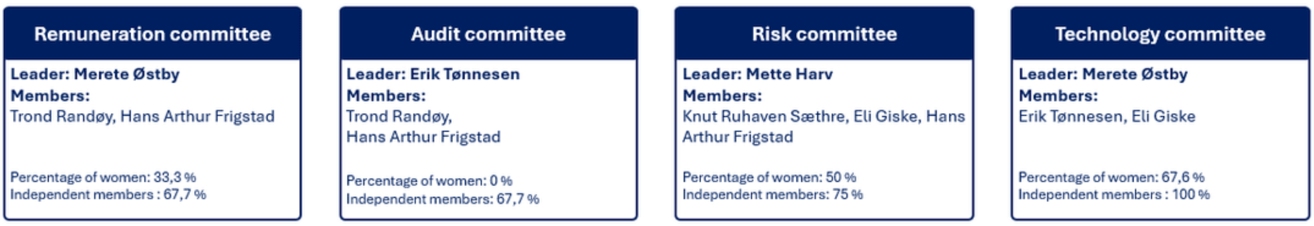
Group Management has no formal education in sustainability, including business conduct, but has followed the Bank's ongoing training in these topics. See the subchapter "Financial Crime Training" under Business Conduct (ESRS G1) for further details related to training completed in 2024. In addition, the Board of Directors and Group Management keep themselves updated in the area through compliance with their roles.

The Bank conducts annual suitability assessments of Management and the Board of Directors. Based on these assessments, annual skills development plans are established for Management and the Board of Directors.

For additional information about the background of each member of Group Management and the Board of Directors, see Chapter 7.3 and Chapter 7.4, respectively.

Board committees

The Board committees at Sparebanken Sør consist of the remuneration committee, the audit committee, the risk committee and the technology committee. The figure below specifies who has management responsibilities and who are members of the committees, as well as the percentage distribution based on gender and independent members. All Board committees have one employee representative (Hans Arthur Frigstad), with the exception of the technology committee. However, no employee representative has management responsibility for the committees. The committees have no representatives for non-employees or other employees. The managers and members of the four committees also serve on the Board, and reference is therefore made to Chapter 7.4 for further information about their formal skills.
For further information about the role of the individual committees in the Group, please refer to subchapter 7.1.10.



Sustainability Department

In 2024, the sustainability department at Sparebanken Sør consisted of 3.2 full-time employees. In addition, for a period of four months, the department has borrowed one full-time employee with expertise in data and analysis from the Business Development division. The expertise in the Sustainability Department also relates to ESG analysis, ESG consulting and ethics. Furthermore, Sparebanken Sør is linked to relevant professional groups in Finance Norway and other interest groups such as the UN Global Compact, the Miljøfyrtårn Foundation, Circular Norway and Climate Partners.

Responsibilities of the Board of Directors and management

Roles and responsibilities within sustainability management

ESG work is firmly embedded at Board and management level. The Board of Directors aims to integrate and is responsible for operationalising ESG in all parts of the business. It will also oversee the Bank's sustainability strategies. The Board of Directors actively participates in and considers and approves general matters and governing documents within ESG. The overall responsibility for adopting the sustainability reporting lies with the Board of Directors of Sparebanken Sør. The Board of Directors and management are responsible for identifying and managing the Group's impact, risks and opportunities in ESG areas.

The Bank’s risk committee functions as the Board of Directors’ ESG committee and, in partnership with the audit committee, reviews ESG-related matters before presenting them to the Board of Directors. Sustainability reporting is reviewed annually by the audit committee before being presented to the Board of Directors. Thus, the Board of Directors not only has an overall role, but also an operational function in the implementation and follow-up of sustainability targets in the business. A comprehensive framework of sustainability policies has been developed and is available on the Bank’s website under corporate social responsibility.

The Bank's sustainability department conducted a double materiality assessment in the spring of 2024. During the double materiality assessment, workshops were held with several managers and employees from different departments. The findings from the assessment were implemented through a workshop in the Bank’s Group Management and thorough discussions in both the Bank’s ESG committee and the Board of Directors. Group Management did not introduce any new topics, but offered a number of important priorities, especially related to reputational risk in anti-money laundering and terrorist financing. This ensured broad involvement and implementation throughout the organisation. The Board of Directors was not involved in the identification of IROs (Impact, Risk and Opportunity), but was given the opportunity to provide input and propose changes before the double materiality assessment was decided by the Board. The Board also received a thorough review of the process and results, and access to the underlying documentation and assessments. Governing bodies follow developments in the area through the Bank's sustainability reporting. There has been no need for the governing bodies to assess potential trade-offs related to the IROs during this reporting period. For a comprehensive overview of the material IROs addressed by the Group Executive Management and the Board of Directors, please refer to subchapter 4.5 Double Materiality Assessment (see the subheading "Material Impacts, Risks, and Opportunities"). Please note that the negative impact on corporate culture (G1) and responsible advisory services (S4) were not addressed by Group Executive Management and the Board during the initial assessment of the double materiality assessment. These new IROs were reviewed in connection with the issuance of the sustainability report.

The CEO is responsible for ensuring that strategies and policies are implemented.
The Director of Sustainability reports to the Executive Vice President of Strategy and is the Head of the Sustainability Department. A multidisciplinary team (Green Team) has been created that works across divisions and departments in the Bank. Green Team works to ensure that the Bank meets its sustainability

commitments and promotes sustainable business models. Overall, the Green Team plays a key role in ensuring that Sparebanken Sør complies with the requirements of the CSRD, designs and implements the Bank’s transition plans, and addresses other important aspects of sustainability work. Regular reports from the sustainability department are shared with the Board of Directors and Group Management.

Reporting and governing documents

Strong governing documents and effective management and measurement systems are essential for sustainability efforts. The governing documents outline the relevant management systems, their structure, and how they are monitored. Governing documents have been developed at both a strategic and operational level for various thematic areas, including the policy for responsible lending, the policy for climate and environment, as well as procedures for internal and external whistleblowing. The bank also has several internal governing documents, routines, and guidelines that, due to confidentiality considerations, are not publicly available.

Reference is made to the various sections of the sustainability chapter for a more detailed description of who holds the overall responsibility for policy and follow-up of the different topics. See also the table under “Periodic risk reporting to management and supervision” for further details on responsibility allocation related to reporting and who handles these matters.

The Bank’s governing bodies annually revise the governing documents in the area of sustainability. In addition, all sustainability reports, including the TCFD and TNFD reports, are processed with particular focus on the risk picture related to climate and nature. The Sustainability Department is responsible for submitting the relevant governing documents to management.

The Bank’s policy on equality and diversity is implemented by its HR department and forms the foundation for the Bank's certification in equality and diversity.

The governing documents for responsible lending form the basis for the Bank's credit practices, where relevant ESG issues are addressed through the decision-making process. For commitments above NOK 8 million in the corporate market, the Bank uses a dedicated ESG module for due diligence assessments related to sustainability. Smaller commitments are assessed in accordance with the requirements of the credit policy. The Bank’s governing documents for responsible purchasing are followed up in all communications with the Bank's suppliers.

Relevant sustainability parameters are reported quarterly in a risk report to the Board of Directors and Group Management, as well as an annual sustainability report adopted by the Board of Directors. Similarly, the Bank's performance is monitored through annual reporting to the UN Global Compact and the UN Environment Programme for Responsible Finance (UN – PRB).

Roles and responsibilities in business conduct

The Board of Directors of Sparebanken Sør has overall responsibility for adopting governing documents in the area of business conduct. This is discussed further under the subchapter “Business Conduct (ESRS G1)”. Material topics within business conduct in the Group's sustainability work are:

- Corporate culture
- Anti-money laundering (AML) and terrorist financing

- Cybersecurity, information security, system security
- GDPR (General Data Protection Regulation)

Maintaining and upholding routines and procedures relating to corporate culture and anti-corruption falls under the role of the Executive Vice President (EVP) CEO staff. However, it is the individual Executive Vice President who is responsible for ensuring that the guidelines are implemented and adhered to in the daily operations within their respective business areas. The board holds the ultimate responsibility for the bank's anti-corruption efforts, ensuring that the bank's employees neither accept nor engage in corruption, influence peddling, bribery, or the use of facilitation payments. The board has further delegated this responsibility to the Group Executive Vice President, CEO's staff.

The Legal Director is the Bank's anti-money laundering officer, and is responsible for the elements that are included in the Bank's work with financial crime, anti-money laundering and anti-terrorist financing.

The Executive Vice President for Business Development is primarily responsible for the governing documents relating to information security. The governing documents set overall guidelines for organising and specify descriptions of responsibility within the area of information security.

The Bank's Board of Directors and CEO have overall responsibility for ensuring that the processing of personal data in the Bank, or on behalf of the Bank complies with the applicable legal requirements. This includes ensuring that the established targets and strategy in this area are communicated and that the responsibility for legal compliance is properly organised. The daily responsibility for ensuring compliance with the Personal Data Act is assigned to the Executive Vice President for Business Development.

Incentives and allowances

The Board is responsible for establishing guidelines and frameworks for the remuneration scheme in Sparebanken Sør and for ensuring compliance with these. There are no incentive schemes or remuneration policies linked to sustainability-related benefits for senior executives in Sparebanken Sør. In this context, senior executives refer to the CEO and members of the Group Management, as well as the elected representatives on the bank's Board. Reference is made to the "Report on Remuneration to leading persons", published on the bank's website, sor.no, for further information on the company's remuneration scheme.

4.3 Risk management and internal control

Sparebanken Sør has implemented controls and procedures to ensure that its sustainability targets are integrated into its operations. These controls are not isolated actions, but an integrated part of the Bank's policies and decision-making processes. Responsible lending is integrated with the credit department's processes using ESG criteria. To ensure effective implementation of the sustainability strategy, several internal departments collaborate to achieve common goals and ensure compliance with both national and international standards.

Risk management and internal control process in relation to sustainability reporting

Core elements of due diligence assessment	Paragraphs in sustainability statements
a) Integration of due diligence assessment in governance, strategy, and business model	Chapter 4.2, 4.4
b) Involvement of affected stakeholders in all key steps of the due diligence assessment	Chapter 4.2, 4.4, 4.5 MDR-P is addressed in the various thematic chapters
c) Identification and assessment of negative impacts	Chapter 4.4, 4.5
d) Implementation of measures to address these negative impacts	Covered in the thematic chapter for the respective IRO
e) Monitoring the effectiveness of these measures and communication	Covered in the thematic chapter for the respective IRO

The Operational Risk Management Document shall ensure a systematic and uniform approach to operational risk management in the Group so that operational risks are identified, assessed, reduced, monitored and reported in accordance with the Group's risk tolerance. The policy document covers operational risk management for all areas and processes in the Group and includes requirements for all risk assessments that are conducted.

In Sparebanken Sør, each division must continuously assess the need for new or changed risk-reducing controls/measures, and self-evaluation of risk must be conducted annually. A summary of the divisions' self-assessment of risk is reported in the annual reporting of internal control and operational risk.

The overall risk assessment from Group Management should emphasise the main issues that should be taken into account in the individual division's assessment of risk and internal control work and include all risk types identified in the Bank's overall risk and capital strategy. All managers in the Bank have a responsibility to identify, assess and reduce risk in their processes, products, services, value chains, systems and procedures.

The risk assessment conducted by Sparebanken Sør's Group Management uses a top-down approach and takes strategic risk into account. The overall risk assessment focuses on identifying risks that may prevent the Group from achieving its strategic goals and internal/external requirements. The risk assessment discusses actions and controls that should be implemented to reduce the identified risks, but only on an overall level.

The purpose of conducting both overall and more granular risk assessments is to both ensure detailed information about risks and vulnerabilities in products, services, processes, procedures, systems or value chains, while also forming a picture of relevant Group-wide risks on an overall level. Sparebanken Sør uses the COSO framework as a starting point for its work on risk and internal control. In the overall risk assessment for 2024, the following table was used to illustrate how risks should be identified:

«Bottom-up» risk assessment	«Top down» risk assessment
Detailed and specific analyses at a lower level (system, process, product, theme, etc.)	High-level risk identification starting from the top of the organisation
Identification of risks at the operational level by individuals who are familiar with daily activities and challenges	Is more focused on macroeconomic conditions, industry challenges, strategy, and overall objectives
Prepared in all parts of the Group	Prepared by group management
Used as background information for quarterly and annual reporting to top management	Used as background information for the annual self-assessment of risk and control for all divisions in the Group

Description of the risk assessment process

The Bank has established an approval process for new and changed products and services, NPAP ("New Product Approval Process"). The NPAP forum is led by the Operational Risk Department and is responsible for assisting the risk owner in conducting risk assessments while also providing input on the management of identified risks. The forum consists of professional expertise in AML, GDPR, ESG, information security, and IT and supplier management. In addition, the compliance function and the operational risk department are also regular participants. In cases where there is a need for other professional bodies, the NPAP forum will procure the necessary expertise. The mandate for the forum is anchored in the “Instructions for the NPAP Forum”.

Identified risks shall be allocated to a risk owner who has direct follow-up responsibility for the identified risk. Probability and consequence should be analysed according to defined criteria. The following templates and tools shall be used to identify, mitigate and monitor operational risk, and to ensure a uniform assessment of operational risk across the Bank:

- Risk assessment template to ensure compliance with risk assessment procedures and procedures for approval of new products, services, procedures, processes and systems.
- Template for self-evaluation of risk and control to ensure compliance with internal control procedures.

The operational risk department assists with the coordination of risk assessments that cross departments and must have an overview of all identified operational risks across the Bank. The department regularly reports on the overall risk picture for the Group.

Description of identified main risks with associated risk-reducing actions

An overall description of ESG risk is reported in the chapter of operational risk in the quarterly risk report. The following overall description was reported in 2024:

“If Sparebanken Sør is unable to adapt to the green transition (sustainable products, assessment and management of ESG risk in the business areas, regulatory conditions) due to a lack of resources, expertise or other factors, this could lead to loss of reputation, market position and financial status and development.

Sparebanken Sør will report in accordance with CSRD for 2024. Key ESG KPIs are integrated into the affected divisions' scorecards, risk management frameworks and risk reports. There is a general challenge related to a lack of resources and expertise in operational departments and relevant staff departments. Operational departments in the Bank must dedicate resources and build expertise across the divisions. It is also important that the customer responsible have the necessary expertise to address ESG. The risk is assessed to be increasing, but the risk level remains unchanged.

ESG is also highlighted in the Bank's overall risk assessment. The risks are described as follows:

- Failure to assess customers' transition risk, liability risk and/or physical risk may result in reduced portfolio quality.
- Failure to operationalise and implement sustainability (ESG) in all parts of the business can lead to reduced reputation and failure to identify ESG risks.

In the Group's internal control process, risks are monitored in each division. The risks that all divisions must assess are described as follows:

ESG-risk	
Losses related to climate-related events	Lack of assessment of physical risk, misassessment of collateral objects in climate-exposed areas
Losses related to misassessment of customers' transition risk	Lack of overview of the customer's need for new investments to comply with ESG requirements or to prevent climate change
Reputational loss and lack of financing due to the absence of green products/portfolios	Low share of sustainable bonds in the financing portfolio, lack of relevant green products (loans for sustainable financing)
Errors in ESG reporting	Lack of ESG data, reduced availability and quality of internal data

One of the controls to reduce ESG risk is the implementation of sample contols of credit cases, where the completion of the Bank's ESG module in the loan process is assessed. The Bank has identified a need to improve the ESG module and its application in the loan process. This enhancement will be implemented in 2025. In addition, the Bank's ESG department is working on a dedicated project for the development of ESG data, systems and reporting solutions. The project aims to contribute to increased quality in ESG reporting, as well as the identification and collection of relevant data. Actions and controls must be followed up in the sustainability department and the individual division's scorecard and internal control process.

Periodic risk reporting to management and supervision

Reporting on the development and status of all risk categories is included as part of the quarterly risk report to Group Management, the risk committee and the Board of Directors. Risk levels are closely monitored to ensure that the Group develops in line with adopted strategies and is within the management objectives that have been set.

The Bank’s internal reporting structure is comprehensive and is listed in the policy document for organising risk management. The Bank has the following governing structure:

Report Type	Frequency Review	Responsible Division	Group Management / Balance Steering Committee	Risk Committee	Board
Risk Report	Quarterly	Risk Management	x	x	x
Stress Test Liquidity Risk	Quarterly	Risk Management	1)	x	x
Quarterly Report on Anti-Money Laundering and Terrorist Financing	Quarterly	Group Staff	x	x	x
Compliance Report	Quarterly	Compliance	x	x	x
Deviation Report on Lending Regulations	Quarterly	Risk Management	x	x	x
Semi-Annual Report on Outsourcing	Semi-annually	Business Development	x	x	x
Annual Report on Operational Risk	Annually	Risk Management	x	x	x
Annual Report on Internal Control	Annually	Risk Management	x	x	x
Annual Report on Anti-Money Laundering and Terrorist Financing	Annually	Group Staff	x	x	x
Annual Report on Information Security	Annually	Business Development	x	x	x
Annual Report of the Compliance Function	Annually	Compliance	x	x	x
Annual Report from the Data Protection Officer	Annually	Group Staff	x	x	x
Annual Report on Conflicts of Interest	Annually	Group Staff	x	x	x
Annual Report on Remuneration to leading persons	Annually	Group Staff	x	2)	x
Annual Report on Suppliers and Partners	Annually	Group Staff	x	x	x
Annual Report on the Transparency Act	Annually	Group Staff	x	x	x
Annual Sustainability Report	Annually	Group Staff	x	x	x
Validation Report on Scoring Models	Annually	Risk Management	x	x	x
Validation Report on IFRS 9 Loss Model	Annually	Risk Management	3)	x	x

1) Processed by the Finance Committee
2) Processed by the Remuneration Committee
3) Processed by the Validation Committee

4.4 Business model and strategy

Products, markets and revenues

Sparebanken Sør is an independent financial institution whose core business is banking, securities trading and real estate brokerage activities in Agder, Rogaland, Vestfold and Telemark counties. The Bank has 30 branches, and its head office is located in Kristiansand. The Group also has customers in other geographical areas, and the Bank serves customers through a combination of sales offices and online solutions.

Sparebanken Sør is committed to considering climate and environment, social conditions, and good corporate governance in all its activities, including the development of products and services, advisory and sales, investment and credit decisions, as well as production and operations.

The business model is an integrated value chain that encompasses the development, production and supply of financial products and services. The largest business areas are savings and loan products for the retail and corporate markets. The Bank currently offers green mortgages and ESG risk is integrated into the Bank’s credit processes. Green loans for commercial real estate were established in Q2 2024. The distribution of products such as insurance, leasing, car loans, consumer loans, securities, and real estate brokerage through subsidiaries and partners constitutes an important part of the business model.

The real estate business is operated by the subsidiary company Sørmegleren. Sørmegleren has a total of 17 offices distributed across the counties Agder, Rogaland, Vestfold and Telemark, and is headquartered in Kristiansand. Sørlandet Forsikringssenter, which is a wholly owned subsidiary of the Bank, constitutes a significant part of the sales force in insurance and is important to the Group's focus in the area. The company has one office in Kristiansand. Non-life and personal insurance products are delivered through the insurance company Frende, in which the Bank is a part owner. The Bank is also part-owner in the companies Norne Securities AS and Brage Finans AS, suppliers of securities trading, leasing and sales mortgages, respectively.

By offering sustainable products as well as digital services and consultancy services to customers, Sparebanken Sør makes a positive contribution to societal development by reducing greenhouse gas emissions.

As of December 31, 2024, the Group has a total of 703 employees. This includes all full-time and part-time employees throughout the organisation, across all departments, locations and business areas. The Group only has employees in Norway. For an overview of the number of employees per region, please refer to Chapter 4.22 in ESRS S1 on “Own workforce”.

Group total revenue amounted to NOK 10 540 million in 2024,compared to NOK 8 731 million in 2023. Please refer to note 4 in the annual report for reporting per business area: retail market, corporate market and real estate.

As part of its sustainability strategy, the Bank has strengthened its focus on green financing and sustainable investments, which is reflected in increased income from sustainable loan products.

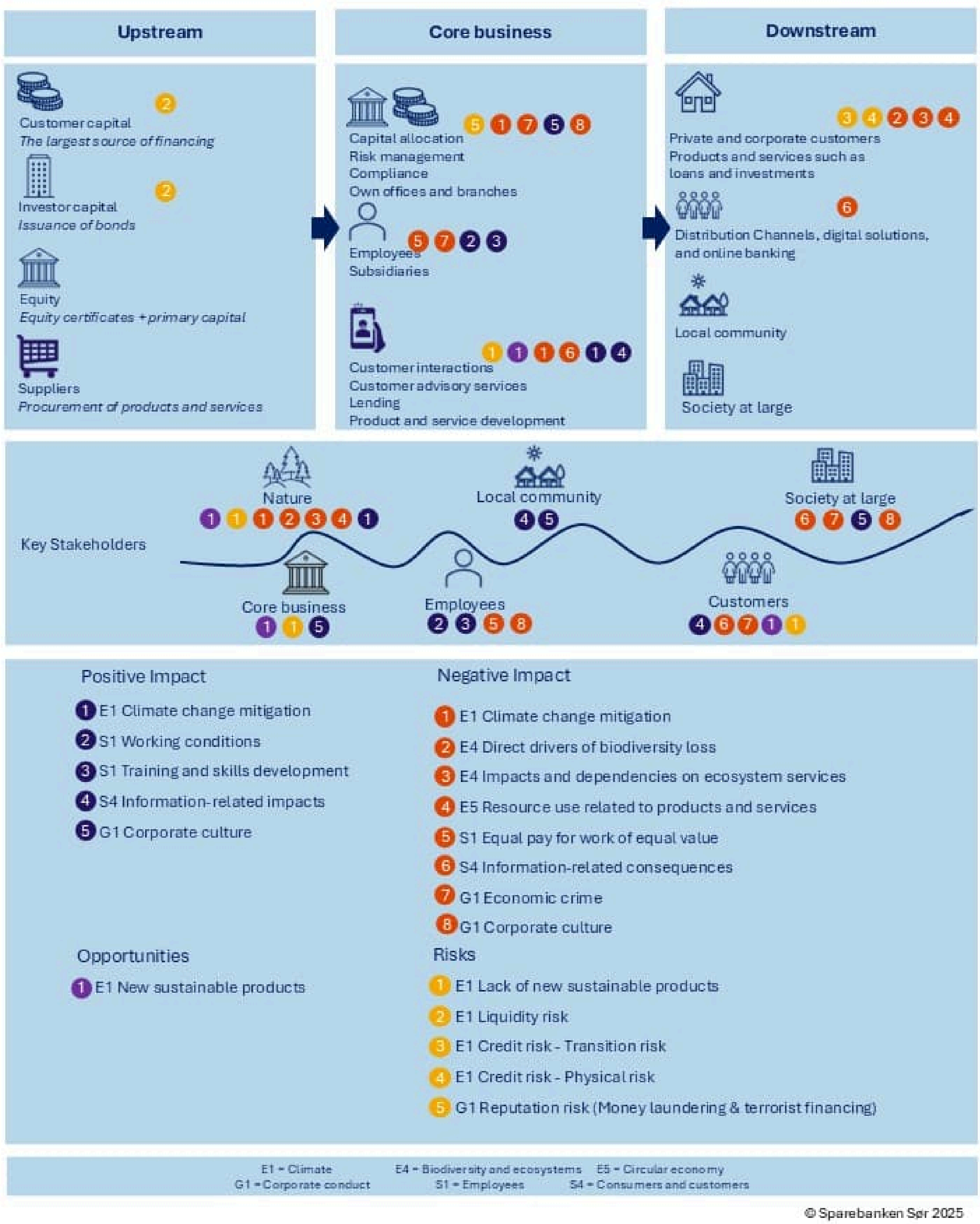
Sustainability targets and value chain

Sparebanken Sør will be a driving force for sustainable transformation in a journey towards an economy with net zero greenhouse gas emissions. The Bank's strategic ambitions are to create sustainable growth and development in the region. To deliver on this ambition, the Bank will support customers in their work on climate change adaptation and the use of nature and natural resources. The Bank will use its position and expertise to actively help its customers in their transition. Through its products, services, capital allocation, expertise, advice and clear expectations, the Bank will help customers and business partners in their restructuring plans. Collaboration and active dialogue with customers, partners, public and private actors are crucial to ensuring a successful transition.

In addition to climate and nature, key areas such as labor and human rights, financial crime, and data and information security are important aspects of the bank's sustainability efforts.

The Group's business model is an integrated value chain that encompasses the development, production and supply of financial products and services. The Group offers personal and corporate customers a varied range of services, such as account and payment services, financing products, cards, savings products, daily banking services, securities trading such as shares and funds, life and non-life insurance products, factoring, leasing and real estate brokerage services. Effective physical and online consultancy services on products and services tailored to the customers' needs in order to deliver good customer experiences are an important part of the Group's business model.

The largest business areas are financing, investment and savings products. These areas also have the greatest impact on society in terms of sustainability, while also significantly influencing the Bank's financial development through risk and opportunity.



Upstream
Customer capital
The largest source of financing
Investor capital
Issuance of bonds
Equity
Equity certificates + primary capital
Suppliers
Procurement of products and services
Core business
Capital allocation
Risk management
Compliance
Own offices and branches
Employees
Subsidiaries
Customer interactions
Customer advisory services
Lending
Product and service development
Downstream
Private and corporate customers
Products and services such as loans and investments
Distribution Channels, digital solutions, and online banking
Local community
Society at large
Key Stakeholders
Nature
Local community
Society at large
Core business
Employees
Customers
Positive Impact
1 E1 Climate change mitigation
2 S1 Working conditions
3 S1 Training and skills development
4 S4 Information-related impacts
5 G1 Corporate culture
Negative Impact
1 E1 Climate change mitigation
2 E4 Direct drivers of biodiversity loss
3 E4 Impacts and dependencies on ecosystem services
4 E5 Resource use related to products and services
5 S1 Equal pay for work of equal value
6 S4 Information-related consequences
7 G1 Economic crime
8 G1 Corporate culture
Opportunities
1 E1 New sustainable products
Risks
1 E1 Lack of new sustainable products
2 E1 Liquidity risk
3 E1 Credit risk - Transition risk
4 E1 Credit risk - Physical risk
5 G1 Reputation risk (Money laundering & terrorist financing)
E1 = Climate
G1 = Corporate conduct
E4 = Biodiversity and ecosystems
S1 = Employees
E5 = Circular economy
S4 = Consumers and customers
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Value chain, including impacts, risks, and opportunities related to material topics from the double materiality assessment.

Value chain

Sparebanken Sør is a savings bank where the most important financing is customer deposits. The Bank also issues several types of bonds and mutual funds to investors, which collectively constitute the second largest share of its financing. The final part of the financing is equity. The equity is divided between equity certificates and the Bank's own primary capital fund. The equity certificates constitute 40 percent of the equity and are traded on the Oslo Stock Exchange. The largest owner of equity certificates is Sparebankstiftelsen Sparebanken Sør. The primary capital fund constitutes 60 percent of the equity and is owned by the Bank itself. For a more detailed explanation of the Bank’s capital structure, see notes 28, 29 and 33, as well as Chapter 1.8.

The Bank uses the capital to offer loans to individuals and businesses. Mortgages to private individuals constitute the largest share of lending. The second largest share is lending to commercial real estate. The Bank also offers loans to other sectors, but overall this constitutes a smaller proportion of the Bank's lending.

Sparebanken Sør also offers other products, including through affiliated companies, as described under the section “Products, markets, and revenues”. However, these affiliated companies are not covered by the sustainability reporting.

The upstream value chain also includes the Bank's suppliers of IT services, services, materials and other goods. The Group’s suppliers are also not included in the sustainability reporting.

Strategy

Sparebanken Sør’s mission is to “create sustainable growth and development for its region”. Green loans for energy-efficient buildings have been included as part of the Bank's business model for both the private and corporate markets. Loan products have also been created for 30 percent energy efficiency improvements in the corporate market. Customers receive better loan terms than equivalent loans that are not green, and more attractive and future-oriented buildings with lower energy costs.

The Bank’s investors receive lower greenhouse gas emissions from their investment and the Bank receives marginally more favourable interest on the green bonds it issues.

Furthermore, the Bank will launch new sustainable products in the coming years, to achieve its targets within material topics. This includes, among other things, sustainability-linked loans, where a future target for customers' reduction of carbon emissions can be tied to their loan conditions. It also includes energy efficiency and energy loans, which will finance energy efficiency measures and investments in new energy sources, such as solar panels.

The Bank has set a target of a 55 percent reduction in its own greenhouse gas emissions and a 40 percent reduction in financed greenhouse gas emissions by 2030. By 2050, the target is net-zero emissions. The Bank's targets are described in more detail in each of the material sustainability chapters.

Stakeholders and involvement

Sparebanken Sør considers stakeholder dialogue to be a key part of its sustainability work.
In 2022, the Bank conducted a comprehensive stakeholder survey involving customers, suppliers, authorities, investors, employees and interest groups. The purpose of the survey was to understand stakeholders' views on the Bank's sustainability work and identify the most material topics that the Bank should focus on going forward. To ensure that this understanding remains relevant and up to date, a quality check was conducted in 2024. This included follow-up conversations with Nordea Investment Management, Finance Norway, private customer, corporate customer and an environmental manager in a municipality. In addition, nature is considered a "silent stakeholder" – a quiet but critical actor that is impacted by the Bank's decisions related to sustainability. This ensures that the analysis always reflects updated expectations and requirements, both from human stakeholders and from considerations of nature.

Among the Bank's key stakeholders is a broad group of actors who have a significant impact on sustainability efforts:

- **Customers (personal and corporate markets):** Provide key insights into the demand for sustainable products and services.
- **Suppliers and partners:** Critical to ensuring compliance with ESG requirements and the Transparency Act.
- **Authorities (Norges Bank and the Financial Supervisory Authority of Norway):** Monitors the Bank's compliance with regulatory requirements.
- **Interest groups (such as the UN Global Compact and Finance Norway):** Provide guidance and a framework for sustainability work.
- **Employees and management:** Key to the implementation of the sustainability strategy in the Bank's daily operations.
- **Investors and analysts:** Influence how the Bank is assessed with regard to ESG standards.
- **Owners and the Board of Directors:** Contribute to shaping and approving the Bank's long-term strategy.
- **Local community:** Influenced by and provides important feedback on the Bank's contribution to social development.
- **Nature ("silent stakeholder"):** Influenced by the Bank's decisions and plays a crucial role in how sustainable investments and practices are designed.

Stakeholders are divided into two main categories: external and internal. External stakeholders include customers, suppliers, governments, investors, analysts and industry organisations, while internal stakeholders consist of employees, management and the Board of Directors. Nature represents a cross-cutting category that the Bank takes into account in all aspects of its sustainability work.

Stakeholder involvement in Sparebanken Sør is organised through several arenas for dialogue, adapted to each stakeholder group's needs and role in the Bank's sustainability work. Stakeholder mapping for 2022 included surveys, follow-up interviews and involved both external and internal stakeholders. In 2024, this involvement continued with a quality control involving key stakeholders from both internal and external environments. Below is an overview of how the Bank engages its stakeholders in different ways:

Stakeholders	Arena for dialogue	Regularly	Annually	As needed
Customers (retail and corporate markets)	Customer meetings, events, customer surveys	X		
Suppliers and partners	Procurement and follow-up, meetings and gatherings		X	X
Authorities, Norges Bank, Finanstilsynet	Semi-annual meetings, ad-hoc meetings		X	X
Rating agencies and analysts	Meetings, events, rating processes		X	X
Management	Regular meetings and meeting places	X		
Employees	Employee appraisals, events, general meetings, workshops	X		
Owners and board	Board meetings, regular meetings, general assembly		X	X
Interest organisations (UN GC, PRB, Finans Norge)	Regular and occasional meetings, events, projects	X		
Investors and brokers	Meetings, events		X	X
Society at large	Miscellaneous	X		
Nature ("silent stakeholder")	Environmental impact assessment, sustainability reports (DMA, TNFD, TCFD)			X

The purpose of stakeholder engagement is to ensure that the Bank's sustainability strategy reflects stakeholder priorities and societal demands. This helps the Bank identify both sustainable opportunities and risks, while shaping its ESG priorities in a way that supports the Bank's business model. Material topics such as climate change, information security, financial crime and social issues such as diversity and equality have been key to the dialogue with stakeholders.

The results of the stakeholder engagement, both in 2022 and the updated analysis in 2024, were taken into account in the Bank's double materiality assessment. This analysis was used to prioritise the most important sustainability topics and provides the Bank with a solid foundation for further developing sustainability initiatives, products and services. Feedback from stakeholders has helped ensure that the Bank’s priorities are well aligned with both societal and business needs.

The Group Management of Sparebanken Sør was informed about the stakeholder involvement and their views through the work on the double materiality assessment, which included identification and scoring of IROs (impacts, risks and opportunities). Group Management received a separate review of the stakeholder mapping from 2022, where the outcome and insights from this analysis were presented as part of the Bank’s further sustainability work. In 2024, Group Management was updated on the results of the quality control for stakeholder engagement, where both internal and external stakeholders were re-engaged to ensure that the analysis remains relevant. The Board of Directors also received a review of the double materiality assessment methodology, and it was emphasised that contributions from stakeholders – both external and internal – had contributed to the basis for the identification and scoring of material risks, opportunities and impacts. The Board of Directors then adopted the material topics based on this methodology and insights from stakeholder engagement.

The 2022 analysis included responses from a wide range of stakeholders, including investors, corporate customers, employees, suppliers, governments and interest groups. Stakeholders highlighted the following as the material topics:

- Prevention of financial crime and money laundering
- Responsible customer advisory services and marketing
- Offering sustainable products and services
- Information security and stable IT systems
- Greenhouse gas emissions and biodiversity
- Furthermore, labour rights, gender equality, technology development and resource utilisation were highlighted as key areas in which the Bank can contribute positively and reduce risk.

The 2024 quality sample of stakeholders matched the 2022 analysis.

For internal stakeholders (employees), the following topics have been identified as material: Employees particularly emphasise responsible customer advisory and marketing, competence and employee development, as well as equality and diversity.

The Bank's strategy for 2021–2025 was designed before the stakeholder engagement in 2022, which means that there is no direct, informed connection between them. Nevertheless, the strategy reflects the fact that employees are a prioritised stakeholder group through the focus on "competent, motivated and performance-oriented employees". The Bank focuses on being an attractive workplace, developing employees and building a learning organisation with a strong performance culture, while "high employee engagement" is a strategic goal.

Furthermore, the Bank's strategy integrates customers' interests and needs into the business model. For the private market, the focus is on user-friendly digital solutions, physical proximity and personal customer dialogue, while for the corporate market, the goal is finding a balance between local expertise, digitalisation and diversification. The strategy ensures that customers’ views are a key part of the Bank's core activities.

Risk assessment and impact

Sparebanken Sør has conducted a thorough materiality assessment to identify the most important impacts, risks and opportunities that are most relevant to the Bank's operations, stakeholders and value chain. The assessment includes both the positive and negative impacts that are closely linked to the Bank's business model, particularly through financed activities such as investments and lending to customers.

This particularly applies to topics related to climate change, ecosystems, the circular economy, and social and governance issues. Significant impacts are assessed based on how they affect people, the environment and the Bank's strategy in the short, medium and long term.

Changes from the previous reporting period

The transition from voluntary GRI reporting to mandatory reporting in accordance with the CSRD has led to significant changes in the way the materiality assessment is conducted at Sparebanken Sør. This transition has required a more comprehensive review of material topics, which has also led to certain topics that were previously considered material being no longer considered so. For example, S2 –workers in the value chain is no longer included as a material topic in 2024. This is due to a comprehensive assessment of the Bank’s value chain, the regulatory landscape in which the Bank operates, and the prioritisation of other topics. Although the topic is considered less material, it remains important, and the Bank continues to report on this through the Transparency Act.

4.5 Double materiality assessment

General description of process and methodology

Sparebanken Sør has conducted a double materiality assessment to identify impacts, risks and opportunities (IROs) related to sustainability. The analysis follows a structured process divided into four phases: Understand, Identify, Evaluate and Decide. This ensures a holistic approach to mapping environmental and social impacts, as well as assessing financial materiality. The process has been conducted in line with EFRAG's guidelines and builds on the Bank's previous work on materiality assessment conducted according to the GRI standard.

The methodology used to identify impacts, risks and opportunities is based on previously conducted materiality analysis, but has been updated with new criteria to align with EFRAG standards. Sparebanken Sør has involved both internal and external stakeholders through workshops and consultations to gain a deeper understanding of risks and opportunities related to the Bank's value chain and activities.

Disclaimers and limitations of the double materiality assessment

The double materiality analysis encompasses the Sparebanken Sør Group, including subsidiaries such as Sørmegleren Holding AS and Sørlandets Forsikringssenter AS, but the main focus is on the Banking business itself. Although the assessment is comprehensive, there are a number of limitations and caveats that must be mentioned to provide a complete picture of the precision and coverage of the assessment. The Bank has conducted thorough assessments within the framework of the available data and resources, and will be continuously working to improve and expand the scope of the analysis in the years to come. The scope of the analysis in various phases of the Group's value chain is presented below: upstream, own operations and downstream.

Upstream (suppliers):
The analysis includes suppliers, focusing on those that provide goods and services to the Bank, which are part of the Bank's deliveries to customers, such as Tietoevry. The suppliers are primarily Norwegian and operate within the following industries:

- IT, data, communications and computer systems
- Insurance
- Energy
- Banking systems
- Consultants and lawyers
- Product and system suppliers

These account for approximately 80 percent of the Bank’s total procurements, of which the IT, data, communications and computer systems categories account for by far the largest proportion.

These suppliers and partners are mainly large professional, national and global companies that have good systems and limited risk of labour and human rights violations. In addition, the Bank has several smaller suppliers within various industries.

Own operations:
The analysis includes an assessment of the company's own employees, including contract workers, temporary workers and permanent employees. The Bank has also assessed the Group's compliance with legislation, as well as reputation and financial risks/opportunities. The geographical area in which the Group operates, Norway, is heavily regulated, and this is included in the assessments. Even though the Bank will include inherent risk without mitigating measures, it has assumed that laws and regulations governing its operations must be followed regardless of significant issues. The Group's core business mainly takes place in Norway, which is an important factor in the assessments. The Bank operates within the financial sector, with banking as its core activity.

Downstream (Customers):
The Bank's downstream activities also include the companies it finances and their employees. When assessing S2 (*Workers in the Value Chain*) and governance-related topics, the following assumptions were made: The analysis of downstream activities was limited to the companies financed by the Bank. Since these companies were located in Norway, it was assumed that they operated within the Norwegian regulatory framework, in line with other established Norwegian businesses. ESG considerations were an integral part of the Bank's credit process.

Regarding the lending segment of the value chain, the Bank primarily assessed the first tier. This meant that the main focus was on the collateral securing the loans, particularly mortgage loans, and that the Bank did not analyse how funds from flexible loans were utilised. As a result, the Bank's role was limited to the first tier of its lending portfolio, without further follow-up on transactions carried out by customers in the retail or corporate markets.

Phase 1: Understand

In this phase, Sparebanken Sør's value chain, activities and stakeholders were mapped to form the basis for further work. A rough review was conducted of which ESRS topics are relevant to the Bank, based on previous analyses and stakeholder surveys. External stakeholders were involved to quality assure the preliminary list of relevant topics, ensuring that the process was well grounded, both internally and externally.

The process focused on the Bank's entire value chain, including upstream activities (suppliers), the Bank's own operations, and downstream activities. Because most of the Bank's suppliers operate in Norway and the EU, both of which are strictly regulated markets, the risk of negative impacts is significantly reduced. At the same time, the Bank's own operations were assessed within the framework of the strictly regulated Norwegian market, where the financial sector has particularly stringent requirements. This provided an important framework for the assessment of both direct risks related to own operations and risks arising through business relationships.

Furthermore, the Bank's operations, including employees, compliance with legislation and impacts from business relationships, were thoroughly assessed. An example is how the Bank's lending activities can lead to both climate-related risks and opportunities, especially with regard to the environmental impact of financed projects. In addition, the Bank has considered social impacts, both positive and negative. Negative impacts include, for example, inherent risks of gender inequality and unequal pay for work of equal value, as a result of historical biases. Positive impacts include opportunities related to training and further development for employees, as well as responsible consultancy services to customers. When it comes to governance, an ethical corporate culture is highlighted as both a positive and a negative impact, while entity-specific issues such as anti-money laundering and combating terrorist financing represent important negative impacts with potential negative societal consequences.

Phase 2: Identify

In this phase, Sparebanken Sør identified specific impacts, risks and opportunities (IROs) through eight workshops with representatives from various departments. To ensure a holistic approach, the Bank formed a working group consisting of the double materiality project manager, the CSRD project manager and a resource from risk management. This ensured that the identification and scoring of topics that could have a significant impact on the Bank were conducted thoroughly. The workshops included participants from all relevant departments, ensuring that all material topics were highlighted and assessed. The Bank also held a separate workshop with Group Management where they could provide their input and assessments. Consultation with both internal and external stakeholders was an important part of the process. External stakeholders, such as environmental officers from local authorities and representatives from Nordea Investment Management and Finance Norway, were consulted to ensure that the Bank's materiality assessment was in line with stakeholders' expectations and requirements. This gave the Bank valuable insight into how various stakeholders may be affected by the Bank's activities. In addition, the Bank had ongoing dialogue with a consultant, who provided professional support.

Phase 3: Assess

After eight workshops, all identified IROs (impacts, risks and opportunities) were scored. Operational risk was included to ensure the quality of the scoring and to provide guidance on the various criteria that were set. The Bank followed EFRAG’s guidelines, which recommended the use of its own risk matrix and criteria, where available. Sparebanken Sør therefore used its own risk matrix and criteria for assessing financial materiality. When it came to assessing the materiality of impacts, the Bank had no existing matrix and criteria, and therefore used EFRAG’s guidelines. Below is a review of the methodology for assessing materiality:

Actual negative impacts:
The materiality of actual negative impacts was assessed based on the severity of the impact. The severity was determined using the following factors:

- *Scale:* Magnitude of the impact.
- *Scope:* Number of individuals or entities affected.
- *Irremediable Character:* The possibility of correcting or averting the impact.

To assess impacts, the Bank used EFRAG's recommended method, which includes assessment of scale (scale of impact), scope, and irremediable character. Each of these factors was given a score based on predefined criteria from a scale of 1–5. The average of these factors was multiplied by the probability of the impact occurring, and assessed based on separate criteria on a scale from 1 to 5. Since the assessment here concerns actual impacts, the probability was always set to 5.

Potential negative impacts:
Materiality for potential negative impacts was assessed based on both the severity and likelihood of the impact occurring. The severity is based on the same factors as for actual negative impacts:

- Scale
- Scope
- Irremediable Character

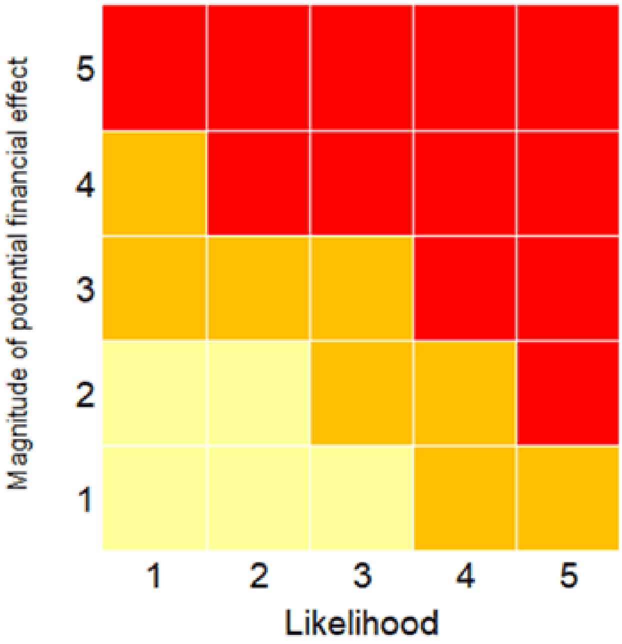
Positive impacts:
The materiality of positive impacts was assessed based on:

- Scale and scope of actual impact
- Scale, scope and probability of Potential Impact

For positive impacts, only scale and scope were considered, as it is not relevant to remediate a positive impact.

Financial materiality:
When scoring financial materiality, the Bank used its established method for risk assessment. This involves an assessment of the consequence and probability of each risk and opportunity, with scoring based on predefined criteria (according to the Bank's risk acceptance). The risk analysis assesses the probability of the scenario occurring and the consequences the scenario could entail. The probability is the same for all consequence types, but the severity of the different consequence types varies depending on how the scenario affects the different dimensions. The consequences were assessed based on reputation, compliance and cost, all of which have assessment criteria from 1–5. If any risks or opportunities were both financial and reputational, the consequence that posed the highest risk was used as the basis for the assessment.

Defined threshold values



In the work to assess materiality, EFRAG's illustration of a possible approach to assessing financial materiality was used. The red field in the figure shows which score is defined as material. Red symbolises a high score, orange a medium score and yellow a low score.

Financial risks and opportunities:

The Bank's acceptance criteria for negative risk have been approved by the Board and define the extent to which negative risk can be accepted and the degree to which mitigating actions must be implemented. These acceptance criteria formed the basis for assessing negative financial risk in the double materiality assessment.

To assess probability, the Bank's established criteria for probability assessment were applied across all evaluations. Similarly, the Bank's established consequence criteria were used to assess negative financial risk. This type of negative risk assessment is well-established within the Bank, making it natural to rely on these predefined threshold values.

The Bank has not established acceptance criteria or predefined threshold values for the consequences of positive risk or upside risk. The established consequence criteria for negative risk were also applied in the assessment of positive risk, but interpreted in a positive context.

The double materiality assessment, in accordance with the requirements of the CSRD, is a new area and has not yet been formally integrated into the Bank's risk management framework. The Bank aims to gradually incorporate this process into its risk management practices over the coming years. However, ESG-related risk assessments within credit and operational risk are already part of the Bank's internal risk profile and are covered in the annual report on internal control.

Impact:
In the assessment of impact risk, where the Bank impacts its surroundings, the Bank has not established predefined threshold values. In these evaluations, EFRAG's guidance was used as a reference, and to the best extent possible, applied as consequence criteria in the assessment of both negative and positive impact risk. The same risk matrix mentioned initially was also used to assess the materiality of impacts.

#	Scale of Impact	Scope of Impact	Possibility of Regeneration
1	Single breach of internal routines. Consider the negative impact on human well-being or climate/ environment	A single location for a company (e.g., noise, traffic)	Relatively easy to rectify, immediate, and/ or no significant costs
2	Multiple/continuous breaches of internal routines. Negative impact on human well-being or climate/ environment.	Multiple locations for a company (e.g., working conditions for own employees)	Can be rectified with effort, short-term, and/ or lower costs
3	Legal violations, multiple breaches of regulations, guidelines, circulars, internal policies, and/or instructions and directives. Less severe violations of human rights or damage to climate/environment.	Multiple locations for a few companies (e.g., water consumption by customers)	Difficult to rectify, medium-term, and/or costly
4	Serious violations of laws, regulations, guidelines, circulars, internal policies, and/or instructions. Violations of human rights or damage to climate/environment.	Multiple locations for many companies (e.g., working conditions for workers in the supply chain)	Difficult to rectify, long-term, and/or very costly
5	Critical violation of laws, regulations, guidelines, circulars, internal policies, and/or instructions. Severe violations of human rights or serious damage to climate/environment.	Global (e.g., greenhouse gas emissions)	Irreversible

#	Probability
1	Unlikely = Once in 100 years
2	Rare = Once in 10 years
3	Possible = One or more times within 10 years
4	Likely = Annually
5	Almost Certain = Several times a year

In line with the guidelines for double materiality analysis, any risk or impact that poses a threat of human rights violations has been prioritised and classified as a severe risk/impact, regardless of the score.

Consistent Application of Assessment Criteria and Scales:
The scales have been applied consistently to all identified IROs by following a standardised assessment process, with evaluations conducted in collaboration with a representative from the Bank's operational risk team.

Phase 4: Decide: Anchoring and decision-making in Group Management, audit committee and the Board of Directors

The final phase involved a comprehensive review and approval of the most material risks, opportunities, and impacts (IROs). Group Management and the Audit Committee approved the material topics based on the preceding phases and assessments. This phase included a final quality assurance of the overall assessment and a presentation of the results to the Board of Directors, where the material topics were formally adopted.

Below is an overview of links and dependencies between impacts and financial risks and opportunities:

Area	Impact	Financial risk	Financial opportunity	Dependency
E1: Climate Change	Positive: Potential positive impact on energy consumption and climate by encouraging customers to choose green products through favorable loans.	Risk: The Bank risks losing competitiveness if competitive lending products within sustainability are not offered.	Opportunity: The Bank can leverage a market shift by offering new ESG products that create increased business opportunities.	Dependency: Customers demanding green products and regulatory incentives that support sustainable choices.
E1: Climate Change	Negative: Financed greenhouse gas emissions (Scope 1, 2, and 3) from lending activities and investments.	Risk: Credit risk and transition risk due to regulations and changes in customer behavior may lead to increased losses (EL), weakened repayment ability (PD), and reduced collateral values (LGD). Stricter energy requirements may decrease property values.		Dependency: Government requirements for reduced emissions and customers' ability to adapt to these requirements.
E1: Climate Change	Negative: Financed greenhouse gas emissions (Scope 1, 2, and 3) lead to reduced property and asset values due to climate change.	Risk: Increased losses (EL) in vulnerable sectors due to natural disasters (e.g., floods, landslides) and reduced coverage of natural disaster insurance..		Dependency: Insurance coverage for natural disasters and customers' ability to manage climate risk.
G1: Governance	Negative: Impact on society through money laundering and terror financing.	Risk: Reputational risk if anti-money laundering efforts are not carried out satisfactorily. This may lead to fines, loss of market value and customers, as well as reduced financing opportunities.		Dependency: Regulatory requirements from authorities and the Bank's internal control systems for anti-money laundering.

The link between impacts and financial risks and opportunities is clearly evident in *E1 Climate Change* and *G1 Governance.* In E1, the essential connections are related to:

- **Green products (positive impact):** The Bank relies on regulatory incentives and customer demand for sustainable solutions to realise financial opportunities.
- **Financed emissions (negative impact):** The Bank depends on government requirements and customers' ability to reduce greenhouse gas emissions to manage credit risk.

On *G1 Governance* the negative impact of money laundering and terrorist financing is directly linked to significant reputational risks. Here, the Bank relies on strict regulatory frameworks and effective internal control mechanisms to reduce the risk of reputational damage.

There are also several dependencies and linkages from other impacts that have been identified, but these have not resulted in significant financial risks or opportunities and are therefore not included in this overview.

Material impacts, risks and opportunities

The tables below shows the identified risks, opportunities and impacts from the Group's double materiality assessment, with associated time horizons and affected stakeholders.

Climate Change (ESRS E1)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Financed emissions	Actual negative impact. Scope 1, 2, and 3 emissions from financed activities and investments.	0-1	Nature, society
2 Financed emissions	Potential positive impact on nature and the environment by encouraging customers to choose green products through favorable terms.	1-5	Nature, society, customers
3 Own emissions	Actual negative impact on the climate from Scope 1, 2, and 3 emissions generated by own business operations, primarily from offices and business travel.	0-1	Nature, own business, society
4 New sustainable products	The bank has a financial opportunity by offering new ESG products that position us for a market shift.	>5	Own business, customers, nature
5 The lack of New sustainable products	Negative financial risk if the bank is unable to offer competitive lending products within sustainability.	>5	Own business, customers, nature
6 Liquidity risk	The bank faces financial risk due to a lack of adaptability and/or insufficient green loan portfolios, which may lead to reduced interest from investors with green mandates.	>5	Own business, customers, nature
7 Credit risk	Transition risk arising from regulations and changes in customer behavior related to climate change may lead to weakened repayment capacity (PD) and reduced collateral values (LGD) for customers, resulting in increased losses (EL). Stricter energy requirements may decrease the value of properties that do not comply with the new standards.	>5	Authorities, own business, customers, nature
8 Credit risk	Physical risk. Increased losses for customers, industries, and sectors exposed to declining collateral and asset values due to climate change. This assumes changes or reduced coverage in the natural disaster insurance scheme. Natural disasters may further contribute to decreasing property values in high-risk areas, such as those prone to floods and landslides.	>5	Own business, customers

Biodiversity and ecosystems (ESRS E4)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Ecosystems and biodiversity	The bank negatively impacts the environment by financing activities linked to land use changes and the degradation of natural areas.	0-1	Nature
2 Negative impact on ecosystems and biodiversity, linked to the direct exploitation of nature	The bank has an indirect potential negative impact on ecosystems and biodiversity through its loan portfolio, by providing loans for purchases and investments that utilize scarce resources.	0-1	Nature

Circular economy (ESRS E5)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Financing of scarce resources.	The bank negatively impacts the circular economy by financing the consumption of scarce resources.	0-1	Nature

Own workforce (ESRS S1)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Secure employment	The bank positively impacts its employees by offering a secure, stable, and predictable workplace. A full-time work culture is maintained to ensure long-term employment security.	0-1	Employees
2 Equality	The bank has a negative impact on equality and the right to equal pay for work of equal value due to historical imbalances in the industry, which require time to rectify	0-1	Employees
3 training and skill development	The bank's commitment to competence development and internal growth opportunities has a positive impact on its employees	0-1	Employees

Consumers and end-users (ESRS S4)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders	entity-specific
1 Responsible advisory services	The bank has a positive impact on customers by providing high-quality advisory services that ensure a clear understanding of risks, information, and obligations associated with purchasing products and services. This enables customers to make well-informed decisions.	0-1	Customers	
2 Financial crime and fraud	Society is negatively impacted when the bank's customers fall victim to fraud or financial crime.	0-1	Customers, Society	✓
3 Responsible advisory services	A customer's personal finances may suffer if they make financial decisions based on inadequate information due to a lack of advice, unreliable information, or misleading descriptions of financial products. This represents a potential negative impact.	1-5	Customers	

Business conduct (ESRS G1)

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders	entity-specific
1 Corporate culture	Positive impact on corporate culture. The bank maintains an ethical corporate culture that fosters trust and promotes responsible banking practices.	0-1	Own business, society, customers	
2 Anti-money laundering and counter-terrorist financing	Negative impact of money laundering and terrorist financing. Society is negatively affected if money is laundered through the bank.	0-1	Own business, society, customers and government	✓
3 Anti-money laundering and counter-terrorist financing	Reputational risk from money laundering and terrorist financing. This can lead to direct costs through fines and indirect costs due to a loss of market value and financing opportunities. It may also result in customer attrition.	1-5	Own business	✓
4 System security	Potential negative impact on customers and society if the bank fails to uphold information and system security, exposing customers to risks such as hacking, data breaches, or human errors.	1-5	Own business, customers	✓
5 Sensitive information	Potential negative impact due to the processing of sensitive customer information, which may be compromised.	1-5	Own business, customers	✓
6 Corporate culture	If the bank were to have an inadequate corporate culture and a lack of responsible corporate governance, this could have a negative impact on employees and society.	1-5	Employees and society	

The Bank's impact, risks and opportunities are covered under the chapter on the material topic.
There is currently no significant financial impact from the material ESRS topics.
Possible future effects are described under each material topic.
The resilience associated with future impacts is described under each material topic.

Climate, Nature, and Circular Economy-Related Impacts, Risks, and Opportunities

The process for identifying and analysing impacts, risks, and opportunities related to climate, nature, and the circular economy shares many commonalities and is therefore described in a combined section.

Information from the TCFD and TNFD reports has been incorporated into the double materiality assessment (DMA) to map impacts, risks, and opportunities. These analyses are based on both internal and external data, with results derived from a combination of qualitative and quantitative assessments. The analyses consider the Bank's business areas, sectors, industries, and the size and composition of its portfolios. This includes both transition risk and physical risk.

Lending is the Bank's business area with the greatest impact on society and the most significant financial risks and opportunities—particularly in relation to climate, nature, and the circular economy. The analyses focus on emissions from the various sectors and industries financed by the Bank. To assess climate risk, emission calculations have been conducted for both the Bank's own operations and the sectors and industries to which it lends. The EU Taxonomy has been utilised to identify opportunities for new products and markets.

The analyses are not based on scientific methods. Key considerations include where the Bank can have the most significant positive impact on both society and its own financial performance. Risk of losses is primarily linked to transition risk and physical risk. When assessing opportunities, industries with strong potential for sustainable products within the EU Taxonomy are central.

To map climate-related impacts, risks, and opportunities, the Bank has used the TCFD framework. Similarly, the TNFD framework has been applied to assess nature-related impacts, risks, and opportunities. Both frameworks have also served as a foundation for analyses related to the circular economy. Impacts, risks, and opportunities associated with the circular economy have significant overlaps with climate and nature-related factors. Based on these frameworks, as well as the Bank's knowledge of its customers, markets, and business operations, the Bank has assessed which sectors and industries represent the highest risk and sensitivity in the transition to a circular economy.

Using risk and opportunity drivers from the frameworks, the composition of the Bank's portfolio, and expert assessments, the Bank has developed a resilience analysis to map risks and opportunities in the short, medium, and long term.

NGFS scenario analyses (NGFS Scenarios Framework in Phase IV) and the ECB Climate Risk Stress Test, along with the Bank's stress testing model (ICAAP model), have been used to stress test (Base Case and Stress Case) the financial effects (profitability, balance sheet, and capital adequacy) of climate risk.

Negative Assessments and EU Requirements

Based on the Bank's double materiality assessment, several ESRS topics have been assessed as "not material" to our operations. These include ESRS E2 (Pollution), ESRS E3 (Water and Marine Resources), ESRS S2 (Workers in the Value Chain), and ESRS S3 (Affected Communities). This assessment is based on the composition of the Bank's portfolio, the types of projects and industries financed and to what extent, as well as the regulatory landscape in which the Bank operates, which includes Norway and, indirectly, the EU through the EEA. Additionally, the Bank's business model and value chain have been key factors in the decision-making process. While a full screening of all customers has not been conducted, all topics have been evaluated at the portfolio level. Based on these considerations, the mentioned topics are deemed not material to the Bank's operations and are therefore excluded from reporting.

Sparebanken Sør also reports on sustainable activities in accordance with the EU Taxonomy. This reporting is covered in a dedicated subchapter 4.8 under Climate and Environment.

The Bank's potential impacts, risks, and opportunities have been scored based on scale, scope, and probability. Any potential risk of human rights violations has also been considered. The Bank's locations and business activities have been assessed at an overall level concerning pollution under E2 and the impact on water and marine resources under E3, as part of the double materiality analysis. Detailed analyses of emissions for each bank building have not been conducted, as these are office buildings.

No consultations with affected communities have been carried out regarding the Bank's impact on pollution, water, and marine resources, as this is not considered relevant to the Bank's operations.

Materiality Assessment of Information

The process of identifying material information has been based on data points from EFRAG IG 3 ESRS Data Points. The Bank's assessment of which data points are material for reporting has been guided by the descriptions of impacts, risks, and opportunities (IROs) from the conducted double materiality assessment. Even if an ESRS topic or subtopic was deemed material, the specific wording and evaluation of the identified IROs ultimately determined which data points were considered material for reporting. The detailed descriptions of the IROs provided a solid foundation for identifying relevant data points from EFRAG IG 3 ESRS Data Points. To support the process, the Bank also utilised the document "ID 177 – Links between AR16 and Disclosure Requirements" from EFRAG, which provides methodological guidelines for linking material sustainability topics to relevant reporting requirements.

4.6 List of Reporting Requirements Addressed in the Sustainability Report

ESRS-index ESRS standard	DR	Description of requirements	Chapter
ESRS 2	BP-1	General basis for preparation of sustainability statement	4.1, 4.9
ESRS 2	BP-2	Disclosures in relation to specific circumstances	4.1, 4.4, 4.9
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	4.2, 7.3, 7.4
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	4.2, 4.5, 7.1.10
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	4.2
ESRS 2	GOV-4	Statement on due diligence	4.3
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	4.3
ESRS 2	SBM-1	Strategy, business model and value chain	4.4, 1.8, note 4, 28, 29 and 33
ESRS 2	SBM-2	Interests and view of stakeholders	4.4, 4.22
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.4, 4.5, ESRS E1, ESRS E5 4.20, ESRS G1
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	4.5
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	4.5, 4.7
E1	E1-1	Transition plan for climate change mitigation	4.9, 4.11, 4.12
E1	E1-2	Policies related to climate change mitigation and adaptation	4.8
E1	E1-3	Actions and resources in relation to climate change policies	4.11, 4.18, 4.1
E1	E1-4	Targets related to climate change mitigation and adaptation	4.12, 4.1
E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	4.12, 4.13, 4.1, 4.14
E5	E5-1	Policies related to resource use and circular economy	4.15. 4.8
E5	E5-2	Actions and resources related to resource use and circular economy	4.16
E5	E5-3	Targets related to resource use and circular economy	4.17, 4.1, 4.8
E5	E5-5	Resource outflows	4.19

ESRS-index ESRS standard	DR	Description of requirements	Chapter
G1	G1-1	Business conduct policies on corporate culture and entity-specific topics	4.25,4.26,4.27,4.28,4.29
G1	G1-3	Prevention and detection of corruption and bribery	4.26, 4.1
G1	G1-4	Incidents of corruption or bribery	4.26, 4.21
S1	S1-1	Policies related to own workforce	4.20,4.21,4.22,4.23
S1	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	4.21
S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	4.21
S1	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	4.21,4.22, 4.23, 4.1
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.22,4.23, 4.24 ,4.1
S1	S1-6	Characteristics of the undertaking's employees	4.22
S1	S1-7	Characteristics of non-employees in the undertaking's own workforce	4.22
S1	S1-9	Diversity metrics	4.22, 4.23
S1	S1-11	Social protection	4.22
S1	S1-16	Remuneration metrics (pay gap and total remuneration)	4.23
S1	S1-17	Incidents, complaints and severe human rights impacts	4.21, 4.23

The list also indicates where references to other parts of the annual report have been made to fulfill the reporting requirements ("incorporation by reference").

Data points from other EU legislation

Disclosure Requirement and related datapoint	SFDR (23)	Pillar 3 (24)	Benchmark Regulation (25)	EU Climate Law (26)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	4.2		4.2	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			4.2	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	4.2			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material	Not material	Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				4.8
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		4.11	4.11	
ESRS E1-4 GHG emission reduction targets paragraph 34	4.11	4.11	4.11	

Disclosure Requirement and related datapoint	SFDR (23)	Pillar 3 (24)	Benchmark Regulation (25)	EU Climate Law (26)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Not material			
ESRS E1-5 Energy consumption and mix paragraph 37	Not material			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Not material			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	4.12	4.12	4.12	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	4.12	4.12	4.12	
ESRS E1-7 GHG removals and carbon credits paragraph 56			Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Material (phase-in)	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Material (phase-in)		
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Not material		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Not material		
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Material (phase-in)	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil, paragraph 28	Not material			
ESRS E3-1 Water and marine resources paragraph 9	Not material			
ESRS E3-1 Dedicated policy paragraph 13	Not material			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material			
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Not material			
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Material (phase-in)			
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Not material			
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Not material			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Material (phase-in)			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Material (phase-in)			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not material			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not material			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Not material			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Not material			
ESRS S1-1 Human rights policy commitments paragraph 20	ESRS S1			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental ILO-Conventions 1 to 8, paragraph 21	ESRS S1		ESRS S1	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	ESRS S1			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	4.21			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	4.21			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) og (c)	Not material		Not material	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Not material			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	4.23		4.23	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	4.23			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	4.23			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Not material		Not material	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not material			
ESRS S2-1 Human rights policy commitments paragraph 17	Not material			
ESRS S2-1 Policies related to value chain workers paragraph 18	Not material			
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Not material		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental ILO-Conventions 1 to 8, paragraph 19			Not material	

Disclosure Requirement and related datapoint	SFDR (23)	Pillar 3 (24)	Benchmark Regulation (25)	EU Climate Law (26)
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Not material			
ESRS S3-1 Human rights policy commitments paragraph 16	Not material			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Not material		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Not material			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Material (phase-in)			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Material (phase-in)		Material (phase-in)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Material (phase-in)			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Not material			
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Not material			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	4.25		4.25	
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	4.25			

SPAREBANKEN SØR

ENVIRONMENTAL

Climate change, biodiversity, and circular economy are material environmental topics for Sparebanken Sør. This chapter outlines how the bank manages related risks, opportunities, and impacts.

Climate and Environment

The financial sector plays a central role in reducing climate change, a global challenge that requires responsibility from the entire society. The main challenge is to implement the economic transformation required by the Paris Agreement, including the transition to a circular economy and sustainable economic growth. This requires legislative changes, regulations, and incentives that balance swift action with social justice.

Climate change is a threat, but the green transition also presents commercial opportunities. The Bank supports its customers' transition plans through close collaboration with authorities and society, as their success is crucial to the Bank’s own targets.

4.7 EU-Taxonomy

The EU Taxonomy, (EU) 2020/852, is part of the EU's action plan for sustainable finance and aims to direct capital towards environmentally sustainable investments. It provides a common framework to define green activities and create transparency in the financial market.

It covers financial products such as loans and investments and includes detailed reporting requirements, key performance indicators, and templates for both financial and non-financial companies.

For finance, the Green Asset Ratio (GAR) is a central indicator. GAR shows the proportion of the Bank’s loans and investments related to activities defined as sustainable according to the Taxonomy. The Bank calculates GAR in line with the EU Taxonomy guidelines for financial institutions and Article 8 of the Taxonomy Regulation.

Sparebanken Sør has developed financial products in accordance with the Taxonomy, particularly in mortgages (Green Mortgage) and commercial real estate (Green Loans for Businesses). The Bank uses data from Eiendomsverdi to ensure correct classification of homes based on energy labeling.

In light of the merger process, strategy, development of sustainable products in line with regulatory requirements and customer needs, as well as a more extensive use of the Taxonomy in risk assessments and investment decisions, will be more integrated into the organisation once the merger is completed, and there is a new common reporting structure for Sparebanken Norge.

Reporting Requirements and Indicators

The Taxonomy Regulation sets comprehensive reporting requirements. The Bank reports the following key indicators:

- The proportion of the Bank's loans that are taxonomy-eligible.
- The proportion of the Bank's loans that are taxonomy-aligned.
- Green Asset Ratio (GAR) – the proportion of the Bank's balance sheet that meets the Taxonomy requirements.

Environmental targets and activities

The Bank's assessment of taxonomy-aligned assets is based on the environmental objective Climate Change Mitigation within the EU Taxonomy. Within this environmental objective, activity 7.7. Purchase and ownership of buildings is the most relevant for the Bank's lending portfolio, as the majority of the taxonomy-eligible assets are related to mortgages and commercial real estate. For an asset to be taxonomy-aligned under activity 7.7, the building must meet defined technical screening criteria.

The Bank has assessed its lending portfolio against these criteria to identify which assets are both taxonomy-eligible and taxonomy-aligned, with a primary focus on loans for energy-efficient homes and commercial properties. Mortgages with a high climate risk score (6) are excluded from the alignment assessment to ensure compliance with the DNSH (Do No Significant Harm) requirement.

The Bank expects a gradual increase in taxonomy-aligned assets in line with stricter energy requirements for new buildings and growing demand for green financing products. Plans for further adjustment and improvement of these activities will be formalised after the merger process, as a comprehensive strategy can only be established once the new organisation is in place.

Method and calculation basis

For the Bank, mortgage loans represent the largest share of sustainable assets, as energy-efficient homes meet the requirements of the EU Taxonomy. There is no significant difference between the different calculation methods (turnover and investments), which means that the variation in sustainable activities between the two calculation methods is minimal for the Bank. This is because the Bank's sustainable assets primarily consist of mortgage loans, where revenue streams and investments largely follow the same pattern.

For companies that report in accordance with the Taxonomy, the Bank assesses alignment based on turnover and investments (CapEx), in line with the financial reporting requirements under the EU Taxonomy.

The Bank maps sustainable assets based on sector classification and technical screening criteria in the Taxonomy.

The Difference Between Taxonomy Eligible and Taxonomy Aligned

Taxonomy Eligible refers to assets that fall under the Taxonomy's definition of green activities but do not necessarily meet all the requirements for alignment.

Taxonomy Aligned refers to activities that, in addition to being eligible, meet all the following criteria:

- Technical Screening Criteria (e.g., energy efficiency for buildings)
  The activity must make a significant contribution to at least one of the six environmental objectives.
- Do No Significant Harm (DNSH)
  The activity must not harm any of the other environmental objectives.
- Minimum Social Safeguards
  The activity must meet requirements for social and governance matters, such as OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The process includes the following:

Identification of Taxonomy-Eligible Activities (Taxonomy Eligible):
The Bank maps out which assets are covered by the taxonomy based on sector classification and technical screening criteria.

Assessment of Alignment (Taxonomy Aligned):
To assess alignment, the EU Taxonomy's technical screening criteria for buildings (Delegated Regulation 2021/2139) are used. This includes specific emission limits (kg CO_2/m^2) and energy performance requirements in relation to Nearly Zero Energy Buildings (NZEB).

- Mortgage Loans and Commercial Real Estate – Energy Efficiency Requirements:
  - For homes built before 2021, the top 15 percent most energy-efficient buildings are considered to be in alignment with the EU Taxonomy.
  - For homes built from 2021 onwards, there is a requirement for 10 percent better energy efficiency than the national definition of Nearly Zero Energy Building (NZEB).
  - For commercial real estate, buildings must meet specific energy efficiency requirements or have EPC Class A.
- In the calculations of energy-efficient mortgage loans, the bank applies the following approach:
  - Energy Labeling: The Bank uses the Eiendomsverdi database for energy labeling. Where a valid energy label is not available, the Bank uses an estimated energy label, based on the year of construction.
  - Eiendomsverdi's Assessment of "Top 15%" and "NZEB -10%" is also used. "Top 15%" refers to the most energy-efficient homes in Norway. Eiendomsverdi combines energy labels from Enova and simulated energy labels to identify the top 15 percent most energy-efficient homes. "NZEB -10%" means that the building has 10 percent better energy efficiency than the national definition of Nearly Zero Energy Building (NZEB).

- ◦ For homes that are not expected to be built in accordance with TEK 10 (built before 2012), only energy class A or B are included. This is due to the requirement for documentation of energy performance for the building to align with the Taxonomy.
- ◦ Collateral with a climate risk score of 6 (the highest risk) has been excluded from the calculation, in accordance with the Do No Significant Harm (DNSH) requirement.

Assessment of “Do No Significant Harm” (DNSH) to other environmental objectives

The EU Taxonomy requires that sustainable activities must not cause significant harm to other environmental objectives.

For existing buildings, this applies to physical risk and the need for climate adaptation. There is no clear definition of what constitutes a significant negative impact on this environmental goal. Therefore, the Bank has chosen to use the total climate risk score from Eiendomsverdi to meet the DNSH requirements. This aligns with the Taxonomy's principle that activities must conduct a climate change risk assessment. Eiendomsverdi’s climate risk score assigns the highest underlying climate risk score for various climate risks on a scale from 0 to 6, where 6 represents the highest risk.

For buildings with a climate risk score below 6, the Bank has assessed the risk level based on Eiendomsverdi’s classification system, which combines probability and exposure to various physical climate risks such as sea level rise, flooding, quick clay, and landslides. There must be a significant negative impact, which the Bank has defined as a climate risk score of 6.

The Bank has decided to exclude all collateral with a climate risk score of 6 from the green mortgage loans, as it cannot be documented that sufficient measures have been taken to adapt the buildings to climate change.

This is a change from the EU Taxonomy reporting for 2023, as there was no corresponding total risk score to base the DNSH assessment on. This is also the reason why the Bank's total volume of green mortgage loans has decreased slightly, while the total volume of mortgage loans has increased.

Key Figures and Indicators for GAR

- Green Asset Ratio (GAR): 8.7 percent
- Green Asset Ratio Flow (GAR FLOW): -0.6 percent
- Percentage of assets included in GAR calculation: 61 percent
- Distribution by environmental goal: Only climate change mitigation (CCM)

The Bank’s share of total assets that are taxonomy-aligned is 8.7 percent, meaning that 8.7 percent of the Bank’s total balance meets the EU Taxonomy requirements. The assets included in the GAR calculation primarily fall under the environmental goal of climate change mitigation (CCM), as loans for real estate are the main source of taxonomy-aligned assets. In total, NOK 165 billion is considered in the GAR calculation, with only taxonomy-relevant assets included.

In 2024, the Bank’s GAR coverage is 61 percent, measured against the assets included in the GAR calculation. The majority of taxonomy-aligned assets are within climate change mitigation (CCM), particularly through financing of energy-efficient housing and commercial real estate.

There has been a 39 percent increase in covered bonds, which are secured by mortgage loans. These investments are taxonomy-eligible, but are not classified as aligned since the proportion that meets the EU Taxonomy alignment criteria is unknown. At the same time, there has been negative growth in green business loans, due to reduced lending volumes to companies reporting under the EU Taxonomy. The mortgage portfolio has increased, but the aligned share has not increased correspondingly. This can be explained by the fact that mortgages with high climate risk scores are now excluded from the alignment category in accordance with the DNSH (Do No Significant Harm) criterion.

The weighted taxonomy-aligned share for the Group is 8.6 percent, slightly lower than the Bank's 8.7 percent. This is due to other business areas within the Group having low alignment, which impacts the overall weighting.

GAR Calculation – Main Tables

- The bank has NOK 14 380 million in sustainable assets in accordance with the EU Taxonomy. In total, the bank has included NOK 165 234 million in assets for the calculation of GAR.

Sector Analysis – Which Industries Are Included in GAR

- GAR Sector Information – Distribution of green assets per industry
- The majority of assets fall under NACE 68.20 (leasing and operation of real estate).

Development in GAR (Flow KPIs)

- GAR KPI Flow (change from 2023 to 2024)
    - 39 percent increase in covered bonds (taxonomy-eligible).
    - Negative growth in green business loans due to reduced lending volumes to taxonomy-reporting companies.
    - Increase in mortgage loans, but lower alignment share due to DNSH exclusions.

EU Taxonomy Reporting for "Non-Financial" Subsidiaries of Sparebanken Sør

- None of the subsidiaries are independently subject to reporting obligations under CSRD in 2024.
- The real estate companies Transitt Eiendom AS and Prosjektutvikling AS own eligible assets.
- 9 percent of the companies' activities could be sustainable, but many of them do not meet all the criteria to be aligned with the EU Taxonomy.
- 100 percent of the operating costs are eligible, but not aligned. This is explained by the fact that the properties in the companies' portfolios were built in earlier years (1850-1993), and no measures have been implemented on the properties to meet the EU Taxonomy's energy efficiency requirements.

Sparebanken Sør has several non-financial subsidiaries, including Sørmegleren AS, Sørlandets Forsikringssenter AS, Prosjektutvikling AS, and Transitt Eiendom AS.

It is Sparebanken Sør as a group that is subject to reporting obligations, and none of the subsidiaries are independently obligated to report under the Corporate Sustainability Reporting Directive (CSRD) in 2024.

Therefore, a consolidated report is made for the non-financial subsidiaries of Sparebanken Sør, with 2024 as the first reporting year. As a result, there are no comparative figures for non-financial reporting.

These companies are not included in the Bank's GAR calculation, but they have been assessed for the Taxonomy's relevance.

None of the companies engage in activities that meet the criteria to be aligned with the EU Taxonomy, but the real estate companies, Transitt Eiendom AS and Prosjektutvikling AS, own properties that may be eligible under the category "Acquisition and ownership of buildings". Only the environmental goal of climate change mitigation (CCM) is relevant for this economic activity, and there is no risk of double-counting due to the limited scope and only one activity (7.7) being relevant under the Taxonomy's definition.

Turnover includes net turnover after group eliminations for the non-financial companies within the Group. Turnover is reported in accordance with NGAAP.

Capital Expenditures (CapEx) are set to zero for 2024, as none of the four companies had assets in the reporting year.

Operating Expenditures (OpEx) primarily consist of maintenance and repair costs for the non-financial companies within the Group, in line with the Taxonomy's definition.

The non-financial reporting is limited to Transitt Eiendom AS, Prosjektutvikling AS, Sørlandets Forsikringssenter AS, and Sørmegleren AS. The total for the entire group, both financial and non-financial, can be seen in the weighted KPI for the Group in a separate table.

Key Figures and Indicators for GAR

- Sustainable assets (Taxonomy-Aligned) as of 31.12.2024 - TURNOVER
- Assets covered by the EU Taxonomy (Taxonomy-Eligible) as of 31.12.2024 - TURNOVER
- Sustainable assets (Taxonomy-Aligned) as of 31.12.2024 - INVESTMENTS
- Assets covered by the EU Taxonomy (Taxonomy-Eligible) as of 31.12.2024 - INVESTMENTS
- Weighted KPI for the Group

Sustainable assets in accordance with the EU taxonomy (Taxonomy Aligned) as of 31.12.2024 - TURNOVER	NOK million
Loans to households secured by residential property	14 344
Covered bonds (secured by mortgage loans)*	-
Loans to non-financial corporations that self-report in accordance with the EU taxonomy based on "Turnover"	36
Sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned)	**14 380**

*) Sparebanken Sør has a liquidity portfolio that includes covered bonds secured by mortgage loans. Parts of this portfolio are defined as green bonds, but it is not known how much of this portfolio meets the EU taxonomy criteria.

Assets covered by the EU taxonomy (Taxonomy Eligible) as of 31.12.2024 -TURNOVER	NOK million
Loans to households secured by residential property	82 422
Covered bonds (secured by mortgage loans)	18 059
Loans to non-financial corporations that self-report in accordance with the EU taxonomy	97
Loans and bonds covered by the taxonomy (Taxonomy Eligible)	**100 578**
Loans to companies not themselves covered by reporting under the taxonomy (Taxonomy Non-Eligible), but included in the denominator for the calculation of GAR	47 264
Other assets included in the denominator for calculating GAR	17 392
Total assets included in the calculation of GAR	**165 234**
Assets not included in the calculation of GAR	11 230
Green Asset Ratio (GAR)	8.7 %
Green Asset Ratio Flow (GAR FLOW)**	-0.6 %

**) Green Asset Ratio Flow (GAR FLOW) is calculated as the increase in sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned) from 2023 to 2024.

Sustainable assets in accordance with the EU taxonomy (Taxonomy Aligned) as of 31.12.2024 - CAPEX	NOK million
Loans to households secured by residential property	14 344
Covered bonds (secured by mortgage loans)	N/A*
Loans to non-financial corporations that self-report in accordance with the EU taxonomy based on "CapEx"	27
Sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned)	**14 371**

*) Sparebanken Sør has a liquidity portfolio that includes covered bonds secured by mortgage loans. Parts of this portfolio are defined as green bonds, but it is not known how much of this portfolio meets the EU taxonomy criteria.

Assets covered by the EU taxonomy (Taxonomy Eligible) as of 31.12.2024 - CAPEX	NOK million
Loans to households secured by residential property	82 422
Covered bonds (secured by mortgage loans)	18 059
Loans to non-financial corporations that self-report in accordance with the EU taxonomy	102
Loans and bonds covered by the taxonomy (Taxonomy Eligible)	**100 583**
Loans to companies not themselves covered by reporting under the taxonomy (Taxonomy Non-Eligible), but included in the denominator for the calculation of GAR	47 264
Other assets included in the denominator for calculating GAR	17 387
Total assets included in the calculation of GAR	**165 234**
Assets not included in the calculation of GAR	11 230
Green Asset Ratio (GAR)	8.7 %
Green Asset Ratio Flow (GAR FLOW)**	-0.7 %

**) Green Asset Ratio Flow (GAR FLOW) is calculated as the increase in sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned) from 2023 to 2024.

Weighted KPI for the Group Category	Revenue	Proportion of total group revenue (A)	KPI turnover based (B)	KPI CapEx based (C)	KPI turnover based weighted (A*B)	KPI CapEx based weighted (A*C)
A. Financial activities	**3 880 147 044**	**99.2 %**				
Asset management	0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Banking activities	3 880 147 044	99.2 %	8.7 %	8.7 %	8.6 %	8.6 %
Investment firms	0	0.0 %	0.0 %	-0.7 %	0.0 %	0.0 %
Insurance undertakings	0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Turnover KPI (B)		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CapEx KPI (C)		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Turnover KPI weighted (A*B)		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CapEx KPI weighted (A*C)		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
B. Non-financial activities	**32 487 000**	**0.8 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Total revenue of the group	**3 912 634 044**	**100%**				
Average KPI of the group					**8.6 %**	**8.6 %**

GAR Calculation – Main Tables

- 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation -TURNOVER
- 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - CAPEX / Investments
- 1. Assets for the calculation of GAR - TURNOVER 2024
- 1. Assets for the calculation of GAR - TURNOVER 2023
- 1. Assets for the calculation of GAR - CAPEX / Investments 2024
- 1. Assets for the calculation of GAR - CAPEX / Investments 2023
- 3. GAR KPI stock - TURNOVER 2024
- 3. GAR KPI stock - TURNOVER 2023
- 3. GAR KPI stock - CAPEX / Investments 2024
- 3. GAR KPI stock - CAPEX / Investments 2023
- 5. KPI off-balance sheet exposures - TURNOVER
- 5. KPI off-balance sheet exposures - CAPEX / Investments

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - TURNOVER

		Total environmentally sustainable assets (MNOK)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	14 380	8.7 %	8.7 %	57.0 %	43.0 %	6.4 %
		Total environmentally sustainable activities (MNOK)	**KPI**	**KPI**	**% coverage (over total assets)**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	*GAR (flow)*	-20	-0.6 %	-0.6 %	-3%	11%	3%
	*Trading book**	0	0	0			
	Financial guarantees	10	0%	0%			
	Assets under management	0	0	0			
	*Fees and commissions income***	0	0	0			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - CAPEX							
		Total environmentally sustainable assets (MNOK)	**KPI******	**KPI*******	**% coverage (over total assets)*****	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Main KPI	Green asset ratio (GAR) stock	14 371	8.7 %	8.7 %	57.0 %	43.0 %	6.4 %
		Total environmentally sustainable activities (MNOK)	**KPI**	**KPI**	**% coverage (over total assets)**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	*GAR (flow)*	-29	-0.7 %	-0.7 %	-3%	11%	3%
	*Trading book**	0	0	0			
	Financial guarantees	10	0%	0%			
	Assets under management	0	0	0			
	*Fees and commissions income***	0	0	0			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

1. Assets for the calculation of GAR - TURNOVER 2024

Million NOK

31.12.2024

		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	18 059	18 059	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18 059	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	162	97	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97	36	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	**Households**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	82 422	82 422	14 344	14 344	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82 422	14 344	14 344	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Loans and advances	47 264	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Debt securities	2 012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Equity instruments	260	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - TURNOVER 2024

Million NOK		31.12.2024																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
44	**Derivatives**	3 789	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**On demand interbank loans**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**Cash and cash-related assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	11 265	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	**Total GAR assets**	165 234	100 578	14 380	14 344	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100 578	14 380	14 344	0	0
49	**Assets not covered for GAR calculation**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	**Central governments and Supranational issuers**	10 737	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51	**Central banks exposure**	492	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	**Trading book**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	**Total assets**	176 464	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - TURNOVER 2023																																
Million NOK		31.12.2023																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	13 018	13 018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13 018	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	317	184	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	184	70	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	**Households**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	79 723	79 723	14 400	14 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79 723	14 400	14 400	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - TURNOVER 2023

Million NOK — 31.12.2023

		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	**Derivatives**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**On demand interbank loans**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**Cash and cash-related assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	**Total GAR assets**	93 058	92 925	14 470	14 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92 925	14 470	14 400	0	0
49	**Assets not covered for GAR calculation**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	**Central governments and Supranational issuers**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51	**Central banks exposure**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	**Trading book**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	**Total assets**	157 376	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - CAPEX 2024

31.12.2024

	Million NOK	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling		Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	18 059	18 059	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18 059	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	162	102	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102	27	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	**Households**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	82 422	82 422	14 344	14 344	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82 422	14 344	14 344	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Loans and advances	47 264	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Debt securities	2 012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Equity instruments	260	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - CAPEX 2024																																
Million NOK		31.12.2024																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
44	**Derivatives**	3 789	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**On demand interbank loans**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**Cash and cash-related assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	11 265	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	**Total GAR assets**	165 234	100 583	14 371	14 344	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100 583	14 371	14 344	0	0
49	**Assets not covered for GAR calculation**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	**Central governments and Supranational issuers**	10 737	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51	**Central banks exposure**	492	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	**Trading book**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	**Total assets**	176 464	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - CAPEX 2023

Million NOK — 31.12.2023

		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	13 018	13 018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13 018	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	317	218	79	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	218	79	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
24	**Households**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	79 723	79 723	14 400	14 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79 723	14 400	14 400	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1. Assets for the calculation of GAR - CAPEX 2023

31.12.2023

	Million NOK	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling		Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
35	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0
36	of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0
37	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0
44	**Derivatives**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	0
45	**On demand interbank loans**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0	0
46	**Cash and cash-related assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	0	0	0
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14	0	0	0
48	**Total GAR assets**	93 058	92 960	14 479	14 400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93 065	14 479	14 400	0	0
49	**Assets not covered for GAR calculation**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	**Central governments and Supranational issuers**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51	**Central banks exposure**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	**Trading book**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	**Total assets**	157 376	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

3. GAR KPI stock - TURNOVER 2024

% (compared to total covered assets in the denominator)		31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	60%	22%	37%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%	22%	37%	0%	0%	60%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	100%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	14%	14%	0%	0%	100%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	61%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	61%	14%	14%	0%	0%	61%

3. GAR KPI stock - TURNOVER 2023

% (compared to total covered assets in the denominator)

31.12.2023

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	<u>**GAR - Covered assets in both numerator and denominator**</u>																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	60%	38%	37%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	100%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	61%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	61%

3. GAR KPI stock - CAPEX 2024

% (compared to total covered assets in the denominator) — 31.12.2024

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	63%	17%	26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	63%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	100%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	61%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	61%

3. GAR KPI stock - CAPEX 2023

% (compared to total covered assets in the denominator)

31.12.2023

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	63%	17%	26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	63%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	100%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	61%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	61%

5. KPI off-balance sheet exposures - TURNOVER

% (compared to total eligible off-balance sheet assets)		31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

5. KPI off-balance sheet exposures - OPEX

% (compared to total eligible off-balance sheet assets)		31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sector Analysis – Which industries are included in GAR

- 2. GAR sector information - TURNOVER
- 2. GAR sector information – INVESTMENTS

2. GAR sector information - TURNOVER

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn NOK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	68.20 Renting and operating of own or leased real estate	162	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162	36	0	

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

2. GAR sector information - CAPEX

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn NOK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	68.20 Renting and operating of own or leased real estate	162	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162	27	0	0

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

Development in GAR (Flow KPIs)

- 4. GAR KPI flow - TURNOVER
- 4. GAR KPI flow - CAPEX / INVESTMENTS
- ANNEX XII Disclosures Delegated Act (Gas and nuclear power)

4. GAR KPI flow - TURNOVER

% (compared to flow of total eligible assets)

	31.12.2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	39%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	39%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Loans and advances	-47%	-48%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-47%	-48%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

4. GAR KPI flow - CAPEX

% (compared to flow of total eligible assets)

31.12.2024

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	39%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	39%
6	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-53%	-66%	0%	0%	0%	0%
21	Loans and advances	-53%	-66%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-53%
23	Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	of which loans collateralised by residential immovable property	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	3%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**																															

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ANNEX XII - Gas and nuclear power

EU Taxonomy Reporting for "Non-Financial" Subsidiaries of Sparebanken Sør

- ANNEX II - Proportion of Turnover
- ANNEX II - Proportion of CapEx
- ANNEX II - Proportion of OpEx

ANNEX II - Proportion of Turnover

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	Code () (2)	**Turnover (3)**	**Proportion of Turnover, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		*NOK*	*%*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	-	-
Of which enabling		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()										
Acquisition and ownership of buildings	CCM 7.7	2 768 000	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
A. **Turnover of Taxonomy-eligible activities *(A.1+A.2)***		2 768 000	9%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
Turnover of Taxonomy-non-eligible activities		29 719 000	91%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
TOTAL		**32 487 000**	**100%**	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-

ANNEX II - Proportion of CapEx

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	Code () (2)	**CapEx (3)**	**Proportion of CapEx, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy(9)**	**Biodiversity(10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		*NOK*	*%*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y; N; N/EL ((*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	**0%**	-	-	-	-	-	-	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N**	0%	-	-
Of which enabling		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	N	0%	E	
Of which transitional		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
A. **CapEx of Taxonomy-eligible activities *(A.1+A.2)***		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
CapEx of Taxonomy-non-eligible activities		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
TOTAL		0	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-

ANNEX II - Proportion of OpEx																			
Financial year 2024		**2024**		**Substantial contribution criteria**						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	Code () (2)	**OpEx (3)**	**Proportion of OpEx, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		*NOK*	*%*	*Y; N; N/ EL () ()*	*Y; N; N/ EL () ()*	*Y; N; N/ EL () ()*	*Y; N; N/ EL () ()*	*Y; N; N/ EL () ()*	*Y; N; N/ EL () ()*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	-	-
Of which enabling		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()										
Acquisition and ownership of buildings	CCM 7.7	1 234 000	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
A. **OpEx of Taxonomy eligible activities *(A.1+A.2)***		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
OpEx of Taxonomy-non-eligible activities		6 871 232	85%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
TOTAL		**8 105 232**	**100%**	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-

E1 CLIMATE CHANGE

Introduction

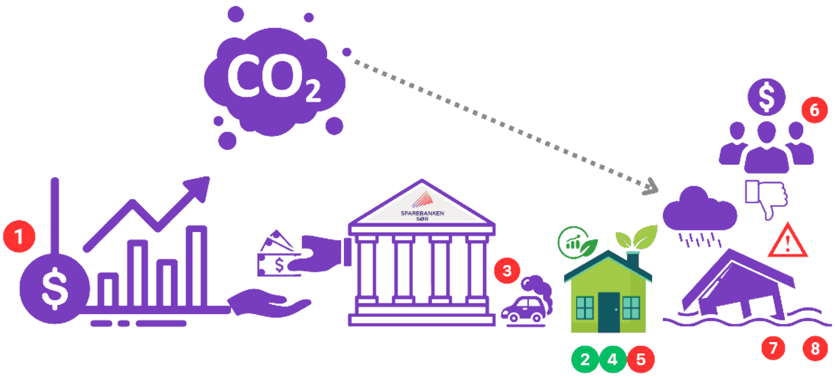
Climate change presents both a material risk and an opportunity for Sparebanken Sør. Emissions from the bank's own operations and financed activities impact the environment, while green financing and the development of sustainable products enhance its competitiveness and contribute to the transition to a low-carbon economy.

Climate change (ESRS E1)

The financial sector plays a central role in the effort to limit global warming to 1.5°C above pre-industrial levels. The sector acts as a catalyst for increased awareness and helps channel capital towards more sustainable activities. Climate change is a global challenge that knows no borders, and a collective effort from society as a whole is required to reverse the trend.

Addressing climate change is one of the most pressing and complex tasks the world faces. The transition to a net-zero society will be challenging. To succeed, good legislation, regulations, and incentive schemes that support the transition are necessary. Collaboration and dialogue with customers, stakeholders, authorities, and society at large are crucial to achieving the net-zero emissions ambition.

The illustration and table below show the climate change impacts identified by the Bank and where they are located within the value chain.



IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Financed emissions	Actual negative impact. Scope 1, 2, and 3 emissions from financed activities and investments.	0-1	Nature, society
2 Financed emissions	Potential positive impact on energy consumption and climate by encouraging customers to choose green products through favorable loans.	1-5	Nature, society, customers
3 Own emissions	Actual negative impact on the climate from Scope 1, 2, and 3 emissions generated by own business operations, primarily from offices and business travel.	0-1	Nature, own business, society
4 New sustainable products	The bank has a financial opportunity by offering new ESG products that position us for a market shift.	>5	Own business, customers, nature
5 The lack of new sustainable products	Negative financial risk if the bank is unable to offer competitive lending products within sustainability.	>5	Own business, customers, nature
6 Liquidity risk	The bank faces financial risk due to a lack of adaptability and/or insufficient green loan portfolios, which may lead to reduced interest from investors with green mandates.	>5	Own business, customers, nature
7 Credit risk	Transition risk arising from regulations and changes in customer behavior related to climate change may lead to weakened repayment capacity (PD) and reduced collateral values (LGD) for customers, resulting in increased losses (EL). Stricter energy requirements may decrease the value of properties that do not comply with the new standards.	>5	Authorities, own business, customers, nature
8 Credit risk	Physical risk. Increased losses for customers, industries, and sectors exposed to declining collateral and asset values due to climate change. This assumes changes or reduced coverage in the natural disaster insurance scheme. Natural disasters may further contribute to decreasing property values in high-risk areas, such as those prone to floods and landslides.	>5	Own business, customers

4.8 Policy on Climate, Nature, and Circular Economy

Organisation, Scope of Policy, and Framework Conditions

The work on climate, nature, and circular economy is anchored in a clear organisation and structure at Sparebanken Sør. The board has overall responsibility for this work and approves the Bank's strategic plan, where climate, nature, and circular economy are defined as priority areas.

The board discusses and decides on strategies, policies, and transition plans related to sustainability, including reports on these topics. In addition, the board sets overarching targets and risk frameworks, which are integrated into the Bank's risk management framework. This work is followed through periodic risk reports. It covers both the Bank's own operations and the value chain, for areas with significant impacts related to climate, nature, and circular economy.

Sparebanken Sør has also joined several national and international initiatives that support its work on sustainability.

These include:

- UN Global Compact
- UNEP Principles for Responsible Banking
- Finans Norge's roadmap for green competitiveness in the financial sector
- PCAF (Partnership for Carbon Accounting Financials)
- TCFD (Taskforce on Climate-related Financial Disclosures)
- CRREM (Carbon Risk Real Estate Monitor)
- (The Eco-Lighthouse certification) Miljøfyrtårn

Who is Covered by Policy Documents

The Bank's business areas are limited to Norway, with a primary focus on Agder and Telemark. The climate, nature, and circular economy policy covers Sparebanken Sør, including its subsidiaries, and applies to all employees. The policy includes the Bank's own operations and the Bank's value chain, focusing on areas with significant impacts related to climate, nature, and circular economy. Climate mitigation and climate adaptation cover own and downstream activities, while the themes of nature and circular economy apply to downstream activities.

Time Horizons

Sparebanken Sør has established the following time horizons for targets and scenario analyses in its work on climate, nature, and circular economy.

Time Horizon	Target	Scenario Analyses Years
Short-term (ST)	Annual	< 1
Medium-term (MT)	2030	1-5
Long-term(LT)	2050	> 5

Commitments and Guidelines

Sparebanken Sør is committed to following both international and national guidelines for climate, nature, and circular economy. The work is anchored in the Paris Agreement, the Nature Agreement, and the UN Sustainable Development Goals, with the aim of reducing negative impacts and promoting sustainable solutions within its own operations and value chain.

The guidelines and commitments listed below are key framework conditions and tools for the Bank's work on climate mitigation, climate adaptation, nature, and circular economy. These will be continuously updated as new knowledge, tools, and technologies become available, and actions will be adapted to framework conditions, targets, and progress.

Sparebanken Sør has developed guidelines to ensure a holistic and long-term approach to sustainability work. These guidelines are designed to strengthen the Bank's role as a driver of green transition, while supporting global and national goals related to climate, nature, and circular economy. These include:

- To be a driver and positive long-term partner in the work to achieve the goals of the Paris Agreement and the Nature Agreement
- Establish targets and baselines related to climate, nature, and circular economy within the Bank's operations and value chain
- Use recognised and scientific frameworks, models, data, and methods
- Establish a transition plan, which will be our strategic and operational tool
- Develop effective toolkits, products, services, and guides to assist customers with their transition plans
- Develop sustainable technologies and digital solutions
- Leverage our expertise and position to help and set requirements for customers in their transition plans
- Prioritise areas that have the most positive impact on society and the Bank's financial development
- Integrate targets into the Bank's risk management framework and risk reports
- Use scenario analyses and stress tests to assess financial risk
- Establish competence programs to build internal expertise across the organisation
- Shift capital allocation towards climate, nature-positive, and circular activities
- Establish solid governance documents, screening, and exclusion criteria
- Integrate climate, nature, and circular economy into credit processes, pricing models, and investment decisions
- Maintain transparent and public reporting of results and work on climate, nature, and circular economy.

Sparebanken Sør's commitments reflect the Bank's dedication to sustainable development and responsible business practices, with a focus on reducing climate and nature impacts, promoting circular economy, and contributing to global and national goals. These include:

- Respect and comply with the Paris Agreement, the Nature Agreement, and the UN Sustainable Development Goals
- Respect and comply with relevant Norwegian laws and international conventions
- Work to reduce greenhouse gas emissions in its own operations and value chain in line with the Paris Agreement
- Work to reduce negative impacts on nature, such as biodiversity and ecosystems, from its own operations and value chain, in line with the Nature Agreement
- Work to reduce financing and use of vulnerable natural resources and natural areas
- Work to shift the economy from a linear to a circular model
- Encourage actions to reduce harm to climate and nature, and promote the development of sustainable technologies and solutions
- Consider climate- and nature-related challenges and circular economy in strategy, corporate governance, risk management, monitoring, and reporting
- Contribute to capacity building on climate and nature in its own operations and value chain
- Collaborate with others to fulfil ambitions, commitments, and goals related to climate, nature, and circular economy.

Disclosure

The climate, nature, and circular economy policy is available on the Bank's website.

4.9 Transition plan for reducing climate change

The Bank does not have a fully developed transition plan in line with the requirements of ESRS E1-1. On December 19, 2024, the Bank approved the document titled "Transition Plan for Climate, Nature, and Circular Economy", hereafter referred to as the transition plan. Work to further develop the transition plan will require additional adjustments and improvements, as well as the development of relevant data and methods, to ensure future compatibility with the reporting requirements of ESRS E1-1.

The transition plan is intended to serve as the Bank's strategic and operational tool, as well as a practical action plan for how the transition to a sustainable society will be implemented. It forms the foundation for strategic, business, and financial planning, and should be actively used in capital allocation, portfolio management, and risk management. The plan defines the Bank's targets and outlines concrete actions and instruments to achieve the ambitions.

The plan has been developed based on the Bank's business strategy and financial plans and is broadly anchored within the organisation.

Main components of the transition plan

The Glasgow Financial Alliance for Net Zero (GFANZ) has developed a framework for financial institutions' net-zero transition plans, providing recommendations and guidance to help financial institutions translate their net-zero commitments into concrete actions.

The framework identifies four key strategies for financial institutions to support real emissions reductions. The Bank has used this framework as the basis for developing its transition plan.

Foundation	Goal	Implementation strategy	Governance
Strategy Business areas Risks and opportunities	Impact goals Financial goals Engagement goals	Policy Products and services Actions	Governance and responsibility Follow-up and control Culture and competence

Financial Institution Net-Zero Transition Plans (GFANZ) - Framework for transition plan

Sparebanken Sør acknowledges its important role in reducing climate change, protecting nature, and promoting a circular economy. Therefore, the Bank has made it part of its mission to create sustainable growth and development for our region, as part of the current strategic plan. The transition plan is flexible and will be adjusted regularly to account for changes in targets, actions, and instruments in line with the evolving situation. The Bank has set short-term, medium-term, and long-term targets for reducing climate emissions, including net-zero emissions by 2050, in line with the Paris Agreement, for both its own operations and its value chain.

The Bank acknowledges that the plan cannot fully describe how the targets will be achieved, as there will also be a need for new technologies and new solutions to address climate challenges in certain industries, which are not yet known today. The work to further develop the transition plan will require continuous adjustments and improvements in line with new regulatory requirements, as well as the development of relevant data and methods, to ensure compatibility with the reporting requirements in ESRS E1-1.

Although the plan primarily focuses on climate, it also includes elements related to nature and circular economy. These topics are closely interconnected, and the Bank will further develop a holistic transition plan that integrates all three areas.

The transition plan also describes how the Bank will support customers and companies in their transition. The Bank's success largely depends on whether its customers succeed with their own transition plans. Information on the Bank's key tools and targets for climate emissions through 2030 is described in detail in the sections "4.11 Actions and Resources for Climate Emissions" and "4.12 Targets for Climate Emissions".

The board has overall responsibility for the Bank's transition plan and must ensure that it is anchored in the Bank’s strategy. The board will follow up on the targets in the transition plan and monitor that the Bank’s ambitions and targets in the transition plan are met.

Challenges, investments, and alignment with climate ambitions

So far, the focus of the work on the transition plan has been on increasing the share of sustainable products in the loan and investment portfolio, as well as using sustainable bonds for financing. Going forward, the focus will also include more sustainable products, engagement with customers, and requirements for reducing climate emissions, portfolio management, and further competence development. The implementation of the Bank’s transition plan and support for the value chain will require competence, prioritisation, and resources, which will be enabled through the Bank’s strategic position and financial standing.

The Bank’s assets mainly consist of loans, investments, and real estate. Capital allocation will increasingly focus on sustainable assets. Except for a small agricultural portfolio, the Bank has no climate-intensive assets. It is assessed that losses related to physical risk and transition risk in the value chain are limited and do not represent a significant financial risk. Furthermore, the Bank’s real estate will be continuously upgraded to meet the requirements of the EU Taxonomy. As for investments, the majority of the investments include the liquidity portfolio as well as investments in subsidiaries and ownership in product companies. The liquidity portfolio, which is strictly regulated, will gradually transition to sustainable bonds. Based on assessments of the Bank’s assets, the extent of locked-in greenhouse gas emissions is considered limited. The Bank will continue to analyse the risk of locked-in emissions that could result in "stranded assets" and potential losses, and will also focus on not investing in financing climate emissions that have the risk of becoming locked-in. The Bank’s business model is being adjusted with the transition plan to limit global warming to 1.5°C, in line with the Paris Agreement, and with the ambition to achieve climate neutrality by 2050.

4.10 Climate-related Risks

Risks

The Bank faces both transition risks and physical risks due to climate change and the transition to a circular economy. To analyse and understand these, the Bank maps out key drivers and risks that could affect its financial position in the short term (ST), medium term (MT), and long term (LT):

- Transition Risk
  - Risk associated with the transition to a net-zero society, including political and regulatory factors, technological changes, market conditions, and reputation risk.
- Physical Risk
  - Includes acute risks from extreme weather events (hurricanes, floods) and chronic risks from long-term climate changes (temperature rise, sea level rise).

The risks related to the circular economy are described in Chapter ESRS E5.

The following definition of risk forms the basis for all analyses:

Risk Grading (Risk Matrix)	
Low risk	
Low/Moderate risk	
Moderate risk	
Moderate/High risk	
High risk	

The table below shows the Group's climate-related risks categorised based on transition risks and physical risks, as well as the associated financial risks that could potentially affect the Group.

	Climate relatetd risk	Risk			Potential financial risk
		ST	MT	LT	
Transition Risk	**Regulatory and Political Risk**				
	Strong regulations to meet the Paris Agreement goals. Regulations will impact the cost of carbon emissions, capital requirements, asset values, costs, and access to raw materials, input factors, infrastructure, transport, and litigation.				Reduced revenues due to lower economic growth and credit growth. Increased transition costs due to reduced access to and loss of concessions on natural resources among customers, leading to lower collateral values and higher loan losses. Increased costs and requirements for pollution and restoration. Increased asset write-downs ("stranded assets"). Higher capital requirements for non-sustainable activities.
	Technological Risk				
	Increased costs for transitioning to climate-friendly technology, distribution, products, and services. Changes in production methods and input factors. Write-downs of failed technology.				Increased investments in new technology, products, and services. Critical scale in relation to transition capacity. Write-downs on failed investments. Risk of deterioration in relationships and customer loyalty due to artificial intelligence and digitalization.
	Market Risk				
	Changes in consumption and demand due to the transition to a low-emission society. Changing consumption patterns will affect business models, products, costs, and revenues. Increased volatility in revenues and costs.				Reduced market shares and revenues due to changing customer behavior. Increased costs for input factors and supply chains may weaken debt servicing capacity and increase loan losses. Increased competition due to technology and digitalization. Limited regional access to sustainable activities. Stranded assets.
	Reputation Risk				
	Negative exposure to climate risk may lead to reputational damage and reduced attractiveness. Stigmatization of products and industries.				Loss of reputation due to lack of willingness or ability to transition to a low-emission society, leading to reduced market shares in deposits and loans. Weakened access to and pricing of financing and equity.
Physical Risk	**Acute Risk**				
	Increased severity of extreme weather events such as cyclones, rising sea levels, landslides, and flooding.				Increased losses, reduced value of collateral and assets in locations exposed to extreme weather. Higher costs for climate damage prevention. Insurance reductions. Reduced revenues due to production and supply chain disruptions.
	Chronic Risk				
	Changes in weather/precipitation patterns. Rising temperatures. Rising sea levels.				Same as for acute risk, but chronic risk may result in greater and more permanent long-term effects.

Climate-related risks and financial impact. ST: Short Term, MT: Medium Term, LT: Long Term

The Bank assesses that regulatory risk and market risk represent the largest climate-related risks for the Bank. The risk is considered low in the short and medium term, but it may increase over time. The most significant financial risks related to climate include:

- Reduced economic growth and credit growth due to the transition to a net-zero society.
- Increased risk of default (PD - Probability of Default), reduced collateral values (LGD - Loss Given Default), and higher losses (ECL - Expected Credit Loss) on loans.
- Higher capital requirements for activities and products that are not considered sustainable.
- Repricing of assets and collateral, as well as the risk of "stranded assets".

- Limited access to and higher costs of financing with a low Green Asset Ratio (GAR).
- Changes in customer behavior and consumption patterns that impact demand and risk.
- Increased competition from technological and digital players.

Resilience analysis

The Bank has conducted resilience analyses against climate-related risks, based on gross loans to various industries. The qualitative analysis takes into account transition risks and physical risks, and the assessments cover risks within the Bank's business areas, sectors, and industries. The results are shown in the table below.

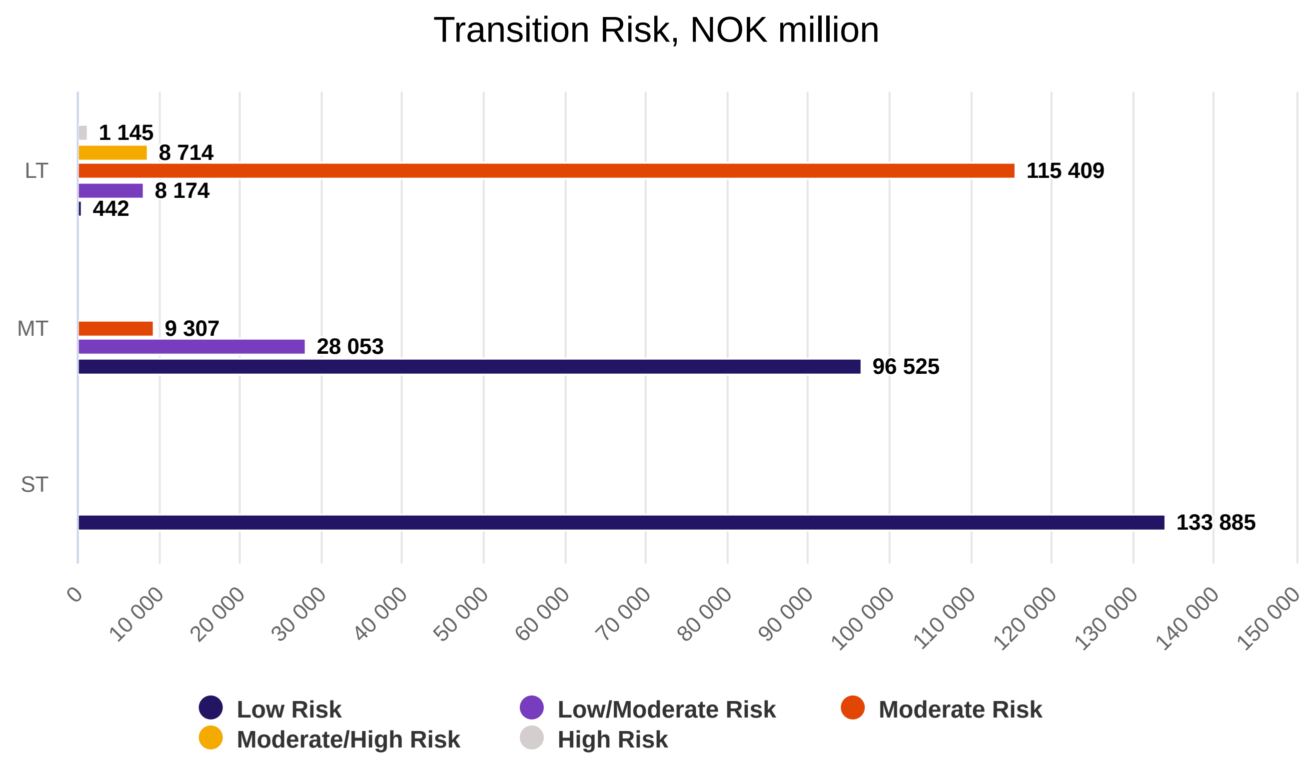
Value chain	Sensitivity Transition risk			Sensitivity Physical risk		
	ST	MT	LT	ST	MT	LT
Lending						
Personal customers						
Home loans						
Other loans						
Business customers						
Agriculture and related services						
Forestry and related services						
Fishing						
Mining and extraction						
Industry						
Energy production and supply						
Water supply, sewage and waste disposal activities						
Property/construction and construction development						
Trade, repair of motor vehicles						
Other transport and storage						
Accommodation and catering activities						
Information and communication						
Sales and operation of real estate						
Professional and financial services						
Business services						
Other service industries						
Other industries						
Sparebanken Sør						
Own business						

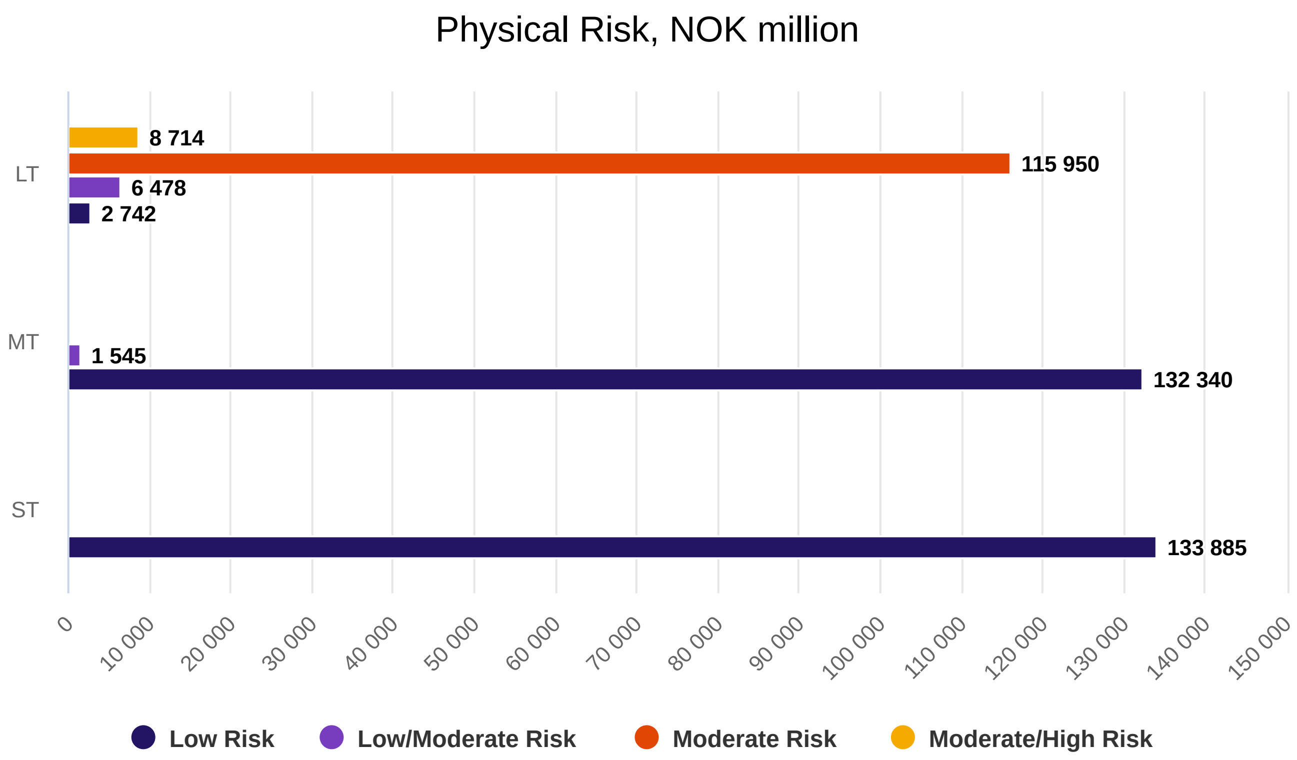
Resilience analysis of climate-related risk

Lending is the business area that carries the greatest risk and represents the largest challenges in terms of resilience. The greatest risk is related to agriculture.

Risk is a consequence of the portfolio's climate emission intensity and the size of exposure in various sectors. The Bank has low lending to climate-intensive sectors and industries and owns no climate- or energy-intensive assets and products.

Below are quantitative representations of transition risk and physical risk, based on gross loans according to the risk classification of the sectors.





The Bank has defined priorities for its climate-related work, focusing on business areas and sectors.

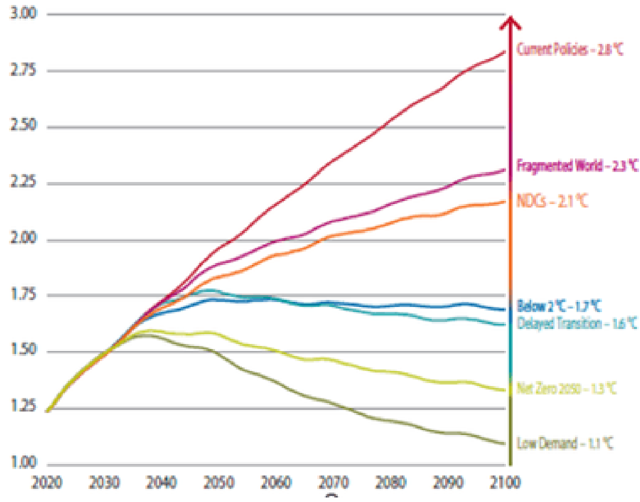
The following business areas, sectors, and industries are prioritised highest:

- Business areas
    - Lending
    - The Bank's operations (limited impact, but an important signaling effect)
- Sectors / Industries
    - Residential real estate
    - Agriculture
    - Development of real estate / buildings and construction
    - Sale and operation of real estate
    - Transport

Scenario analysis and stress testing

In the work with scenario analysis, we have based our approach on the NGFS (Network for Greening the Financial System) scenarios in Phase IV.

NGFS Scenarios framework in Phase IV



NGFS Global means surfase temperature

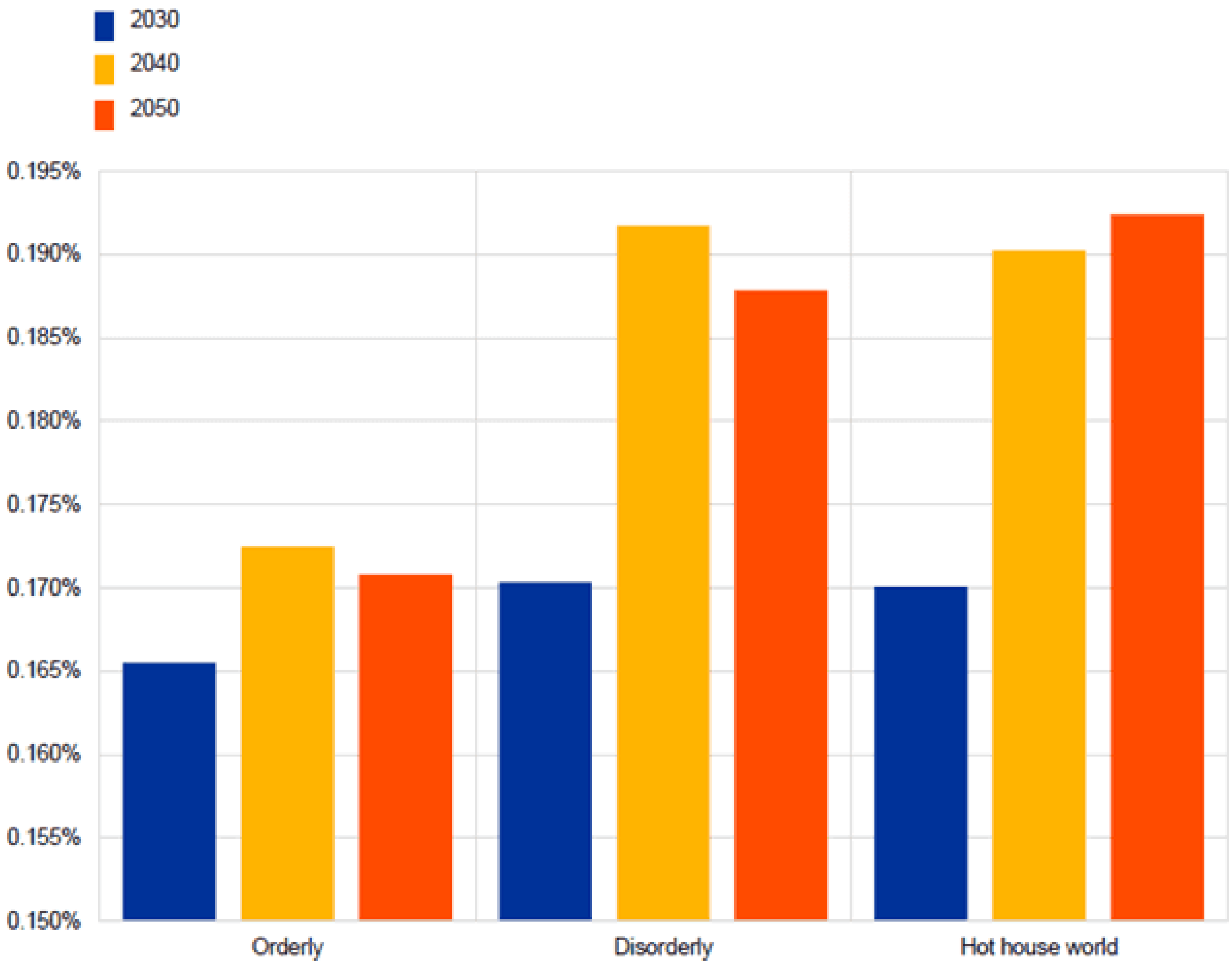
The following scenarios have been used as the basis for the analysis:

- «Orderly: Net Zero 2025»
- «Disorderly: Delayed Transition»
- «Hot House: Current Policies»

The time horizon for the scenario analyses is long-term, up to 2050.

The method involves mapping how these scenarios affect macroeconomic variables such as GDP growth, unemployment, carbon prices, etc. Furthermore, it is necessary to calculate how the macroeconomic variables for the different scenarios impact the Bank’s internal variables such as credit growth, financing costs, climate-related losses, etc. Models and analyses of how the scenarios affect factors in the Bank’s income statement, balance sheet, and capital adequacy are associated with a high degree of uncertainty.

The Bank has therefore chosen to base its further calculations on the results from the ECB (European Central Bank) stress test of climate-related losses (2022 Climate Risk Stress Test). The ECB's stress test of climate risk is a bottom-up model-based test involving 41 large European banks, and it includes both transition risk and physical risk. It is reasonable to assume that these banks have a portfolio with a sector composition that has significantly higher climate intensity and transition risk than Sparebanken Sør’s portfolio. Furthermore, it is reasonable to believe that the geographical location of these banks means their portfolios face a greater physical risk than Sparebanken Sør’s portfolio. Therefore, it has been assessed that using the results from the ECB stress test will be a conservative approach.



ECB Climate risk stress test – projected loan losses in long-term scenarios

The next step in the analysis is to integrate the results from the scenario analyses into the Bank's stress testing model. The stress test is based on the Bank's ICAAP model and is a 5-year stress test that includes both the Base Case and Stress Case. The analyses are based on the Bank's ICAAP model, with results and assumptions based on data as of December 31, 2023. One challenge here is that the scenario analyses are long-term (2050), while the stress tests are short-term (5 years).

The analyses test how the Bank's capital adequacy develops in relation to capital requirements by integrating climate-related losses from the ECB's various scenarios and time periods into both the Base Case and Stress Case. Since the Stress Case already includes a number of conservative assumptions related to, among other things, credit losses, credit growth, financing costs, operational losses, etc., we have chosen not to change any other assumptions in the Bank's original model. In the Base Case, it is assumed that dividends will be paid according to the Group's target, with about 50 percent paid as dividends. In the Stress Case, it is assumed that no dividends are paid.

The results of the analysis show that the Bank can comfortably handle climate-related losses from the ECB's stress test. The analyses show that the Bank can tolerate climate-related losses over a 5-year period in the Base Case of about 1.0 percent, considering the normal dividend payout, and in the Stress Case of 0.85 percent, without threatening the Bank's capital adequacy.

Summary of climate risk

The results from the analyses show that climate risk is assessed as low in the short and medium term. Moreover, the scenario analyses and stress testing of climate risk indicate that the Bank's capital adequacy can comfortably handle the ECB's projected climate losses. The Bank's resilience to climate risk, in relation to strategy and business areas, is considered high. In the longer term, it is likely that climate risk will increase. The timing and extent of this increase will depend, among other factors, on the nature of the transition scenario.

To achieve the goal of net-zero emissions, the Bank relies on its customers and companies within its portfolio meeting similar targets. There is uncertainty regarding the economic ability and willingness of certain industries and customers to meet the requirements the Bank must set for transition plans. Additionally, the Bank depends on governments to establish necessary regulations and incentive schemes to make these goals achievable.

The Bank's current strategic plan runs from 2021 to 2025 and has been sufficient for this period. A new strategic plan will be developed for the merged bank, which will align its strategy and business plans with societal development, progress toward targets and requirements, and manage climate-related risks through effective transition plans and risk management systems.

Climate-related Opportunities

The table below shows an assessment of climate-related opportunities and how these may impact the financial development.

Climate-Related Opportunities	Opportunity ST	MT	LT	Potential Financial Impact
Resource Efficiency				
More efficient processes for transport, production, and distribution. Increased recycling and reuse. Energy efficiency improvements. Reduced consumption of input factors and raw materials. Overall reduced consumption.				Reduced costs due to technology and digitalization. Reduced energy consumption, building usage, and waste. New industries and customers driven by the transition to a circular economy, recycling, and reuse.
Energy Sources				
Use of renewable energy. Regulations and incentives. Adoption of new technology. Improved carbon market. Transition to decentralized energy production.				Lower costs for energy consumption. Financing of renewable energy, energy storage, and energy-efficient transportation.
Technology, Products, and Services				
More efficient production and distribution through new technology. New climate-friendly and recyclable products and services. Changed use of raw materials and input factors.				Reduced costs due to technology and digitalization. Increased revenue from new sustainable products, cheaper financing, and lower capital requirements. Higher returns on sustainable investments and assets.
Market				
Access to new markets through new technology, products, and services. Use of public incentives. Diversification of business models.				Increased revenue from new markets and customers. Greater diversification and reduced risk. Growth due to improved access to capital and financing for sustainable projects and industries.
Governance/Ability to Transition				
Participation in renewable energy programs and adaptation to climate-friendly initiatives.				Sharing of knowledge, technology, products, and systems with partners. Reallocation of internal resources and recruitment of new expertise.

Climate-related opportunities and financial impact

The largest financial climate-related opportunities include the redirecting of capital towards sustainable activities, products, and services, which provides the Bank with the opportunity to support green growth. A high Green Asset Ratio (GAR) can also provide better access to financing and reduce the costs associated with capital raising. In addition, new technology and digitalisation can contribute to cost reduction and increased efficiency in the Bank's processes. Sustainable products are also expected to result in lower capital requirements, providing the Bank with increased financial flexibility. Additionally, a reduction in the risk of losses is anticipated, as sustainable products are often more resilient when facing climate-related challenges.

4.11 Actions and resources for Greenhouse Gas Emissions

The Bank's transition plan serves as a central operational tool in its efforts to work systematically towards its sustainability targets and the path to net-zero emissions. Through a structured approach, the Bank has currently outlined the following overarching actions to achieve its climate and sustainability targets. Work on these actions will continue to further refine and operationalise them over the coming year. The Bank has developed several planned initiatives, but these are not currently in compliance with the minimum requirements set by ESRS, as further described in ESRS 2, Chapter 4.1.

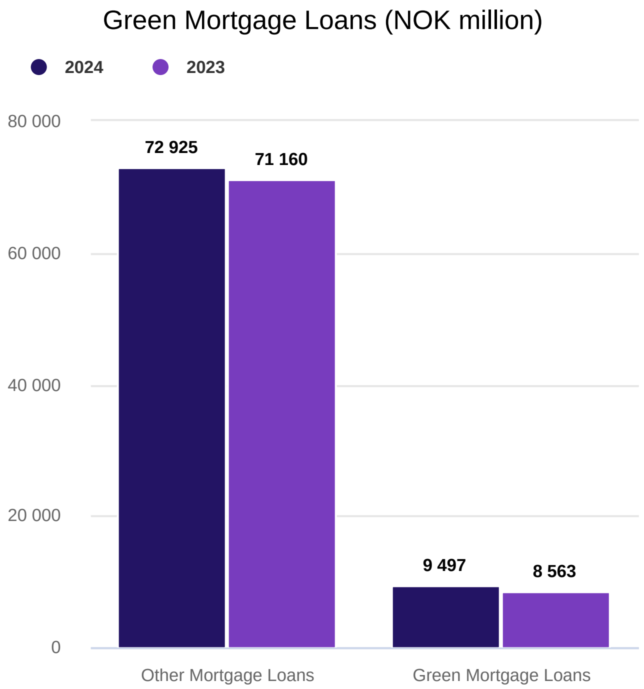
- Further development and operationalisation of the climate transition plan
- Establishment and sale of other sustainable products
- Technology and digitalisation to develop sustainable solutions

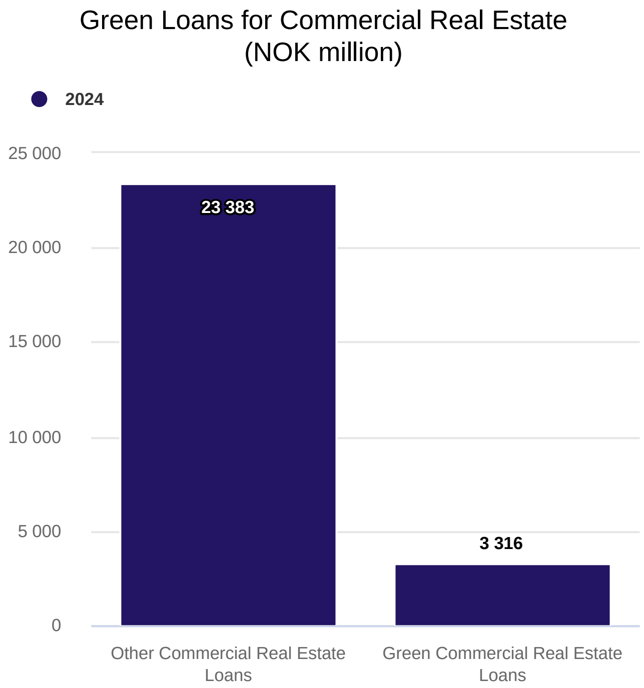
- Increased capital allocation to climate-positive activities
- Integrating climate-related risks and opportunities into credit processes and investment decisions
- Building a culture and competence for the operationalisation of the transition plan across the organisation
- Engagement with customers in their transition plans, providing assistance, advice, and requirements
- Further development of data, targets, methods, and systems for managing climate and climate risk
- Establishing effective toolkits to assist relationship managers in their advisory roles, and helping customers with their transition
- New technology and digitalisation for use in the Bank’s service, product, and service offerings
- Collaboration with customers, stakeholders, industries, and the public to achieve the goals for a nature-positive society
- Participation in partnerships and projects to build competence, solutions, and networks

Activities completed in 2024

A key part of the Bank’s efforts has been to redirect capital to sustainable activities. Residential and commercial real estate represent over 80 percent of the Bank's loan portfolio, making it essential to establish green products for real estate. These are loans for buildings that are among the most energy-efficient. The Bank has offered green loans for residential properties for several years, with criteria including energy labels A or B, or compliance with Tek 10 standards after 2012. Green loans for commercial properties were introduced in Q2 2024, with criteria for buildings constructed before 2021 being energy labels A or B, BREEAM-Nor minimum "Very Good", or Nordic Swan Ecolabel. For commercial buildings constructed in 2021 or later, the criteria are stricter, requiring energy label A, BREEAM-Nor minimum "Excellent", or Nordic Ecolabel generation 4.

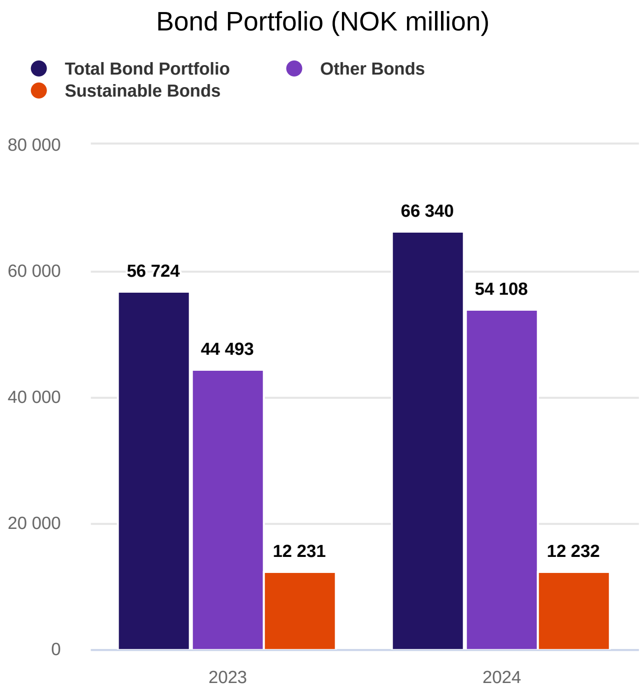
Below is an overview of the distribution between green loan products and other loans for residential and commercial real estate.





There has been an increase in the volume of green mortgages by NOK 934 million, while the share of green loans in the total loan volume for residential properties has risen from 10.7 percent to 11.5 percent.

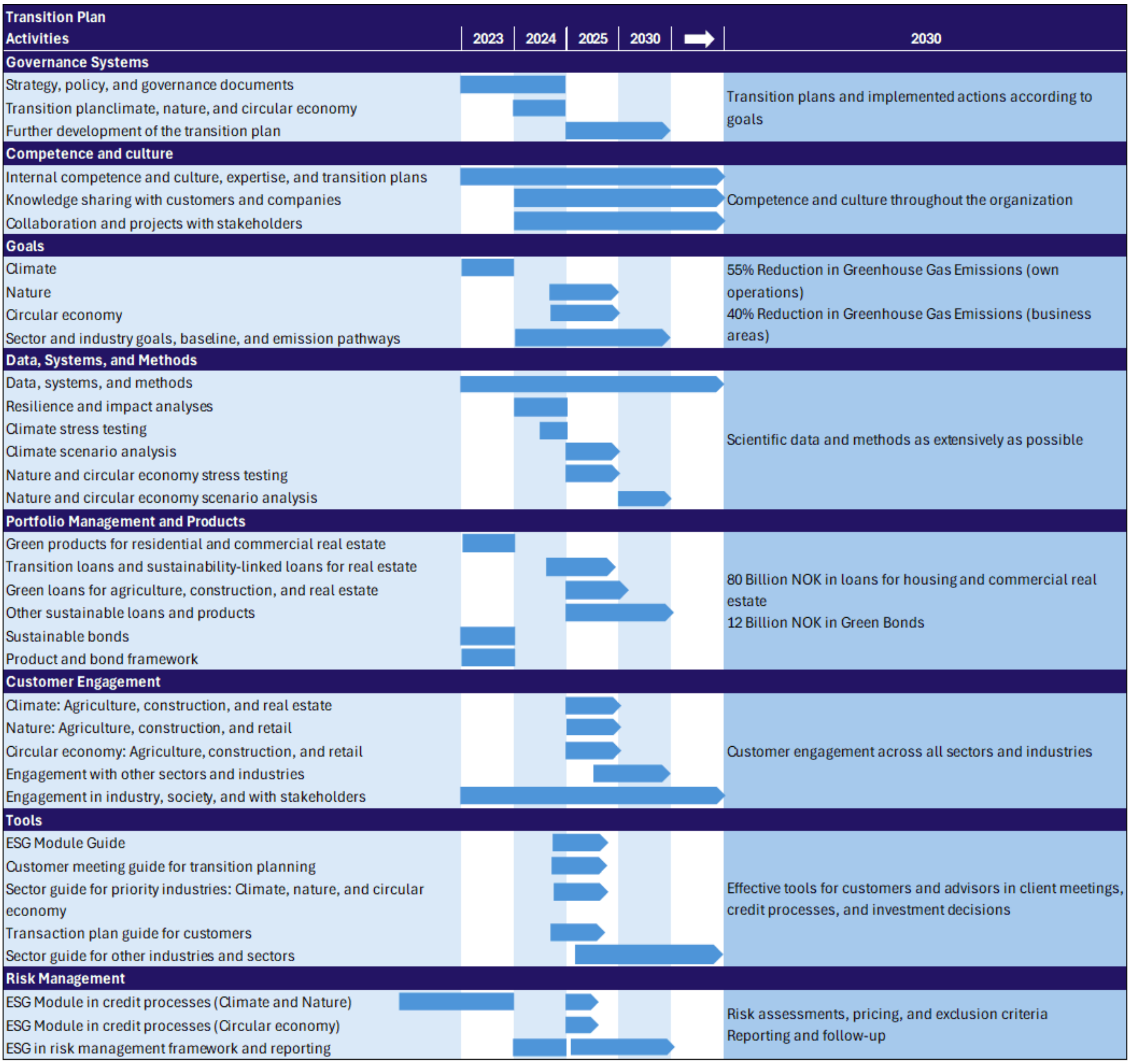
The graphs below show the Group's bond portfolio and liquidity portfolio, specified by sustainable bonds and other bonds.



No new green bonds have been issued in 2024, so the volume remains unchanged.

The Bank has increased the volume of green bonds in its liquidity portfolio by 26 percent during 2024, while the share of green bonds in the liquidity portfolio has remained stable at 23 percent.

The further implementation of the transition plan will be the key focus in 2025. The main tasks will include competence development, customer dialogue, sales and advisory services for green products, as well as work on systems and data. Additionally, the Bank will continue to develop KPIs, baseline data, emission pathways, stress tests, and scenario analyses. The main actions in the transition plan are illustrated in the figure below.



Progress plan for sustainability-related activities and targets

The Bank will ensure that necessary resources are made available at the board level, management, business areas, and staff functions to meet the targets of the transition plan. The board and management will monitor the transition plan by integrating the overarching targets into the Bank's risk management framework and risk reports. If any deviations occur, appropriate actions will be implemented to ensure the targets are achieved.

The implementation of the Bank's transition plan will require resources and investments in areas such as competence development, customer engagement, monitoring of transition plans, technology, data, digitalisation, system solutions, and sustainable products and services. The scope of resources and investments, both short-term and long-term, has not been mapped out. Regarding human resources, this primarily involves building competence within existing staff in both staff and line functions, increasing capacity to work purposefully with transition plans, serve as advisors, and contribute to the Bank's and customers' transitions. Work related to sustainable financing and investment will not require significantly more resources than work with traditional financing and investment. An increase in sustainability efforts within both line and staff functions is expected, integrated into the Bank's overall credit work. The establishment of sustainable products and services will not require additional resources beyond the existing staffing levels. Reporting and follow-up requirements may necessitate new system solutions, technology, data, and reporting solutions, which will require investments. The Bank has previously needed to acquire such investments in response to new regulations and needs. The Bank has strong earnings, liquidity, and solid equity to handle the necessary increase in resources and investments required to implement the transition plan.

Targeted measures are necessary for the Bank to achieve its climate goals, reduce climate emissions, and contribute to sustainable development. The key decarbonisation actions are:

The Bank's climate emissions:

- Space efficiency and reduced energy consumption in the Bank's premises.
- Upgrading the Bank's properties to be compatible with the EU Taxonomy.
- Installing renewable energy solutions in own buildings, such as solar panels and groundwater systems.
- Reducing waste.
- Reducing air travel and business travel.
- Adopting new technologies when available.

Emissions from the business areas of lending and investments:

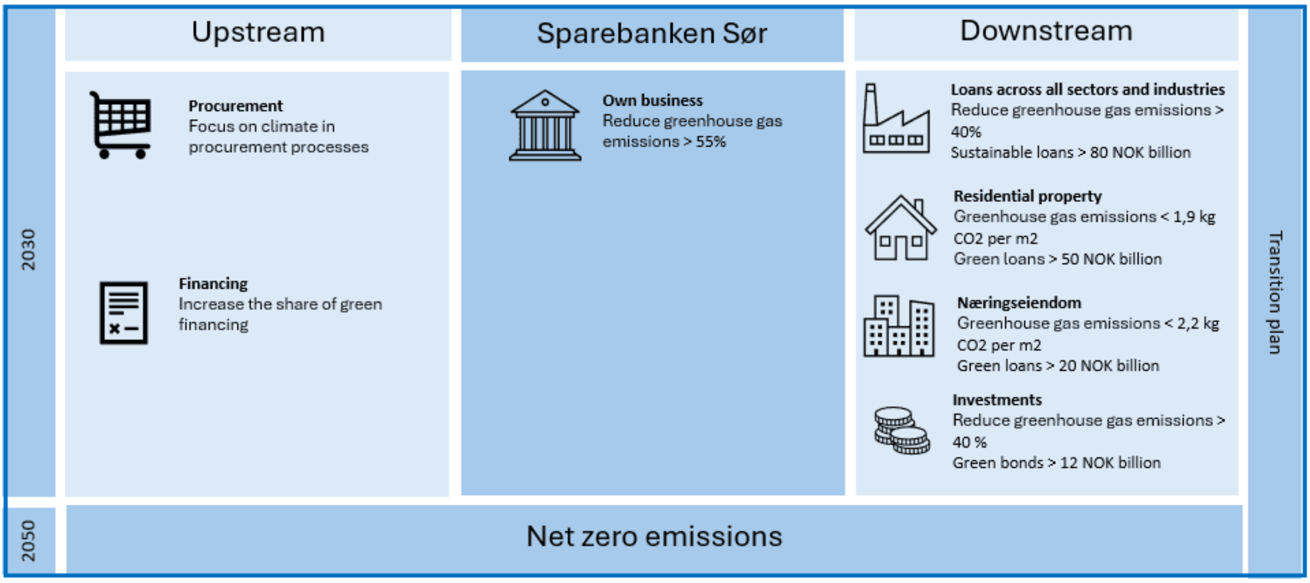
- Shift capital allocation to sustainable products, including loans and bonds. While there is no direct correlation between activities that are compatible with the EU Taxonomy and activities with low or zero emissions, there is a close connection. Sustainable products across different business areas, along with requirements for customers and pricing, are the Bank's most important tools in achieving its targets.
- Use of sustainability-linked loans, which set requirements for achieving climate targets in the future.
- Digitalisation of products and services.
- New technology for decarbonisation and carbon capture.
- Climate- and nature-positive activities, such as financing and planting forests, land restoration, etc.
- Shift capital allocation from linear to circular economy.

The Bank has, and will continue to, enhance digitalisation and implement new technology where relevant, in line with the financial sector as a whole. The specific results of such initiatives, as well as the actions mentioned above, have not been quantified.

The Bank does not intend to initiate the development of new technology for decarbonisation, carbon capture, carbon storage, or similar actions for its own emissions. However, the Bank will adopt relevant new technology for its own emissions as it becomes available. New technology will be crucial for ensuring that the business areas of lending and investments can reduce climate emissions in line with the Paris Agreement's 1.5-degree target.

4.12 Climate Emission Targets

The Bank has defined ambitions to reduce climate emissions, but not all targets are measurable, result-oriented, and time-bound, in accordance with the requirements in E1-4 and MDR-T, as further described in ESRS 2, Chapter 4.1. This includes various types of targets such as impact targets, effect targets, financial targets, and engagement targets, which reflect both the Bank's direct emissions and emissions in the value chain.



Climate targets in the value chain

The central targets for the Bank's climate efforts are illustrated in the figure above. Emissions in the upstream value chain are considered not material to the Bank's operations.

Upstream: The Bank has set a goal to focus on climate in procurement processes and to increase the share of green financing, but the goal does not meet the criteria for targets under ESRS.

Own operations: The Bank has set a target of a 55 percent reduction in its own climate emissions from 2017 to 2030. Status is provided in Chapter 4.13. Additionally, the Bank has set a target of net-zero emissions by 2050, but intermediate targets between 2030 and 2050 have not yet been specified. These will be developed in the coming years.

Downstream: Qualitative targets have been set for reducing emissions from loans and financing, with a goal of 40 percent reduction by 2030 and net-zero by 2050. These targets are not fully compatible with the criteria in ESRS.

There are specific targets for the reduction of emissions per square meter for residential and commercial properties, in line with CRREM emission pathways. This target is the only one that is clearly science-based and in line with limiting global warming to 1.5°C.

Qualitative targets have also been set for the volume of green and sustainable loans by 2030. Furthermore, the Bank has a target that loans for green residential and commercial properties will represent at least 50 percent of property loans by 2030.

Similar targets will be set for other sustainable activities in accordance with the EU taxonomy. This will be the primary instrument for the Bank. Additionally, engagement and dialogue with customers, as well as requiring plans for reducing climate emissions from their operations, will be central to achieving the Bank's emission reduction targets. Annual targets for growth in sustainable products will be established.

The emission reduction targets outlined in the table above include both Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption), and Scope 3 (indirect emissions from the value chain).

To achieve net-zero by 2050, several necessary requirements must be met. These include stricter regulations and incentive schemes that stimulate emission reductions. Additionally, the Bank must set requirements and manage the development of its business areas and portfolios to ensure they align with the emission reduction targets.

Targets related to emissions reduction in the Bank’s own operations apply to Scope 1, Scope 2, and Scope 3.

In 2024, the Bank has utilised guarantees of origin and purchased carbon credits as part of its strategy to reduce the climate footprint from its own operations. The guarantees of origin applies to the portion of electricity consumption that the Bank purchases directly, which represents 93.7 percent of the total electricity consumption.

The Bank’s central targets for climate work are integrated into the risk management framework and are reported regularly through quarterly risk reports. This includes, among other things, green loans, sustainable bonds, and climate emissions. The results of these initiatives are evaluated by monitoring progress in both actions and target achievement.

4.13 Calculation of Greenhouse Gas Emissions

Greenhouse gas emissions related to Sparebanken Sør are calculated in accordance with international standards.

The Bank lacks data for certain parts of Scope 3 emissions and has therefore chosen to use a phased approach for reporting Scope 3 emissions in the table below. The Bank’s financed emissions through loans are presented as company-specific reporting under the heading "Emissions from the loan portfolio", as the Bank does not have data on emissions related to investments. Emissions for Category 5 and 6 in Scope 3 are also presented as company-specific reporting, as these emissions have been reported by the Bank in previous years, in accordance with the transition provisions in ESRS 1, Chapter 10.1.

The table below shows the development of the Bank’s total greenhouse gas emissions from Scope 1 and Scope 2, as well as the Bank’s established milestones for 2025, 2030, and 2050. Key metrics include:

- Total Scope 1 emissions have been reduced from the baseline year of 2022, with a decrease of 7 percent by 2024.
- Scope 2 emissions show a similar reduction of 5 percent (based on the location-based method) from 2022.
- Scope 3 emissions, which account for the largest share of the Bank's carbon footprint, are largely related to the value chain and financed activities. The Bank has calculated financed emissions through loans, but data is missing for certain parts of Scope 3 emissions. Therefore, the Bank has chosen to apply a phased approach for reporting Scope 3 in the table below. The Bank's financed emissions through loans are presented as company-specific reporting under the heading "Emissions from the loan portfolio."

		Retrospective				Milestones and target years			
		Base year*	**2023**	**2024**	**% 2024 / 2023**	**2025**	**2030**	**2050**	**Annual % target / Base year**
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions (tCO2eq)		11.3	-	10.5	-	-	5.1	0	6.9 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		-	-	-	-	-	-	-	-
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions (tCO2eq)		131.8	-	125.4	-	-	59.3	0	6.9 %
Gross market-based Scope 2 GHG emissions (tCO2eq)		143.0	-	168.8	-	-	64.4	0	6.9 %
Significant scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)			-	-	-	-	-		-
1	Purchased goods and services		-	-	-	-	-	-	-
[Optional sub-category: Cloud computing and data centre services			-	-	-	-	-	-	-
2	Capital goods		-	-	-	-	-	-	-
	Fuel and energy-related		-	-	-	-	-	-	-
3	Activities (not included in Scope1 or Scope 2)		-	-	-	-	-	-	-
4	Upstream transportation and distribution		-	-	-	-	-	-	-
5	Waste generated in operations		-	-	-	-	-	-	-
6	Business traveling		-	-	-	-	-	-	-
7	Employee commuting		-	-	-	-	-	-	-
8	Upstream leased assets		-	-	-	-	-	-	-
9	Downstream transportation		-	-	-	-	-	-	-
10	Processing of sold products		-	-	-	-	-	-	-
11	Use of sold products		-	-	-	-	-	-	-
12	End-of-life treatment of sold products		-	-	-	-	-	-	-
13	Downstream leased assets		-	-	-	-	-	-	-
14	Franchises		-	-	-	-	-	-	-
15	Investments		-	-	-	-	-	-	-
Total GHG emissions (excluding scope 3)									
Total GHG emissions (location-based) (tCO2eq)		143.1	-	135.9	-		81.6	0	6.7 %
Total GHG emissions (market-based) (tCO2eq)		154.3	-	179.3	-		107.6	0	6.7 %

Emissions from the loan portfolio

The table below provides a detailed overview of emissions from the Bank's loan portfolio, broken down by corporate market (BM) and personal market (PM). The emissions are categorised by Scope 1, Scope 2, and Scope 3 for various industries and sectors, and include key metrics for emission intensity (emissions per million NOK in loans).

For the corporate market, real estate and buildings represent a significant portion of the total emissions. However, actions such as energy efficiency improvements and green loans contribute to reducing the emission intensity in this sector. For other industries, emission data is based on a combination of actual data and estimates. Improving data quality is a key priority moving forward. The methods used for these calculations are further described in Chapter 4.14. For the personal market, the emission intensity is generally lower.

	CORPORATE MARKET						
BM - Sector Classification According to Exciobase - CO2 Emissions per Million Loans*	Loan balance	Scope 1	Scope 2	Scope 3	Sum scope 1+2	Sum scope 1+2+3	TCO2/MNOK loan
Mining and extraction	145 378 103	13 057	1 170	6 666	14 227	20 893	97.86
Construction	7 062 038 959	20 518	314	244 577	20 832	265 409	2.95
Electricity, gas, and water	171 961 530	31 264	335	3 832	31 600	35 431	183.76
Electrical equipment and machinery	161 638 439	391	1 171	5 590	1 563	7 152	9.67
Financial intermediation and business services	1 403 889 487	51	47	554	98	652	0.07
Industry and recycling	35 486 283	242	201	1 674	443	2 116	12.47
Agriculture, forestry, and fishing (excl. customers registered in the agricultural database)	732 708 517	98 289	34 122	60 129	132 411	192 540	180.71
Metals and metal products	120 916 265	1 337	1 423	6 682	2 760	9 442	22.83
Public administration; Education; Health; Recreation; Other services	6 327 769 729	8 786	878	20 345	9 664	30 009	1.53
Paper and paper products	462 464 428	1 853	3 645	10 607	5 498	16 105	11.89
Petroleum, chemical products, and non-metallic mineral products	57 092 074	974	325	2 014	1 299	3 312	22.75
Postal and telecommunications	13 425 076	52	1	78	54	132	3.99
Food, beverages, and tobacco production	85 209 554	229	847	4 237	1 076	5 312	12.62
Production of motor vehicles, trailers, and other transport equipment	29 751 284	20	20	615	40	655	1.35
Textiles, leather, and clothing	12 543 057	17	30	423	47	470	3.75
Transport	646 308 370	12 681	1 344	7 808	14 025	21 833	21.70
Retail trade, motor repairs; Fuel; Trade; Accommodation and food services	1 813 591 920	4 035	714	25 877	4 748	30 625	2.62
CO2 Emissions from the Corporate Market Calculated Using Exciobase Factors*	**19 282 173 074**	**193 797**	**46 587**	**401 706**	**240 383**	**642 090**	**12.47**

*) Exciobase is a database with factors for CO2 emissions per industry, with methodology described further below.

Agriculture and Forestry Calculated Based on Agricultural Database and Emission Factors from	Loan balance	Combined scope 1 and 2
Agriculture and Forestry (customers registered in the agricultural database)	1 652 350 917.9	68 427.0

Commercial Real Estate		Total climate emissions in tons of CO2		The bank's financed share of climate emissions in tons of CO2	
	Loan balance	Location-based	Market-based	Location-based	Market-based
Turnover and operations of real estate	26 556 272 506	30 158	1 204 302	21 242	848 250

Corporate Market Total	Loan balance	Combined scope 1 and 2
Total	47 490 796 498	330 052

Agriculture, forestry, and fishing represent the largest financed climate emissions for Sparebanken Sør, with a total of over 200,000 tons of CO_2 in Scope 1 and Scope 2 emissions. This accounts for approximately 60 percent of the total financed climate emissions and 5 percent of the Bank's corporate market loans.

	PRIVATE MARKET				
		Total climate emissions in tons of CO2		The bank's financed share of climate emissions in tons of CO2	
	Loan balance	Location-based	Market-based	Location-based	Market-based
Loans for Residential and Holiday Properties	85 974 501 887	21 010	839 002	8 188	326 990
Loans without collateral in real estate*	221 842 113			21	
Total	**86 196 344 000**	**21 010**	**839 002**	**8 210**	**326 990**

*) Assumed same emissions per million loans as for loans for residential and holiday properties.

Greenhouse Gas Emissions at Sparebanken Sør

Sparebanken Sør has used CEMAsys to calculate the Bank's climate emissions since 2017*. This is a climate accounting process in accordance with the GHG Protocol. The climate emissions from 2017 and the performance results in the CEMAsys report have not been audited by an external auditor.

The following summary is taken from their 2024 report:

"At the Group level, Sparebanken Sør had a total greenhouse gas emission of 244.0 tons of CO2 equivalents (tCO2e) in 2024, distributed as follows: 10.5 tCO2e (4 %) in Scope 1, 125.4 tCO2e (51 %) in Scope 2 and 108.0 tCO2e (44 %) in Scope 3.Overall, total emissions have decreased by 4 percent compared to the previous year. However, the accounting shows an increase in emissions related to business travel in Scope 3, where the number of kilometers flown resulted in a total increase of 11 percent in emissions from business travel in 2024 compared to the previous year."

"Generally, there has been a reduction in the Group's greenhouse gas emissions from 2017 to 2024, with total emissions decreasing by 52%."

KPI status and development 2017 – 2024*

Climate and environment Own operations Description	Unit	Target	Time	2024	Target Achievement
Climate emissions own operations	tons of CO2	231	2030	244	95%
Reduction in climate emissions own operations	%	55	2030	52	95%

*) The Bank has now set a new baseline year (2022), while the assessment from CEMAsys applies to the period 2017 – 2024.

4.14 Methods

Climate emission calculations and the Bank's climate commitments

Sparebanken Sør bases its climate emission calculations on international standards and scientific methods to ensure accuracy and comparability. The Bank has committed to achieving Net Zero by 2050, in line with the Paris Agreement's 1.5-degree target, covering both its own operations and its financing and investment portfolio.

To assess climate risk and financial impact, the Bank utilises the NGFS (Network for Greening the Financial System) "Orderly" scenario "Net Zero" in its scenario analyses and stress tests. This scenario targets net-zero emissions by 2050 and aims to limit global warming to 1.5 degrees.

Data Basis and Methodology for Climate Emission Calculations

To calculate greenhouse gas emissions related to the Sparebanken Sør Group's operations, established methodologies and conversion factors are applied in accordance with the GHG Protocol (A Corporate Accounting and Reporting Standard).
The calculation methods are based on collected activity data from the Bank's operations, which are converted into tons of CO2 equivalents (tCO2e) using standardised emission factors.

For other sectors, industries, and investments, the bank will establish new targets, baseline data, and emission pathways based on scientifically founded methods.

Conversion factors

The conversion factors used in the emission calculations are provided by CEMAsys and are based on the latest available factors from recognised sources. These factors cover various emission sources, including energy consumption, transportation, and waste management.

For electricity consumption, an emission factor for the Nordic mix is used, reflecting the composition of energy production in the region.

Transport emissions are calculated by multiplying fuel consumption (gasoline and diesel) with the relevant emission factors from CEMAsys. Air travel emissions are determined based on distance per passenger-kilometer (pkm) and a specific emission factor for the aircraft type used.

For waste management, specific emission factors are used for different waste fractions, based on the method and treatment process.

To ensure accuracy in the calculations, emission factors are updated annually in accordance with CEMAsys databases and methodological adjustments. Sparebanken Sør bases its calculations on data from internal reporting systems, combined with standardised factors, to ensure compliance with regulatory requirements and best practices in climate accounting.

For climate emissions from the Bank's lending and investment portfolio, the lack of precise data presents a significant challenge, which may cause calculated emissions to differ from actual emissions. In the absence of actual climate data from customers, the Bank applies the PCAF methodology (Partnership for Carbon Accounting Financials), which estimates emissions based on sector and industry averages. However, these calculations are subject to a high degree of estimation uncertainty. The PCAF factor has been converted from EUR in 2019 to million NOK in 2024, ensuring that the Bank uses the same value and currency for climate emissions reporting.

Climate Emission Calculations for Various Sectors

- Residential and commercial real estate: Calculated in accordance with Finans Norge's "Guide for Financed Climate Emissions."
- Agriculture: Based on data from "Production and Replacement Subsidies for Agricultural Enterprises" and emission factors from the Platon report "Greenhouse Gas Emissions from Norwegian Agriculture by Area, Livestock, and Food Production."
- Other industries: Based on PCAF factors per million NOK in loans.

The Bank has not yet included emissions from investments in its climate accounting, but this is a priority and will be integrated into Scope 3 by 2025.

Calculation of Energy Consumption and Estimation of Emissions

Climate emission calculations for financed emissions are based on estimates from indirect sources.

- Residential properties: Energy usage is estimated using data from Eiendomsverdi. Estimates for energy consumption from Eiendomsverdi are used for residential properties in the private market, while the Bank itself estimates energy usage for other properties. The energy consumption is primarily estimated based on the energy label and area. In some cases, the data is incomplete, including for energy labels, building year, and area of commercial properties. If the energy label is missing, energy consumption is estimated based on the building year. If both the energy label and building year are missing, the lowest energy rating is applied. If the area is missing, the average for the building category for commercial properties is used, while for residential properties, average sizes from Finans Norge's guidelines are used.
- Commercial properties: Based on the energy label and building year, but incomplete data sometimes forces the Bank to use average values for the industry. The Bank uses PCAF data (Exiobase) and a balance-based method for calculating climate emissions from other customers in the corporate market.
- Climate factors: Climate emissions are calculated as the estimated energy consumption multiplied by the emission factor sourced from NVE. The latest calculation is based on data from the previous year. The Bank uses NVE’s "climate declaration for physically delivered electricity" for the location-based method and "product declaration for electricity suppliers" for the market-based method.

Improvement of data quality and future targets

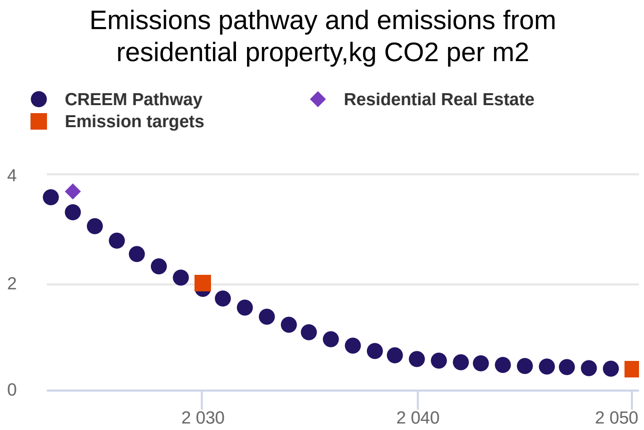
The Bank calculates data quality based on the data quality hierarchy developed by PCAF and described in the "Guide for the Calculation of Financed Greenhouse Gas Emissions" from Finans Norge. The Bank has NOK 114.4 billion in loans at quality level 3, which includes loans for real estate and agriculture. Other loans are calculated with quality level 5. The weighted quality level is 3.29.

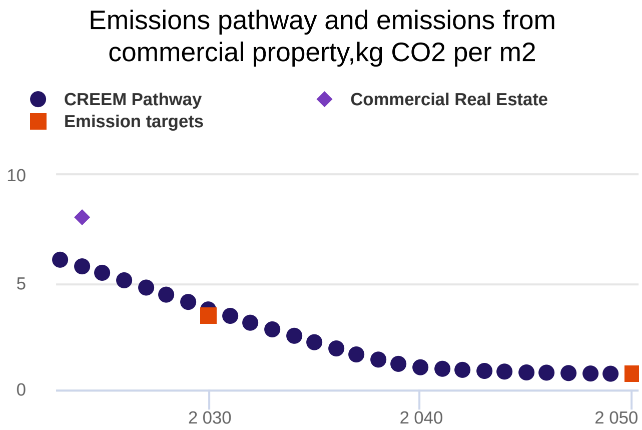
The Bank is actively working to improve the quality of climate data and reduce the need for assumptions and estimates in future climate emission calculations. This is being done, among other things, by:

- Increased data collection from customers, through customers' own reporting of actual emissions.
- Increased mapping of energy consumption and the degree of energy labelling of buildings is expected.

Emission pathways and targets in line with The Paris Agreement

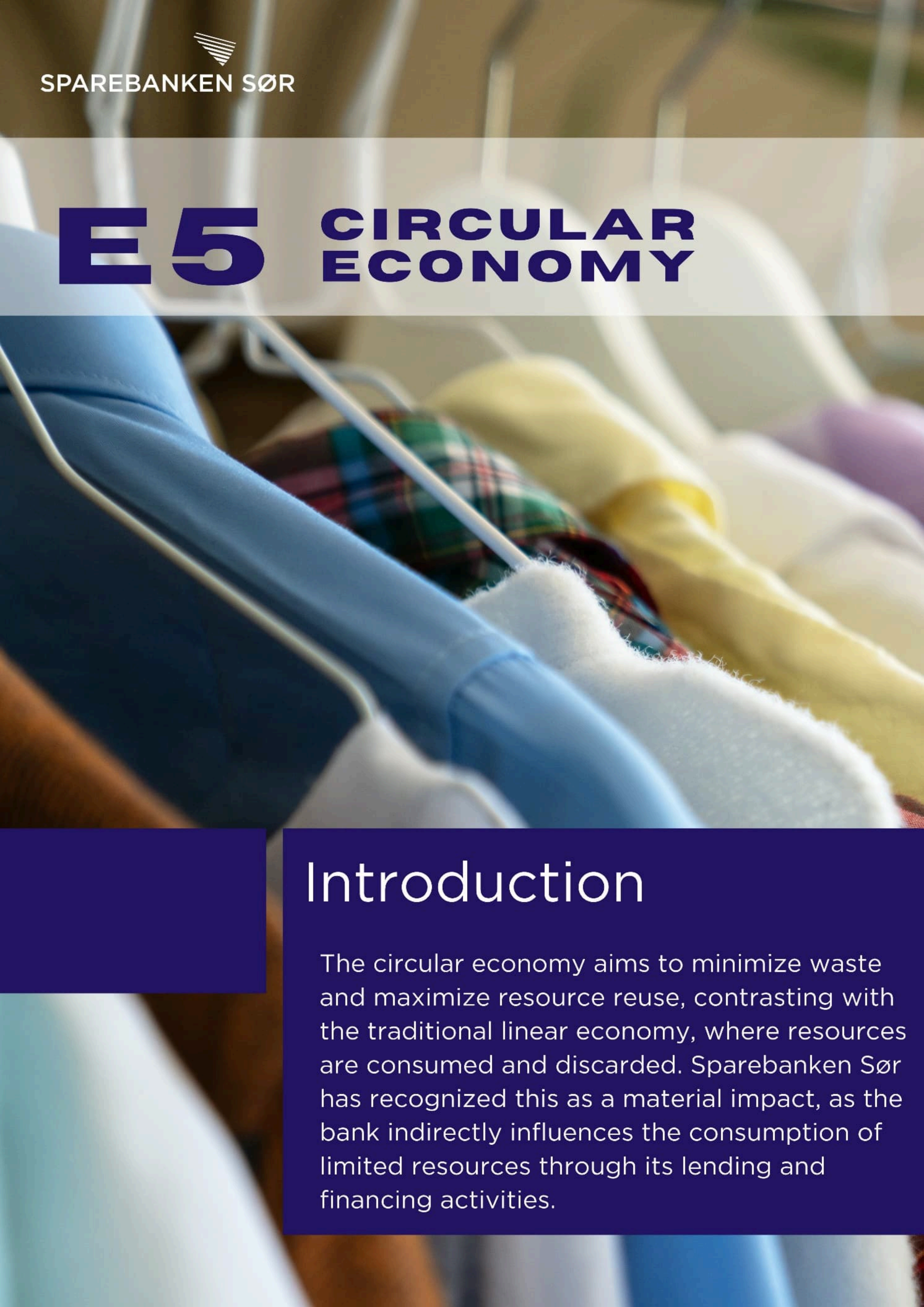
The Bank has developed emission pathways based on scientific methods, in line with the goals of the Paris Agreement. For loans to residential and commercial real estate, CRREM's science-based emission pathways are used, covering over 80 percent of the Bank's total loan portfolio. These emission pathways have been established according to CRREM, with a base year of 2024, and are designed to align with the goal of limiting global warming to 1.5 degrees. Other stakeholders outside the Bank have not been involved in setting the target.





The results show that the Bank is approaching CRREM's emission pathway, and the targets set are in line with these emission pathways for 2030 and 2050, thus aligning with the Paris Agreement's 1.5-degree target related to loans for residential and commercial real estate.

External factors, such as actual temperature development, regulatory changes, and framework conditions for different industries, may impact future emission pathways. Therefore, the Bank will continuously update its target-setting methods in line with new scientific insights.



SPAREBANKEN SØR

E5 CIRCULAR ECONOMY

Introduction

The circular economy aims to minimize waste and maximize resource reuse, contrasting with the traditional linear economy, where resources are consumed and discarded. Sparebanken Sør has recognized this as a material impact, as the bank indirectly influences the consumption of limited resources through its lending and financing activities.

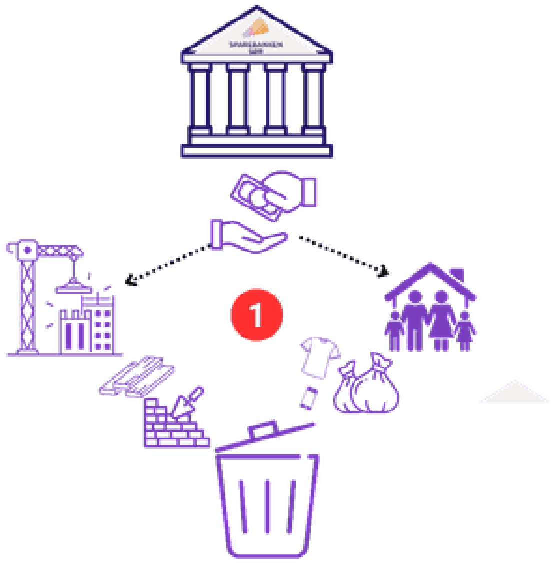
Resource use and circularity (ESRS E5)

To meet future needs, capital must be directed towards solutions that promote circular value creation, where efficient resource utilisation, innovation and technology play a key role. This not only provides environmental benefits, but also creates the basis for green growth, new jobs and increased economic resilience.

Sparebanken Sør is aware that financing businesses and projects can have an indirect negative impact on the circular economy, especially through support for the consumption of scarce resources. Thus, as part of the Bank's sustainability strategy, there is an increasing focus on how capital allocation can contribute to a more circular and sustainable economy.

For the Bank, this means an opportunity to support and invest in circular solutions that promote sustainable development and create value for both the environment and the economy. The work is still in an early phase, but the Bank will gradually integrate circular economy principles into its credit processes, risk assessments and customer follow-up.

The illustration and table below show which impacts on the circular economy the Bank has identified and where in the value chain they are located.



IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Financing of scarce resources.	The bank negatively impacts the circular economy by financing the consumption of scarce resources.	0-1	Nature

4.15 Circular economy policy

In the policy for circular economy, the Bank commits to promoting a sustainable economic transition from a linear to a circular economy. This will be achieved through a combination of internal actions, requirements for customers and partners, and the integration of sustainability targets into governance, risk management and capital allocation.
For more detailed information about the content of the policy, please refer to section "4.8 Policy on climate, nature and the circular economy".

4.16 Actions and resources

Transition plan

The transition plan serves as a framework for the Bank's long-term sustainability targets and will contribute to ensuring that financing and investments promote circular solutions. The plan is dynamic and will continuously be developed in line with new regulations, market needs and best practices within the circular economy.

To ensure effective implementation of the transition plan, the Bank will:

1. Build culture and skills throughout the organisation to ensure understanding and commitment to the circular economy.
2. Allocate the necessary resources in the Board, management, business areas and staff functions to ensure that the targets in the plan will be met.
3. Integrate the transition plan into the Bank's risk management and risk reporting, so that progress can be followed up systematically and actions can be implemented as needed.

Key activities in the transition include:

- Building internal expertise on the circular economy, so that employees and advisers can guide customers and assess risks and opportunities in circular business models.

- The establishment of circular finance products, including green loans, transition loans and sustainable bonds.
- Increase in the share of circular financing, with prioritisation of industries such as recycling, repair, reuse and energy efficiency.
- Commitment and requirements for customers in order to promote a circular approach in their businesses through consultancy services and financial incentives.

The Bank acknowledges that the exact operating costs and investments associated with the implementation of the transition plan are difficult to quantify at this time. Nevertheless, the direct operating and investment costs (Opex and Capex) are considered relatively small compared to the long-term benefits of the transition. The largest challenge will be to maintain good credit growth while supporting the transition from a linear to a circular economy.

The Bank has both the expertise and the financial capacity to implement the transition plan in a way that balances risk and growth, while contributing to a more sustainable economy.

Sparebanken Sør follows the EU taxonomy and national guidelines such as the "National Strategy for Green, Circular Economy", as well as the EU's 9 R strategies for a circular economy:

Strategy	Description
R1 - Refuse	Make the product redundant / offer it a similar circular product
R2 - Rethink	Extend the product's lifecycle, e.g., through reuse and sharing
R3 - Reduce	Optimise the production process / use less natural resources
R4 - Reuse	Reuse a product that is still in good condition and fulfills its function
R5 - Repair	Repair a defective product so it can be used with its original function
R6 - Refurbish	Restore an old product and update it
R7 - Remanufacture	Use parts of a discarded product in a new product with the same function
R8 - Repurpose	Repurpose a redundant product or its parts in a new product with a different function
R9 - Recycle	Recycle materials from waste that can be processed into new products

These strategies support the Ellen MacArthur Foundation's three principles of the circular economy:

1. Eliminate waste and pollution
2. Circulate products and materials (to the highest value)
3. Recreate and restore nature

Sustainable loans according to the EU taxonomy will be an important tool in the Bank's work towards a nature-positive economy. The Bank's framework for green loans and bonds will be continuously adapted to ensure that the capital contributes to circular and sustainable investments.

Activities completed in 2024

Area	Measure	Assessed effect	Quantitative effect
Own operations and value chains	Initiated work on a transition plan	NA	NA
	Sensitivity analysis of impact, dependency, risks, and opportunities	Mapping where risks and opportunities exist in the bank's operations and value chains	NA
	Established policy "Policy for climate, nature and circular economy."	Guidelines	NA
Lending	Established engagement targets for priority sectors	Competence and focus	NA
Collaborative project with Finance Sector Union of Norway, Circular Norway, WWF, and banks	Participation in the project "Roadmap for Circular Finance"	Competence and network building	NA

4.17 Targets related to resource use and the circular economy

Time horizons

Sparebanken Sør has established time horizons for climate, nature, and circular economy, as described in chapter 4.8.

Targets

Sparebanken Sør is in an early phase of its work on the circular economy and has currently established few specific targets. The targets are not measurable, outcome-oriented and time-bound, in accordance with the requirements in MDR-T, as further described in ESRS 2, chapter 4.1. The purpose of the current targets is to develop expertise, map the status and needs of customers, and establish a basis for further actions and development of the transition plan.

The Bank's overall targets for the circular economy include:

- Further development of the transition plan to include circular principles in financing, credit rating and investment decisions.
- Build expertise on the circular economy to strengthen consultancy services and the assessment of circularity in customers' businesses.
- Increased engagement and collaboration with customers, industry players and authorities to promote circular solutions.
- The establishment of specific outcome targets, financial targets and engagement targets, with a plan for implementation in 2025.

The Bank has no historical targets or results related to the circular economy, but will in future establish baseline data and specific indicators for circularity in both its own operations and in the value chain.

Methods, data, baseline and transition paths

The Bank will use relevant and scientific methods, data and emission trajectories to develop and follow up on targets related to the circular economy. Lack of data and methods for calculating KPIs, circularity and risk in the value chain are a challenge, and priority work going forward is to develop or acquire reliable measurement tools and use indicators to assess the degree of circularity in the Bank's business areas.

In 2025, the Bank will work to:

- Establish targets for the circular economy based on existing frameworks such as the EU taxonomy and the "National Strategy for Green, Circular Economy".
- Integrate circular economy into credit processes, investment decisions and risk assessments.
- Improve the data basis to ensure more precise reporting and follow-up of targets.

Results and follow-up

Since the Bank has no historical results to show, it cannot present any previous results.

Progress will be followed up through the establishment of targets, indicators and systematic monitoring of developments in relation to the activities being conducted. The Bank will also report progress on circular initiatives in line with the requirements of the ESRS and CSRD.

4.18 Material resources, impacts, risks and opportunities

The upstream business areas, including purchasing, financing and product suppliers, as well as the Bank's own operations, have limited materiality to the transition to a circular economy. These areas constitute a relatively small part of the Bank's overall impact on material resources.

The greatest impacts, risks and opportunities related to material resources can be found downstream in the Bank's lending and investment activities. Here, the Bank can play an active role in financing circular solutions and reduce financing for activities that consume a high volume of vulnerable natural resources.

The most important area is therefore to contribute to increased circularity in the lending business area by, among other things:

- Stimulate financing of resource-efficient solutions in, for example, construction, real estate and retail.
- Develop green and circular financing products that promote recycling, reuse and reduced material use.

As a player, the Bank has a significant impact through capital allocation, and actively works to ensure that loans and investments support a transition to a more sustainable economy.

The Bank's value chain is described and illustrated in more detail under General Information (ESRS 2).

Risk

The first step in the analysis of risk in transitioning to a more circular economy is to map key drivers and how these affect the Bank's financial position in the short, medium and long term. This is based on the same methodology as for climate risk, but here the focus is on the circular economy.

The following definition of risk is the basis for all analyses:

Risk Grading (Risk Matrix)	
Low risk	
Low/Moderate risk	
Moderate risk	
Moderate/High risk	
High risk	

Grading of risk

	Beskrivelse	Risk ST	Risk MT	Risk LT	Potential Financial Risk
Transition Risks	**Regulatory and Political Risk** Strong regulation to achieve the goals of the Paris and Nature Agreements exerts significant pressure for the transition to a circular economy. Reduced access to and increased prices of ecosystem services, raw materials, and production inputs.				Reduced revenues due to lower economic growth and credit growth. Transition costs due to reduced access to or increased prices of natural resources, as well as requirements for emission reductions among customers, may lead to increased loan losses. Higher requirements and costs for pollution control and restoration. Increased asset write-downs, and demands for transition processes may result in "stranded assets."
Transition Risks	**Technological Risk** Increased costs for transitioning to nature-, climate-, and environmentally-friendly technology, distribution, products, services, and circular business models.				Increased investments and costs for restructuring technology, production inputs, and processes among customers may lead to higher losses. Critical size in relation to transition. Write-offs on misguided investments. Increased competition due to technology and digitalization.
Transition Risks	**Market Risk** Changes in consumption and demand for circular products. Shifts in consumption patterns will impact business models, costs, and profitability. A transition to circular products that outpaces market demand.				Reduced market shares, credit growth, and increased loan losses due to changing customer behavior and lower demand for linear products. The market is not yet mature for circular products. Insufficient regional access to circular activities. Increased volatility in customers' revenues and costs, which may lead to losses.
Transition Risks	**Reputation Risk** Changes in sentiment and perception of companies and products due to negative impacts on climate and nature. Decreased brand value due to reliance on limited ecosystem services. Stigmatization of products and industries.				Loss of reputation due to a lack of willingness or ability to transition to a circular economy, which may result in customer attrition, reduced sales, and declining market shares. Weakened access to and increased cost of financing and equity. Risk of deteriorating relationships and customer loyalty.
Physical Risks	**Resource Availability** Restrictions or lack of access to deliveries of critical ecosystem services and input factors essential for a company. Production processes may need to be discontinued due to emission reduction requirements.				Discontinuation and/or increased costs for transition processes due to new input factors, substitute products, and production processes. Rising prices for input factors and increased volatility in production and revenues. Higher costs due to disruptions in operations and supply chains. These factors may lead to increased losses for the bank. The phasing out of the linear economy is happening faster than the development of a circular economy, potentially resulting in reduced credit growth.

The greatest circular financial risks:

- Reduced economic growth and credit growth due to transition to a circular economy.
- Risk of increased defaults, reduced collateral values, and increased losses on loans.
- Repricing of assets, collateral and "stranded assets".

- Access to and price of financing at a low GAR (Green assets ratio).
- Changed customer behaviour and consumption patterns.

4.19 Material resource outflow

Lending

Material resources refer to physical raw materials and materials used in manufacturing, construction, trade and other industries. A key challenge in the transition to a circular economy is to reduce the extraction of new resources, optimise the use of existing materials, and facilitate reuse, recycling and waste reduction.

The Bank currently lacks sufficient data on customers' use of material resources.
ESG data from customers and industry statistics are examples of relevant sources to improve the data basis. Once methods and baseline data are available, the Bank will continue to work on scenario analyses for the circular economy to assess risks and opportunities across sectors.

To drive this work forward, the Bank will prioritise to identify circularity in sectors and industries. An important target is to engage the ten largest customers in agriculture, property/construction development, retail and property management, to develop shared expertise and understanding of the challenges and actions in the work on the transition plan.

In its action plan for the circular economy, the EU has designated seven priority areas, which are also included in the Government's "National Strategy for Green, Circular Economy". The Bank will use these as reference points in its efforts to develop financing solutions that support a circular economy.

Priority areas National strategy and EU	Loan (NOK MILLION) 31.12.2024
Computers and electronic and optical products	1
Batteries and vehicles	450
Packaging	-
Plastics	-
Clothing and textiles	13
Real estate/construction development	7 062
Beverages, food and beverages	92.3
Total	**7 618**

The table shows lending to the seven prioritised value chains from the "National Strategy for Green, Circular Economy". The areas intervene in sectors and industries in different ways, for example, production, distribution, sales, consumption, etc., without the scope being directly related to lending volume. This will be taken into account in the work with the prioritised business areas, sectors and industries.

The following business areas, sectors and industries are given the highest priority by the Bank:

- Business areas
  - Lending and investments
- Sectors/industries:
  - Agricultural

- Development of property, buildings and facilities
- Retail
- Sale and operation of real estate

Opportunities

Banks have the potential to play a crucial role in the transition to a circular economy. Through adapted financing, active ownership, effective risk management and support for innovation, banks not only contribute to a more sustainable future, but also position themselves as key players in a green economy.

The circular economy offers several opportunities for both businesses and financial institutions, including increased efficiency, reduced risk and improved market position. Sparebanken Sør sees significant opportunities in supporting the transition to a more resource-efficient economy through its lending and investment activities.

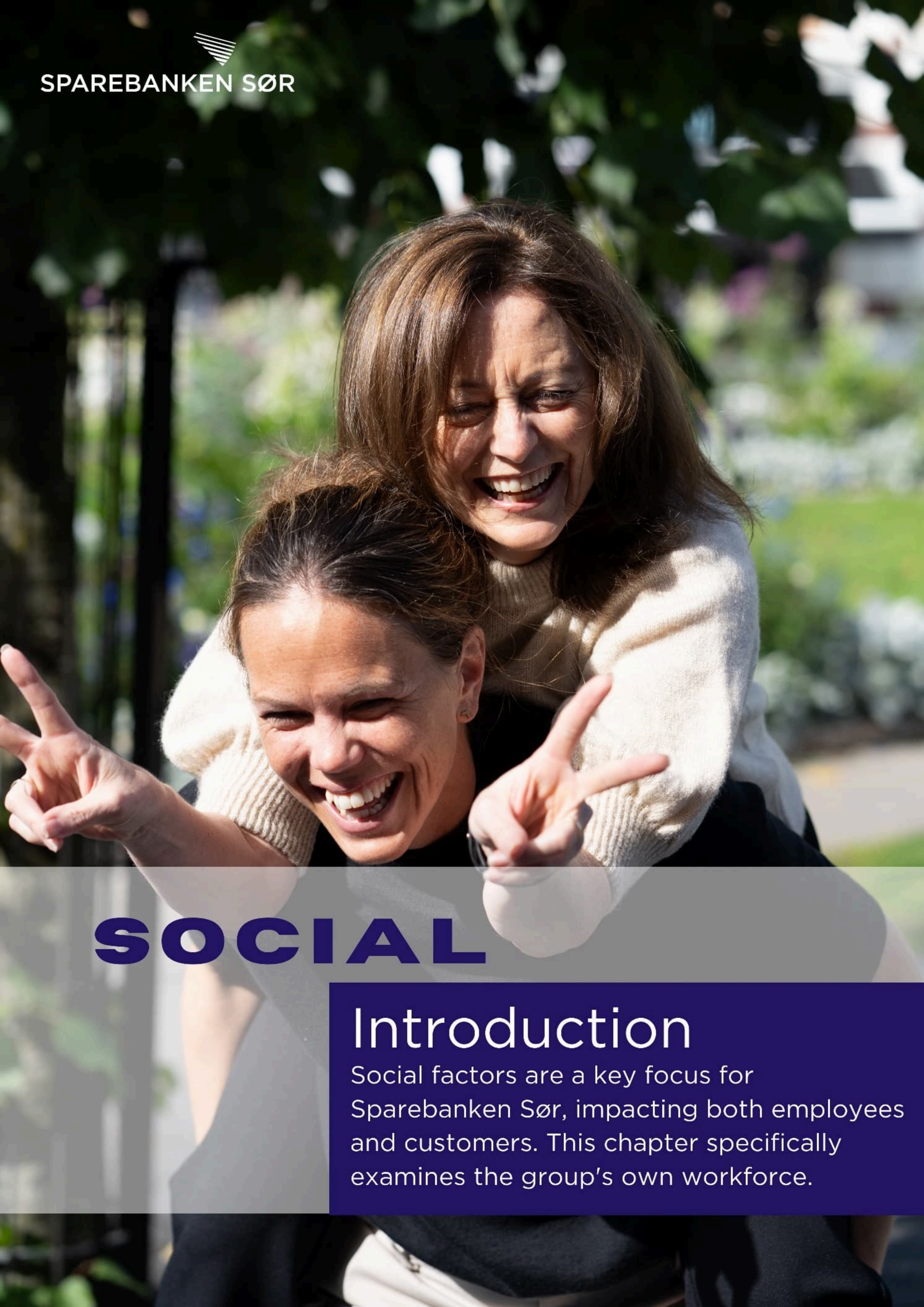
Opportunities in the Circular Economy	Opportunity			Potential Financial Impact
	ST	MT	LT	
Resource Efficiency				
Transition to processes with increased efficiency and reduced resource consumption. Implementation of circular input factors.				Reduced risk of losses in loan portfolios and investments for customers who adapt and transition to a circular economy.
Products and Services				
Circular business models, production systems, and value chains. Recyclable products. Resource-efficient technology, input factors, and production processes. Reduced emissions and waste.				Reduced losses and defaults due to lower risk in loan portfolios and investments. Competitive advantages and increased earnings from circular products. Cheaper financing through sustainable products. Reduced capital requirements for sustainable products.
Market				
Access to new markets through circular technology, products, and services. Use of public incentives. Diversification of the business model.				Competitive advantage in new markets and customers. Increased diversification and reduced risk. The circular economy can provide access to new products, customers, and markets.
Capital and Financing				
Economic incentives for transitioning to nature-positive products and services.				Circular business models can facilitate easier access to equity. Lower capital requirements and improved return on equity. Easier access to and lower costs for external financing.
Reputation				
Actions that create positive change and impact on climate emissions and ecosystems, influencing society and the local economy.				A good reputation can provide access to new markets and customers, increased volume and earnings. Easier and cheaper access to equity and financing. Ability to attract competent employees.
Climate Emissions and Ecosystems				
The circular economy will have positive effects on climate emissions, ecosystems, and the use of natural resources.				Improved reputation by supporting climate- and nature-positive initiatives. Reduced risk in loan portfolios and investments for companies adapting to circular business models.

The Bank considers that the financial opportunities are greatest in the following areas:

- Sustainable products and services related to the circular economy.
- Better access to and lower cost of financing through sustainable bonds.

- Lower risk of loss of circular customers.
- Cost reduction due to efficiency improvements in operations and distribution through new technology and digitalisation.

Through targeted financing and collaboration with the business community, the Bank can be a driving force for transition to a more sustainable economy, while ensuring long-term value creation and reduced financial risk.



SOCIAL

Introduction

Social factors are a key focus for Sparebanken Sør, impacting both employees and customers. This chapter specifically examines the group's own workforce.

SPAREBANKEN SØR

S1 OWN WORKFORCE

Introduction

Sparebanken Sør considers its employees a key resource for the group's success. This chapter outlines how the bank manages material impacts related to secure employment, gender equality, and training and skills development.

Social information
Own Workforce (ESRS S1)

The Sparebanken Sør Group is founded on security, equal opportunities, and fair working conditions for its 703 employees, comprising 597 employees at Sparebanken Sør, 94 employees at Sørmegleren, and 12 employees at Sørlandets Forsikringssenter. This chapter highlights how the Group ensures secure employment, promotes equality, and upholds its core values through clear policies and targeted initiatives. The illustration and table below outline the identified impacts on the Group's workforce and their location within the value chain.

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders
1 Secure employment	The bank positively impacts its employees by offering a secure, stable, and predictable workplace. A full-time work culture is maintained to ensure long-term employment security.	0-1	Employees
2 Equality	The bank has a negative impact on equality and the right to equal pay for work of equal value due to historical imbalances in the industry, which require time to rectify	0-1	Employees
3 training and skill development	The bank's commitment to competence development and internal growth opportunities has a positive impact on its employees	0-1	Employees

The Bank's impact on its own workforce

The Bank's workforce consists of permanent and temporary employees, as well as three non-employees (one employed by ATEA and two employed by Trainee Sør). The significant impacts discussed in this chapter primarily apply to Sparebanken Sør's employees. However, it is important to note that the materiality analysis (DMA) also includes Sørmegleren and Sørlandets Forsikringssenter. These subsidiaries rely heavily on the Bank's policies, guidelines, and systems due to their small administrative structures. As a result, they are not expected to implement actions and initiatives on the same scale as the Bank itself. Non-employees are not affected by the identified impacts, as they have separate contracts and employment conditions with their respective companies. The Group's workforce includes bank employees, customer relationship advisors, administrative staff functions, real estate agents, and insurance agents. The materiality assessment, as described under General Information, identified women as the employee group most affected by negative impacts due to inherent risk factors. Beyond this, no other employee groups within the Group have been identified as facing a significantly increased risk of negative impact.

Disclosure of targets and actions in this chapter
It is noted that not all targets and actions under S1 fully meet the requirements of the Minimum Disclosure Requirements for Targets and Actions (MDR-T and MDR-A). For further details, please refer to subsection 4.1 in the General Information section (ESRS 2).

Note on Sørmegleren
All employees at Sørmegleren have access to Simployer, where HSE (Health, Safety and Environmernt) documentation and the employee handbook are available. HR-related tasks are managed by the administration, as Sørmegleren does not have a dedicated HR department. The company is not affiliated with Finans Norge and does not offer AFP (contractual early retirement pension). Its pension scheme consists of a defined contribution plan (OTP) of 5 percent of salary up to 12 G. Sørmegleren does not conduct employee surveys, is not a member of an employer organisation, and is not certified under the Likestilt Arbeidsliv (Equal Workplace) scheme. Consequently, actions, targets, and reporting requirements related to these areas apply to Sparebanken Sør, not Sørmegleren. Where Sørmegleren is not represented in tables, this has been specified.

Note on Sørlandets Forsikringssenter
All employees at Sørlandets Forsikringssenter have access to the Bank's document library, Sørvis, where policies, documents, and guidelines are available. As a wholly owned subsidiary of Sparebanken Sør, the company largely follows the Bank's policies and procedures. Sørlandets Forsikringssenter does not have a dedicated HR department, is not affiliated with Finans Norge, and does not offer AFP (contractual early retirement pension). Its pension scheme consists of a defined contribution plan (OTP) of 4 percent of salary up to 12 G. The company does not conduct employee surveys, is not a member of an employer organisation, and is not certified under the Likestilt Arbeidsliv (Equal Workplace) scheme. Consequently, actions, targets, and reporting requirements related to these areas apply to Sparebanken Sør, not Sørlandets Forsikringssenter. Where Sørlandets Forsikringssenter is not represented in tables, this has been specified.

Rights and working conditions
Sparebanken Sør has a clear policy and guidelines that safeguard fundamental human rights and working conditions for all employees across the Group. This policy applies to the entire organisation and is anchored in internationally recognised frameworks such as the UN Guiding Principles on Business and Human Rights, ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises. While issues related to human trafficking, forced labor, and child labor are not explicitly stated in the policy, they are encompassed within the Group's broader commitment to decent working conditions. This includes the right to freedom of association, opportunities for professional and personal development, safe working conditions with a strong focus on health, safety, and the environment (HSE), reasonable limitations on working hours, and a goal of increasing diversity within the Bank.

The Bank's efforts to protect employees and their rights are grounded in applicable laws and guidelines, including:

- The Working Environment Act and associated workplace regulations
- The General Application Act and universally applicable collective agreements
- The Duty of Activity and Reporting (Aktivitets- og redegjørelsesplikten)
- The Transparency Act (Åpenhetsloven), including:

- OECD Guidelines for Multinational Enterprises
- UN International Covenant on Economic, Social and Cultural Rights
- UN International Covenant on Civil and Political Rights
- ILO Core Conventions

The Bank is also a signatory to the UN Global Compact and the UNEP Principles for Responsible Banking, which support the Group's commitment to the Sustainable Development Goals (SDGs). Sparebanken Sør has the following governance documents relevant to this policy:

- Corporate Governance and Management
- Code of Ethics
- Sustainability Strategy
- Whistleblowing Procedure (External and Internal)
- Complaint Handling Procedure
- Policy on Labor and Human Rights
- Guidelines on Labor and Human Rights

Complaints and whistleblowing related to labor and human rights are handled in accordance with Sparebanken Sør's standard complaint and whistleblowing procedures, which are available on the Bank's website.

4.20 Workforce and strategy

Sparebanken Sør's 2021–2025 strategy links the Bank's actual impact on the workforce to overarching targets for competence development, which is central to its business model. The strategy's ambition to be a "Competent and Motivated" workplace is reflected in the prioritisation of professional development and the creation of a learning organisation, enhancing the Bank's ability to attract and retain talent.

Regarding gender equality, the Bank ties its approach to concrete guidelines and measures outlined in its Code of Ethics, Equality Policy, and the Equality Committee's mandate. These governance documents support efforts related to equal pay, systematic salary adjustments, and initiatives to promote gender diversity. Sørmegleren addresses gender equality in its Code of Ethics, further detailed under chapter 4.25 "Business Conduct (ESRS G1)."

The Bank has a positive impact on secure employment for its employees through a business model built on long-term customer relationships and stable operations. This is reflected in the Bank's core value of "stability", which applies to both customers and employees. As a secure employer in the region, with a long history as a stable workplace, the Bank contributes to a positive impact on secure employment through its commitment to long-term employment principles.

Future strategy development

The current strategy remains in effect until 2025, and next year the Bank is preparing for a merger with Sparebanken Vest. This will lead to the development of a new strategy, where the actual and potential impacts identified through our double materiality analysis will be highlighted and form a key foundation for future strategic planning. It has not yet been determined whether Sørmegleren will be part of the merger.

4.21 Employee Participation and Inclusion

Sparebanken Sør ensures that employees' perspectives are incorporated into decision-making processes through various structures, including employee representatives on the board, union representatives, safety delegates, and a working environment committee (AMU). AMU consists of representatives from both management and employees and is responsible for monitoring and improving the work environment.Employee engagement is facilitated through annual performance reviews and employee surveys conducted every two years, with results used to enhance workplace conditions and the Bank's approach to well-being and inclusion.

The chief union representative and chief safety delegate have an operational role in ensuring that employee viewpoints are conveyed to management and considered in strategic decisions. The effectiveness of employee engagement is assessed through follow-ups on employee surveys and performance reviews. The

Bank is certified under the Likestilt Arbeidsliv (Equal Workplace) scheme, emphasising an inclusive work environment. Employee representatives are also informed about significant impacts on the Bank's workforce, as they participate in and have decision-making authority in the board's review of the double materiality analysis and its outcomes.

Whistleblowing and impact

Sparebanken Sør has established an internal whistleblowing procedure that allows employees to report improper conduct, including bullying and harassment, in compliance with the Working Environment Act. This procedure ensures a thorough case review and protects employees from retaliation. The Group is responsible for safeguarding both whistleblowers and the individuals subject to a report.Employees who report concerns in accordance with the whistleblowing procedure are protected from any form of adverse treatment or sanctions as a result of their disclosure ("retaliation"). To maintain a safe and responsible work environment, the Group will implement preventive actions against retaliation if deemed necessary. At the same time, the Group ensures that the accused employee is treated fairly, and their situation is assessed to maintain a healthy workplace environment. Once a case has been reviewed, the individual reported on will be immediately informed of the outcome, regardless of the result. Employees have the option to report anonymously or through alternative channels such as HR or union representatives. The whistleblowing procedure is always available on the Bank's intranet, and all new employees receive information about it as part of the "Stødig Start" onboarding program. Regarding complaint handling, the Bank has a structured process ensuring that all complaints, including those related to employees, are registered and processed in accordance with Finanstilsynet's (Financial Supervisory Authority of Norway) guidelines, with the Data Protection Officer involved in relevant cases. This is embedded in the Bank's ethical guidelines, which emphasise a zero-tolerance policy for harassment and discrimination.

Sparebanken Sør has a dedicated portal for reporting workplace accidents and undesired incidents, called "Hendelsesdatabasen" (Incident Database), which is accessible to all employees via the intranet. This portal is used to register incidents affecting health, environment, and safety (HSE), as well as breaches of procedures, guidelines, and authorisations. All reported incidents undergo a thorough review by designated case handlers, who assess whether corrective measures should be implemented to prevent recurrence. Clear user guides are available on the intranet, outlining how incidents should be reported and followed up. Special emphasis is placed on the prompt reporting of data privacy breaches, which must be reported to Datatilsynet (The Norwegian Data Protection Authority) within 72 hours.

Through the employee survey, staff members can provide feedback on any topic, including whistleblowing channels and complaint handling. However, the Bank does not have an automated system allowing users of the whistleblowing channel to evaluate its effectiveness or their satisfaction with the process. A formal assessment concluded that such feedback channels would not be purposeful, given the low volume of whistleblowing cases. The Compliance Department serves as the first line of response for handling whistleblowing cases, in collaboration with BDO, an external third party, to ensure that all reports are properly addressed and followed up.

Number of reports from the whistleblowing channel in 2024:

40	Group
Employee Alerts	1
External Alerts	2
Economic Costs	0
Total Number of Alerts	**3**

Reported Incidents from the Incident Database Related to Own Workforce in 2024:
Sørmegleren and Sørlandets Forsikringssenter are not included in the overview. Sørmegleren is scheduled to be integrated into Sparebanken Sør's incident register but has not had access in 2024.

Risk category	Events (Number)	Losses (thousands)
Internal Fraud	1**	***0
Employment Practices and Workplace Safety	5	0
Customer, Product, and Business Practices	58	115
Damage to Physical Assets	2	50
Business Interruptions and System Failures*	61	150
Settlement, Delivery, and Other Transaction Processing	9	75
Total*	**136**	**390**

*Business interruption: This reports operational interruptions that affect normal operations. For example, customer systems, automated services, professional systems and networks. Often the cause of the error is addressed by the system supplier.

**The table shows one registered incident that is categorised as internal fraud. However, it is important to clarify that this incident was due to a routine breach and not an actual case of internal fraud. The categorisation is a result of how the incident database is structured, where this was the most appropriate location. The bank therefore has no real cases of internal fraud.

***The amount is not mentioned in the accounts due to its insignificant size.

4.22 Working conditions

Secure employment is a key priority for Sparebanken Sør, as the Bank plays a vital role in providing stability and predictability for its employees. The Bank ensures stable employment conditions through permanent contracts, fair working conditions, and solid pension schemes.

The merger between Sparebanken Sør and Sparebanken Vest, effective May 2, 2025, represents a significant transition for the Bank. However, the board and management have clearly communicated that no employees will lose their jobs as a result of the merger.

With well-established policies and agreements, the Bank is well-positioned to uphold secure employment, even during a period of change and restructuring.

Guidelines for secure employment

Sparebanken Sør has well-established guidelines for secure employment, which are clearly regulated through legislation, the Main Agreement (Hovedavtalen) and Central Agreement (Sentralavtalen) between NHO and Finansforbundet, the Corporate Agreement (Bedriftsavtalen), and the Bank's employee handbook. These guidelines and policies apply to all employees and are approved by the Bank's board. HR is responsible for updating the employee handbook, which is accessible to all employees via the intranet. Employees are encouraged to contact HR with any questions regarding the guidelines, as stated in the employee handbook.

The Main Agreement (Hovedavtalen) between NHO and Finansforbundet. This agreement regulates the relationship between employers and employees, establishing rules for cooperation, participation, and negotiations in the workplace. It includes provisions on rights and obligations in labor disputes, freedom of association, the duty to provide information, and employee involvement. It also outlines structures to ensure collaboration between employer and employee representatives.

The Central Agreement (Sentralavtalen) builds upon the framework of the Main Agreement (Hovedavtalen) but focuses more specifically on entity-specific conditions within the financial sector. It regulates key aspects such as salary formation, working hours, employees' rights to leave, vacation, professional development, and restructuring processes. Additionally, this agreement ensures a certain degree of predictability and secure employment for employees within the industry.

The Corporate Agreement (Bedriftsavtalen) establishes regulations on working hours and salary structure, including rules for involuntary part-time work. The Bank emphasises employee participation through union representatives in negotiations on working conditions. For specific employee groups, the Bank offers senior policies, such as reduced working hours for employees over 64 years old, as well as flexible arrangements for parents with young children.

The Bank’s employee handbook provides an overview of the guidelines, rights, and obligations related to employment at Sparebanken Sør. Its purpose is to serve as a reference guide and a practical resource for addressing key employment matters.

Key topics covered in the employee handbook that are particularly relevant to secure employment include: workplace regulations, data privacy, recruitment, working hours and overtime, competence development, performance reviews, vacation, rights and obligations in case of illness, pension and insurance schemes, health, safety and environment (HSE), and life-phase policies.

Actions for secure employment

As outlined above, topics related to "secure employment" are regulated by agreements between the employer association Finansforbundet and the employee association Finans Norge. These agreements serve as the foundation for implementing frameworks and structures that ensure favorable working conditions for the Bank's employees. While they may not constitute "operational actions" in the narrowest sense, they are fundamental to how the Bank manages employment-related matters and safeguards employee rights. Negotiations for the Hovedavtalen (Main Agreement) and Sentralavtalen (Central Agreement) take place every three and two years, respectively, while the company-specific agreement is renegotiated every two years. During these negotiations, existing rights are reviewed, modifications are made, and new provisions may be introduced. Sparebanken Sør is committed to accommodating employees and their diverse needs, a principle communicated through the employee handbook. For example, facilitation measures are specifically addressed as a dedicated chapter in the Sentralavtalen.

The employee survey is conducted every two years, providing employees with an opportunity to submit feedback that is systematically considered. Follow-up actions are carried out at the department level, initiatives are implemented, and managers are responsible for monitoring progress. The 2024 survey was conducted by Kantar, an independent third party, during weeks 9–11. The use of an external provider ensures a high level of professionalism and strict protection of employee anonymity. The gross sample consisted of 540 employees (only permanent staff; temporary employees were excluded from the sample. Cleaning staff were also exempt, as they are not considered an integral part of the work environment due to their working hours and limited employment percentage). The response rate was 83 percent, with 447 employees participating. All responses were collected electronically using the same questionnaire as in previous years. To maintain confidentiality and credibility, Kantar does not generate reports based on fewer than five responses. Sørmegleren and Sørlandets Forsikringssenter did not participate in the employee survey.

The results of the employee survey are followed up through a structured process. First, managers receive a presentation of the findings before sharing them with their respective departments. A workshop is then conducted, focusing on identifying three key strengths to maintain and three areas for improvement, which are summarised in an action plan submitted to HR. It is the manager’s responsibility to ensure the implementation of the agreed-upon actions. Example of implemented actions.

One of the Group's departments selected *collaboration, engagement, and competence development* as their three focus areas and implemented the following initiatives:

- Continuation of two weekly team meetings, where leaders share updates, and employees provide progress reports on ongoing work. Some meetings include an informal segment, while others focus on digital training.
- Encouragement of 15-minute morning coffee breaks in shared spaces on days without formal meetings, along with initiatives for social gatherings both during and outside working hours.
- Monthly in-person meetings for the entire department, including all four sub-departments.
- Manager-led follow-up on initiatives, including competency assessments and planning of relevant training actions.
- Established meeting structures within each sub-department to ensure continuous follow-up on employee development.
- Evaluation of additional insights from the employee survey to ensure that relevant areas receive focused follow-up.

The department identified *stress, motivation, and corporate culture* as key areas for improvement based on the employee survey. To address these, the following initiatives were implemented:

- Integration of *stress, motivation, and corporate culture* topics into department-wide meetings to ensure ongoing discussion and awareness.
- Implementation of a team development program in fall 2024, structured as follows:

- Day 1: Completion of the *Icebreaker Diversity* preference test, followed by group activities and a social gathering.
- Day 2 (approximately two weeks later): Digital debrief and reflection on test results.
- Day 3: In-person department meeting dedicated to further discussion on how the test insights can enhance collaboration.

Manager-led follow-up within each team, with a particular focus on how individual employees can contribute to improving the work environment.

Metrics for own workforce

The process of establishing targets related to secure employment is based on current laws and regulations, best practices, historical data, and relevance to the Bank. Several initiatives and processes have been implemented to ensure well-defined targets and the execution of appropriate actions. The Working Environment Committee, the employee representative network, and the Equality Committee serve as key forums for developing and assessing such initiatives, which naturally align with secure employment efforts. Additionally, the HR department is responsible for proposing actions and advising management based on relevant observations and priorities.

Employee engagement and well-being are prioritised focus areas at Sparebanken Sør. The engagement target is embedded in the 2021–2025 strategy and has been set based on historical trends, realistic expectations, and strategic ambition. The target is to achieve a minimum engagement index score of 80. In the spring 2024 employee survey, Sparebanken Sør achieved 85 index points, a result classified as very high. Kantar's engagement index is based on the following four core questions/statements related to employee satisfaction and job engagement:

- "I look forward to going to work."
- "I am highly engaged in my job and tasks."
- "The goals we have set motivate me to put in extra effort."
- "I am proud to work at Sparebanken Sør."

All survey questions are answered on a five-point scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Scores are then transformed into a 0–100 point scale, and the engagement index is calculated as an unweighted average of the four core statements. Potential sources of error and limitations could be response bias. Employees may answer based on what they believe is expected—either more positively to avoid negative attention or more negatively to express dissatisfaction. Diminishing value over time. If survey results are not actively followed up, the measurement may lose relevance.Ceiling effect in smaller units. In smaller departments, engagement scores may reach a saturation point, making further improvement challenging. Meaningful change. Variations in results must be significant to be considered impactful, as individual responses are averaged at the Group level.

Sparebanken Sør actively promotes a full-time work culture. In Norway, the right to work part-time is regulated by the Working Environment Act § 10-2 (4), granting specific groups the right to request part-time employment. While the Bank is highly accommodating of employees with special needs or preferences for part-time work, it has also implemented initiatives, such as a remote work agreement, to facilitate full-time employment opportunities. A workforce survey conducted in May 2024 identified one case of an employee who wished to increase their working hours beyond their current level. The Bank remains focused on minimising unwanted part-time employment through tailored support and flexibility.

Employee profile

Assumptions for employee data in ESRS S1:
The employee data is based on records from the Group's HR and payroll registration systems and includes full-time, part-time, and temporary positions across the organisation. The number of employees and full-time equivalents (FTEs) is determined based on figures at the end of the reporting period, with FTEs calculated according to each employee's contracted working percentage.

Employees who leave the company remain part of the workforce until the end of their notice period. The total number of employees and FTEs also includes those on leave, long-term sick leave, and temporary replacements. Board members and general meeting members are not included in the employee count.

Temporary positions refer to substitutes who temporarily fill another person’s role or perform the work of one or more employees.

Sparebanken Sør refers to its top management as "Group Management."

Comparative figures are not included in the reporting.

Gender*	Number of employees (number of people)
Male	351
Female	352
Other	0
Not reported	0
Total number of employees	**703**

* Gender identified in the HR system. Defined based on employee's social security number.

As of December 31, 2024, the average number of employees in the Group is 697. This figure is calculated based on the average number of employees at the beginning of the calendar year and at the end of the reporting period.

Gender*	Number of work years
Male	331
Female	327
Other	0
Not reported	0
Total number of employees	**658**

* Gender identified in the HR system. Defined based on employee's social security number.

The number of full-time equivalents (FTEs) in banking operations reported under the key figures for the Group (first table in chapter 6) differs from the number of FTEs presented in the table. This discrepancy is due to certain parts of the total workforce being excluded from the reporting of FTEs in banking operations. Specifically, the total for the Group includes 123 FTEs, with 102 FTEs related to Sørmegleren and Sørlandets Forsikringssenter, and 21 FTEs related to temporary employees, as well as employees who are not included under the Bank's core operations, such as cleaning and janitorial services.

The table below presents the number of employees by contract type, along with a breakdown of full-time and part-time employees by gender.

Contract type by gender * (number of employees/number of people)	Female	Male	Other (*)	Not reported	Total
Number of employees	**352**	**351**	**0**	**0**	**703**
Permanent employees	333	340	0	0	**673**
Temporary employees	19	11	0	0	**30**
Employees without guaranteed working hours	0	0	0	0	**0**
Reporting of full-time and part-time employees:					
Number of employees	**352**	**351**	**0**	**0**	**703**
Full-time employees	300	324	0	0	**624**
Part-time employees	52	27	0	0	**79**

* Gender identified in the HR system. Defined based on employee's social security number.

Turnover	Female	Male	Total
Employees left, number	32	37	**69**
Turnover in %	5 %	5 %	**10 %**

Turnover is calculated as the percentage of total employees who left during the reporting period in relation to the average number of employees for the same period. The calculation includes both permanent and temporary employees, including substitutes. In 2024, the Group's overall turnover rate was 10 percent. For Sparebanken Sør alone, turnover was 9 percent, while Sørmegleren recorded a turnover rate of 16 percent. The differences between business units can partly be attributed to entity-specific factors, as the real estate sector generally experiences higher turnover compared to the Banking industry. Among those who left, ten employees were 62 years or older and are therefore classified as retirees. The remaining departures were due to the expiration of temporary contracts or employees choosing to transition to new employers.

Non-employees	Number
Number of non-employed persons in the labor force	1
Self-employed persons in the labor force	0
Persons provided by enterprises engaged in employment	2
Total non-employed persons	**3**

As shown in the table above, the proportion of non-employees in the workforce is very low. One out of three is employed by ATEA, the Bank's IT service provider. The remaining two are employed through Trainee Sør and are completing their trainee period at Sparebanken Sør from September 1, 2024, to February 28, 2025. The Bank aims to have up to three trainees per period. The general approach to using non-employees is that they are engaged when it is the most practical solution. There are only minor variations in the proportion of non-employees from year to year.

The table below provides an overview of the age distribution of employees within the Group.

Age distribution	Number	i %
Percentage of employees under 30 years old	97	14 %
Percentage of employees between 30 and 50 years old	335	48 %
Percentage of employees over 50 years old	271	39 %
Total number of employees	**703**	**100 %**

All employees within the Group are based in Norway and are categorised by region according to their workplace location.

Country	Number of employees (number of people)
Norway	703

Contract type by region (number of employees/number of people)	Agder	Rogaland	Telemark	Vestfold	Total
Number of employees	**627**	**10**	**55**	**11**	**703**
Permanent employees	600	9	53	11	673
Temporary employees	27	1	2	0	30
Employees without guaranteed working hours	0	0	0	0	0
Reporting of full-time and part-time employees:					
Number of employees	**627**	**10**	**55**	**11**	**703**
Full-time employees	553	10	51	10	624
Part-time employees	74	0	4	1	79

Employee rights

This section outlines the financial rights employees are entitled to in various situations. The insurance schemes, benefits, and agreements established by Sparebanken Sør are designed to provide financial security for employees and their families. The insurance scheme applies to permanent employees working at least 20 percent and who are members of the Norwegian National Insurance Scheme. Permanent employees working less than 20 percent, as well as temporary employees and substitutes during their employment period, are only covered under the Occupational Injury Insurance Act, in addition to defined contribution pension benefits.

- *Sick pay entitlements:* This is regulated by the National Insurance Act, specifically Chapter 8, which aims to compensate for lost income due to illness or injury. According to the act, sick pay is calculated based on pensionable income, with an upper limit of 6 G. Sparebanken Sør is affiliated with Finans Norge and the Central Agreement, which provides better terms for employees. If sick pay from the national insurance system does not fully cover an employee’s salary, the Bank compensates the difference to ensure full salary payment.
  *Sørmegleren and Sørlandets Forsikringssenter are not affiliated with Finans Norge.
- *Salary during parental leave and adoption:* Public benefits related to childbirth and adoption are provided in accordance with the National Insurance Act. Employees at Sparebanken Sør benefit from the Central Agreement, which ensures that the company covers the difference between full salary and parental benefits under the national insurance system. Additionally, there is no cap on the holiday pay basis, meaning that Sparebanken Sør pays holiday pay based on full salary for up to 52 weeks per accrual year. Employees who take at least five months of parental leave are entitled to at least one salary step increase upon their return, equivalent to 1.7 percent of their annual salary.
- *Contractual early retirement pension (AFP):* This is established in the Bank’s collective agreements and allows employees to retire before the statutory retirement age. In the private sector, AFP is a lifelong supplement to the national insurance pension and can be drawn from the age of 62.
  *Not applicable to employees of Sørmegleren and Sørlandets Forsikringssenter.
- *Employer-sponsored pension scheme:* This is regulated by the Mandatory Occupational Pension Act (OTP), which requires employers to contribute at least 2 percent of salary up to 12 G. Sparebanken Sør contributes 7 percent up to 7.1 G and 15 percent for salaries between 7.1 and 12 G.
  *Sørmegleren offers a flat 5 percent contribution. Sørlandets Forsikringssenter offers a flat 4 percent contribution.

- *Employee insurance schemes:* Sparebanken Sør offers highly competitive insurance arrangements for employees, including personal insurance, travel insurance, occupational injury insurance, and health insurance.
- *Unemployment protection:* All employees within the Group's operations are covered by public social security protection through Norway's national unemployment benefit system (NAV), which provides income support in the event of job loss.

4.23 Equality and equal opportunities

Sparebanken Sør has long been committed to equality and inclusion, working systematically and purposefully on these topics since 2018 when the Bank joined Likestilt Arbeidsliv. This is a research-based certification scheme owned by Agder County Municipality, providing employers with tools to promote diversity and equality internally. The certification is based on the Activity and Reporting Duty (ARP), the Equality and Anti-Discrimination Act, and the Working Environment Act. Achieving certification requires sufficient knowledge, structure, commitment, and action-oriented measures to drive improvements that enhance equality and diversity within the organisation. The work has seven focus areas: Universal design and facilitation, life phase, full-time culture, inclusive work environment, equal pay, recruitment and career, and anchoring and implementation.
This section reports on the following impact:

- Gender Equality and Equal Pay for Work of Equal Value.
  Negative Impact (Actual): Historical disparities in the industry continue to contribute to wage differences based on gender.
  **Sørmegleren and Sørlandets Forsikringssenter are not certified under the Likestilt Arbeidsliv (Equal Workplace) program.*

Guidelines and policies

Sparebanken Sør has established several guidelines to support its commitment to equality and equal pay. The Equality and Diversity Policy provides the framework for ensuring equal treatment, equal opportunities, and an inclusive work environment. This policy applies to all employees.The Board Diversity Policy focuses on promoting diversity in competence, background, and perspectives within the board. The EVP of Group Staff is responsible for the document, and the board approves the policy.

The Equality Committee's mandate defines its responsibilities for monitoring and implementing initiatives that promote equality, equal pay, and diversity within the organisation. These guidelines help ensure a fair and inclusive workplace culture.

Sparebanken Sør is committed to long-term value creation and contributing to the sustainable development of society. For the Bank, sustainability means taking responsibility for fostering positive future developments, particularly in social aspects. As a result, equality and diversity are integral to the Bank's sustainability efforts. The Bank's Equality and Diversity Policy explicitly states that Sparebanken Sør aims to:

- strive for diversity among the Bank's employees by facilitating inclusion and equality in recruitment and throughout career development.
- work to prevent discrimination based on ethnicity, religion, sexual orientation, disability, age, or gender.
- aim for equal pay for work of equal value.

The board has a dedicated Diversity Policy, which clearly states that Sparebanken Sør shall promote equality, inclusion, and a broad composition of experience, competence, and integrity within the board. The board is responsible for supporting and monitoring management's efforts to increase the proportion of women and to promote gender balance in leadership positions within Sparebanken Sør.

Equality dialogue

The Equality Committee at Sparebanken Sør is responsible for working actively, strategically, and systematically to promote equality and diversity. Drawing on best practices and research on various equality-related topics, as well as internal assessments and identified needs, the committee provides input and recommendations for improvements to the Bank's management. The committee meets at least four times a year and is parity-based, with two representatives appointed by management and two by employee representatives. Both genders must be represented.

Actions for equality and equal opportunities

Since 2018, the Bank has systematically implemented actions to improve equality, diversity, and inclusion. The process for determining which initiatives to implement begins with a baseline analysis, which primarily functions as a mapping exercise. In this analysis, the Bank is rated on a scale from 1 to 5, where 1 is poor and 5 is excellent. Following this, document reviews, risk, and vulnerability analyses are conducted to identify risks of discrimination and barriers to equality. Finally, an action plan is developed, outlining specific actions to address these challenges. Initiatives have been implemented across all key focus areas mentioned earlier.

Gender balance is a key focus in Sparebanken Sør's efforts to promote equality and equal pay. The Bank has consistently worked to ensure gender balance at both employee and leadership levels and takes concrete actions annually as part of the salary review process. One of the key evaluation criteria in this process is equal pay for work of equal value. HR plays a central role in identifying salary discrepancies between men and women. If imbalances are detected, HR provides feedback to managers and recommends necessary adjustments. During the 2024 salary review, nearly all of HR's recommendations were taken into account by management.

To raise awareness and promote equality and equal pay, Sparebanken Sør has implemented the following actions:

- Increase awareness of gender diversity in recruitment for leadership positions within divisions where one gender is underrepresented.
- Ensure HR identifies salary discrepancies during the salary review process and recommends adjustments to align with the principle of equal pay for work of equal value.
- Encourage men to take extended parental leave beyond the statutory requirement by actively promoting this option in various forums, such as department meetings where HR is invited to participate.

The following actions are planned and will be implemented during the 2024–2027 period:

- Revise and update the Equality and Diversity Policy.
- Publish at least two posts per year on Workplace (internal communication channel) about equality and diversity.
- Develop a dedicated annual report on the Bank's equality and diversity efforts.

- Create two digital training modules for all employees on key equality and diversity topics the Bank wishes to emphasise.
- Certify HR personnel in "Equality in Practice," a program conducted by OsloMet.
- Revise the Bank’s life-phase policy.
- Improve salary comparisons for staff positions across divisions and professional areas.

Metrics and targets related to equality

The Equality Committee (comprising employee representatives, management, and organisational representatives) is the body that collectively proposes targets and initiatives based on conducted analyses. Two of the most relevant analyses for determining the Bank’s equality targets and actions are the baseline analysis and the risk and vulnerability analysis.

In the baseline analysis, each focus area within the Equal Workplace framework is assessed, including topics such as "inclusive work environment" and "recruitment and career development." The Bank evaluates its own practices against best practices on a scale from 1 to 5. For areas with room for improvement, concrete actions are identified. One example is requiring external partners, such as recruitment agencies, to demonstrate expertise in equality and diversity.

A risk and vulnerability analysis has also been conducted to identify areas with a high risk of discrimination or harassment. Based on the findings, necessary actions are developed. One identified risk area is the failure to detect bullying, discrimination, or harassment. Actions implemented to address this include raising awareness of reporting channels, reinforcing ethical guidelines, fostering a strong organisational culture, and emphasising core values. Additionally, these topics are highlighted in the employee survey.

The Bank aims to ensure that its workforce more accurately reflects the customer base in the region. Additionally, efforts are being made to increase internal awareness of the various grounds for discrimination.

For the board of Sparebanken Sør, the targets are:

- Equal representation of women and men on the board as an overall target.
- A minimum of 40 percent representation of each gender on the board.

Targets for Equal Pay for Work of Equal Value

Both in finance in general and within the Sparebanken Sør Group, men's salary levels have historically been higher than women's. One of the reasons for this is that there have historically been more men than women in leadership roles. Since 2018, Sparebanken Sør has therefore set a target that by 2026, salary levels should be between 90 percent and 110 percent of men's, and the proportion of women in leadership positions should be between 40 and 60 percent. As of 31.12.24, the pay gap between women's average base salary in the Group is 12 percent lower than men's. This corresponds to women's average base salary being 88 percent of men's. The proportion of women in leadership positions is 39 percent in Sparebanken Sør (41 percent in the Group).

Job Level/Group Description	Women	Men	Percentage Women (%)	Percentage Men (%)	Total	Base Salary**	Variable Salary **	Total Compensation**
Total	**352**	**351**	**50%**	**50%**	**703**	**12%**	**39%**	**18%**
Group 1 Personal Market	157	107	59%	41%	264	4%	2%	4%
Group 2 Corporate Market	40	49	45%	55%	89	10%	12%	10%
Group 3 Administrative Support Functions	65	80	45%	55%	145	12%	25%	13%
Group 4 Brokers/Insurance	35	35	50%	50%	70	-11%	65%	37%
Group 5 Leaders	55	79	41%	59%	134	7%	18%	9%

* The CEO is excluded from the various groups but included in the total sum.

** Pay gap determined by base salary, variable salary, and total compensation are reported in percentage using the following formula: (average salary men - average salary women) / average salary men

Leadership Levels	Women	Men	Percentage Women (%)	Percentage Men (%)	Total	Base Salary*	Variable Salary *	Total Compensation*
Leaders	**55**	**80**	**41%**	**59%**	**135**	**11%**	**23%**	**13%**
Leadership Level 1 & 2 Group Management	4	7	36%	64%	11	25%	42%	29%
Leadership Level 3 Division Leaders	17	28	38%	62%	45	12%	10%	11%
Leadership Levels 3 & 4 Department Heads/Branch Managers	34	45	43%	57%	79	8%	16%	9%

* Pay gap determined by base salary, variable salary, and total compensation are reported in percentage using the following formula: (average salary men - average salary women) / average salary men

**The CEO is part of leadership level 1, while a member of the Group Management is part of leadership level 2.

The total compensation for the highest-paid individual in the Group amounts to 711 percent of the median annual total compensation for all employees, excluding the highest-paid individual. Total annual compensation includes both base salary and variable pay. The data provide insights into gender-related pay differences within the Group, both at the leadership level and overall. Base salary is defined as the workforce's annual salary at the end of the reporting period. Variable pay includes actual bonuses paid, benefits in kind, overtime, interest benefits, and other allowances during the reporting year. Pay differences do not account for factors such as work experience or educational background. Sørmegleren and Sparebanken Sør have different organisational structures concerning leadership roles. Therefore, an assessment has been made based on responsibility and salary levels. Leaders at levels 3, 4, and 5 include both those with managerial and personnel responsibilities as well as those with only functional responsibilities.

Whistleblowing and discrimination

In the employee survey conducted by Sparebanken Sør every two years, the following question is included: "In the past twelve months, have you experienced bullying, sexual harassment, or discrimination (e.g., based on gender, age, ethnicity, or other factors) in connection with Sparebanken Sør?"

The survey results were as follows:

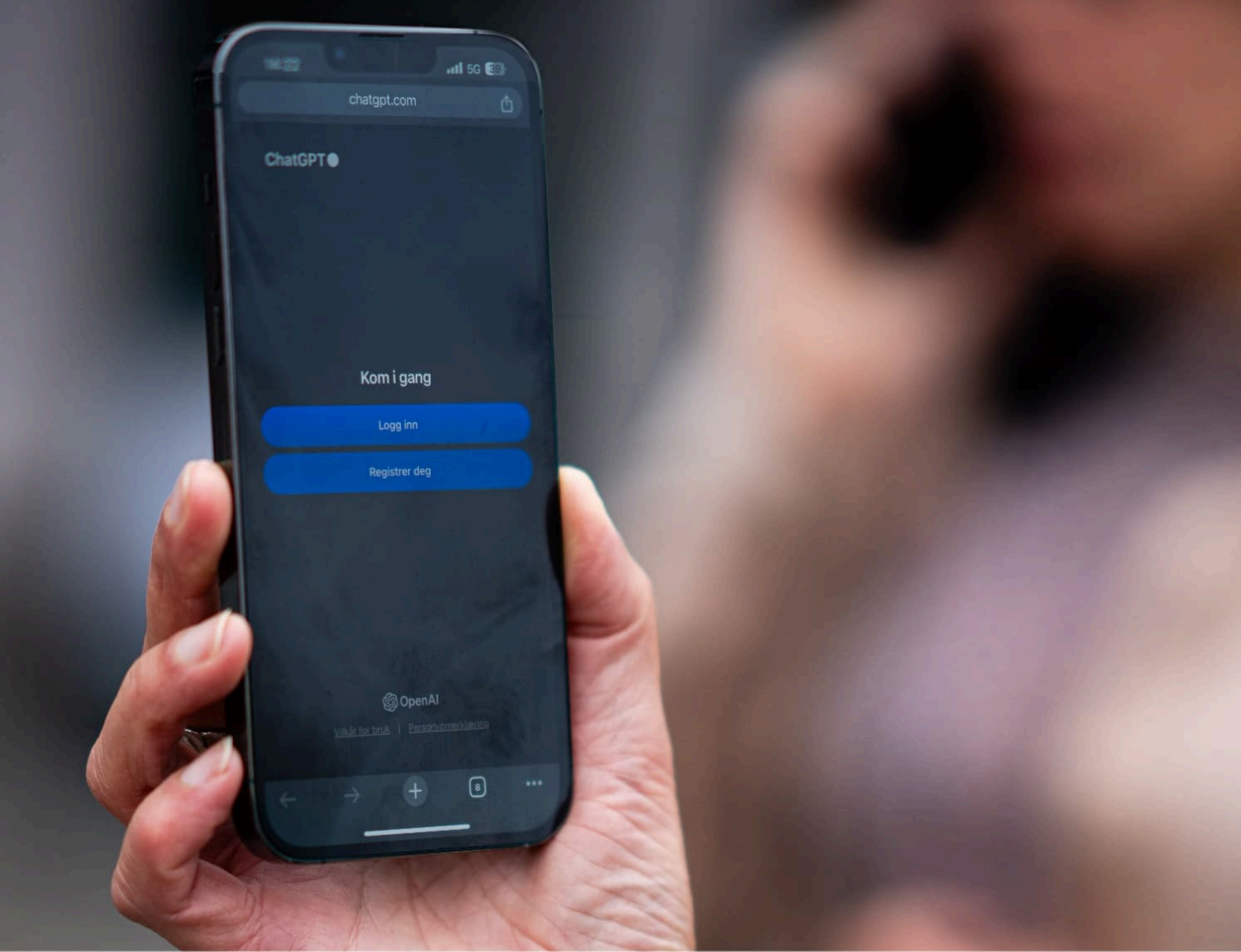
Answers	Number
Yes, bullying and harassment	2
Yes, discrimination	4
No	429
Do not wish to answer	12
Total	**447**

The survey is anonymous, and Sparebanken Sør takes a preventive approach to handling reported incidents. This includes clear communication that the Bank has a zero-tolerance policy for bullying, discrimination, and harassment, as well as providing information on the whistleblowing procedure. Employees also have the option to report concerns without anonymity, allowing the Bank to address the situation more specifically. However, this remains entirely voluntary.

4.24 Summary of Workforce Targets

Theme	Target	FY24 results
Employment (Secure Employment)	Achieve employee engagement with an index of minimum 80 (Annual target)	Engagement index of 85 achieved in the employee survey in spring 2024. The results have been followed up with workshops and initiatives at department level.
	Goal of 0 people working involuntary part-time.	One case of involuntary part-time work in 2024.
Equality and Equal Opportunities	Minimum 40 % representation of each gender on the Board	The Board meets the target of a minimum of 40 % representation of each gender.
	Women's wages should be 90–110 % of men's by 2026.	Women's wages will account for 88 % of men's wages in 2024.
	The proportion of women in management positions should be between 40–60 % by 2026.	The proportion of women in management positions is 41 %.
Training and Skills Development	The bank has no specific targets.	The bank has no defined target figures for training hours per employee, and time tracking divided by activities has not been implemented.
Comparative figures for previous years are not reported and 2024 is therefore used as the baseline for all figures in the table.		

SPAREBANKEN SØR



GOVERNANCE

Governance encompasses ethical business practices and responsible leadership. For Sparebanken Sør, it is essential for maintaining trust and ensuring accountable and sustainable operations.

SPAREBANKEN SØR

G1 BUSINESS CONDUCT

Introduction

Sparebanken Sør upholds an ethical corporate culture that fosters trust and promotes responsible operations. The group actively works to prevent money laundering, corruption, and financial crime while ensuring responsible business practices through clear governance principles.

Governance
Business Conduct (ESRS G1)

This subchapter provides an overview of impacts and risks related to business conduct identified through the Group's double materiality assessment. It also describes how material impacts and risks are handled, as well as what targets have been set. The table and illustration below describe the material impacts and risks, where in the value chain they occur, and which key stakeholders are affected.

IRO	Description of impact, risk, or opportunity	Time horizon (years)	Stakeholders	entity-specific
1 Corporate culture	Positive impact on corporate culture. The bank maintains an ethical corporate culture that fosters trust and promotes responsible banking practices.	0-1	Own business, society, customers	
2 Anti-money laundering and counter-terrorist financing	Negative impact of money laundering and terrorist financing. Society is negatively affected if money is laundered through the bank.	0-1	Own business, society, customers and government	✓
3 Anti-money laundering and counter-terrorist financing	Reputational risk from money laundering and terrorist financing. This can lead to direct costs through fines and indirect costs due to a loss of market value and financing opportunities. It may also result in customer attrition.	1-5	Own business	✓
4 System security	Potential negative impact on customers and society if the bank fails to uphold information and system security, exposing customers to risks such as hacking, data breaches, or human errors.	1-5	Own business, customers	✓
5 Sensitive information	Potential negative impact due to the processing of sensitive customer information, which may be compromised.	1-5	Own business, customers	✓
6 Corporate culture	If the bank were to have an inadequate corporate culture and a lack of responsible corporate governance, this could have a negative impact on employees and society.	1-5	Employees and society	

4.25 Corporate culture

Corporate culture policy

The ethics document, the strategy document and the policy for conflicts of interest are three governing documents that reflect the corporate culture at Sparebanken Sør. The documents describe expectations and requirements for employees' actions and behaviour and provide clear guidelines for how the Bank ensures high ethical standards. The corporate culture at Sparebanken Sør is defined by the values of "steadiness," "engagement," and "future orientation," as outlined in the Bank's values document. These principles are evident in the Bank’s commitment to building trust through high ethical standards, upholding integrity, and fostering long-term relationships.

The Bank's strategic vision is to be the "relationship bank of the future", with a mission to create sustainable growth and development for the region. The Bank aims to be an active social actor and integrate sustainability into all parts of its operations. All targets under G1 are not measurable, result-oriented, or time-bound, in accordance with the requirements of MDR-T, as further described in ESRS 2, Chapter 4.1. Additionally, not all actions meet the MDR-A requirements. See Chapter 4.1 for further details. Ethical principles such as integrity, accountability, and transparency serve as the foundation of the Bank's operations. Strict requirements are imposed on the handling of conflicts of interest and responsible communication, both internally and in interaction with customers. Employees are expected to act with respect and consideration, which will contribute to a good working environment and an inclusive culture. Sparebanken Sør is built on a culture that emphasises long-term relationships, ethical business practices and sustainable development as the basis for the Bank's work and value creation. The Board of Directors has overall responsibility for ethical standards, compliance with the policy for conflicts of interest and for the sustainability strategy at Sparebanken Sør. The governing documents are managed by the Group Staff division, proposed by Group Management and adopted by the Board of Directors.

Sørmegleren has its own ethical guidelines that are intended to ensure trust, accountability and professionalism in all its activities. They emphasise requirements for integrity, respect, loyalty and compliance with laws, with zero tolerance for bullying, harassment and unfair treatment. The guidelines apply to all employees, managers and Board members, and include clear requirements for correct communication, avoidance of conflicts of interest, and compliance with confidentiality obligations.

The Board of Directors, through the CEO, has overall responsibility for the guidelines, while department managers ensure that they are complied with in their units, and act as role models. Sørmegleren also requires employees to act responsibly, respect privacy and uphold the company's ethical standards in both professional and private contexts.

Establishment, development and evaluation of corporate culture

The culture at Sparebanken Sør has evolved over time and continues to develop in step with societal changes. The most recent formal initiative that directly impacted the culture was the preparation of the 2021–2025 strategy. Here, new ambitions, targets and programmes were set for how the various parts of the Bank would deliver on the target that had been set out. During this process, extensive mapping was also conducted in several areas, which formed the basis for a new strategy.

With the new strategy, the Bank also gained new values (steadiness, engagement, and future orientation), and a comprehensive and involving process was initiated with Group Management, managers and employees to implement the values in the company. In this work, each department was required to prepare its own values contract as a response to what the values mean to them and how the department should live the values in practice. The extent to which the values have been delivered is also part of the annual performance appraisal. Managers are required to review the ethics document and conflict of interest policy annually with their employees. Managers are also responsible for ensuring that the values are upheld and actively integrated within their department.

4.26 Anti-corruption

The identified impacts on corporate culture also include anti-corruption, a key aspect of the Group's commitment to ethical business practices and responsible corporate governance.

Sparebanken Sør has zero tolerance for corruption and bribery, and has established policies, procedures and processes to prevent and detect the risk of corruption associated with employees, customers and suppliers. The risk of corruption is considered to be higher for employees with customer and supplier contacts. There will also be a risk that the Bank's customers and suppliers are involved in corruption. The Bank has guidelines for how employees should avoid conflicts of interest, corruption and bribery from customers and suppliers, and all employees must have sufficient expertise in these matters. Annual refresher courses are held for all employees to strengthen their knowledge. The “Anti-Corruption and Bribery Policy” shall provide guidance for Sparebankens Sør’s views towards and work to prevent corruption, impact peddling, bribery and the use of facilitating payments. The policy applies to the entire Group, including all business areas, organisational units, subsidiaries, employees and managers. Sparebanken Sør pledges to comply with all legislation that is relevant to its activities, and to strive to ensure that its customers, partners and suppliers comply with legislation that is relevant to their activities in the market areas in which they operate.

The Board of Directors and the CEO have ultimate responsibility for the Bank's anti-corruption work. The individual executive directors are responsible for ensuring that the Bank's guidelines on corruption are implemented and complied with in the daily operations of their respective business areas. All managers must ensure that activities in their own area of responsibility are conducted in accordance with the requirements of this document. Pursuant to this, all managers with personnel responsibilities must review the "Anti-Corruption and Bribery Policy" with relevant employees at least once a year and must provide advice on understanding and practice. Sparebanken Sør requires all employees to familiarise themselves and perform their work in accordance with the requirements of this document, and in accordance with relevant laws, regulations and procedures. Violations may have consequences for employment relationships.

The individual business areas prepare their own control plans, which are designed to ensure daily compliance with statutory requirements and governing documents. Annual and ongoing identification and assessment of risk of the corruption or bribery provide the basis for first-line control and compliance. Compliance and Risk Management form the second line of defence and ensure compliance using independent sample testing and assessments. Compliance is reported to the Board of Directors and Group Management in the quarterly compliance report. Internal audit is the Bank’s third line of defence. This function reports directly to the Board of Directors and is independent of the rest of the administration team.

The Bank has systems for reporting suspicious incidents, including an external reporting channel that ensures the possibility of anonymous whistleblowing. Employees are obliged to report any suspicions of matters that are contrary to the Bank's ethical guidelines or that are illegal, such as conflicts of interest and corruption. The Bank has its own procedure and process for whistleblowing and handling whistleblowing reports, which is intended to ensure that all reports are taken seriously and treated objectively and confidentially. Serious whistleblowing reports are investigated by an independent party. Formalised reporting lines have been established for information about whistleblowing cases depending on the type of case and who the whistleblowing is directed at. HR must prepare an annual report on all notified cases of corruption, trading in impact, bribery and use of facilitating payments. The whistleblowing channel and the protection of whistleblowers are further described in S1 Chapter 4.21.

Actions to Prevent Corruption

Processes have been established to implement risk-based customer measures when establishing and continuously following up with customers, and transaction monitoring systems are used to detect suspicious transactions, such as corruption and bribery. The entire customer base is regularly screened to identify Politically Exposed Persons (PEPs), where the risk of corruption is regularly considered heightened. All identified PEPs are subject to enhanced actions upon establishment and in the ongoing follow-up of customer relationships.

Assessment of the risk of corruption is included as part of the Bank's risk assessment related to money laundering and terrorist financing. In addition, regular risk analyses are conducted to identify potential corruption risks within various areas of the business and to implement risk-reducing actions. Sparebanken Sør has a low number of PEPs as customers and/or connections relative to its total customer base.

Targets related to anti-corruption

Sparebanken Sør has zero tolerance for corruption, impact peddling, bribery and the use of facilitating payments and will actively contribute to preventing corruption and bribery.

The Bank has not been involved in breaches of corruption legislation, and no whistleblowing cases related to corruption have been registered in the past year. There have also been no whistleblowing cases related to internal fraud at the Bank in the past year.

4.27 Anti-money laundering and terrorist financing

Sparebanken Sør has an important social responsibility in its work to combat financial crime and has an established framework for management and control of anti-money laundering regulations.
The Bank has guidelines, procedures and processes that are intended to ensure that it complies with legal requirements and prevents financial crime such as money laundering and terrorist financing.

Policy for Combating Financial Crime

Sparebanken Sør’s efforts to combat financial crime are founded on prevailing laws and regulations, including anti-money laundering legislation. The Bank has established a framework to ensure that it fulfils its obligations under the Money Laundering Act and contributes to preventing financial crime. The framework contains a business-oriented risk assessment of the risk of money laundering and terrorist financing, governing documents, instructions, procedures and guidance documents to ensure that the Bank handles identified risks and ensures compliance with the applicable legislation.

The money laundering document and instructions for working against money laundering and terrorist financing apply to all bank employees. The Board of Directors and the CEO have overall responsibility for compliance with the money laundering regulations. The Legal Director is responsible for money laundering and has special responsibility for following up on the Bank’s anti-money laundering procedures. The Bank has appointed the Head of Compliance as the compliance officer. Compliance is formally part of the second line. Internal audit constitutes the Bank’s third line of defence and reports directly to the Board of Directors.

The Bank is also subject to the Norwegian sanctions’ regulations, which are based on sanctions from the UN Security Council and restrictive measures from the EU. Separate procedures have been developed for handling sanction lists and freezing provisions in the Bank.

Sørmegleren AS has its own procedure for risk assessment and work processes to combat money laundering and terrorist financing, established by the Board of Directors. The procedure is designed to identify, assess and reduce the risk of financial crime, with an emphasis on preventive measures and compliance with relevant laws and regulations. It encompasses the company's products, services, customers and geographical areas, with a particular focus on high-risk groups. The procedure is based on national and international standards, such as the Money Laundering Act and EU regulations, the interests of employees, customers and other key stakeholders. The procedure is made available through internal guidelines and training programmes.

By knowing the identity of the customer and the real rights holders, as well as the purpose and intended nature of the customer relationship, Sørmegleren AS can implement risk-based actions to detect and prevent money laundering and terrorist financing. In this context, Sørmegleren AS must be able to demonstrate that control measures are adapted to the relevant risk. Authorities, customers and competitors must have confidence in Sørmegleren AS' professionalism and honesty, and that the company's services are not utilised to commit crime.

Sørlandets Forsikringssenter has its own anti-money laundering document that must be reviewed every six months with its employees.

Actions against financial crime

Sparebanken Sør is implementing ongoing actions to strengthen compliance with the money laundering regulations and to prevent financial crime. Regular training is provided in the current guidelines and procedures, and ongoing internal audits are conducted by both first, second (Compliance) and third line (Internal Audit). Furthermore, the Bank has implemented new systems to improve compliance and prevent money laundering and terrorist financing.

Sparebanken Sør and Sørmegleren AS have established processes to risk-classify customers and implement risk-based customer measures when establishing and continuously following up on customers. The Bank has implemented transaction monitoring systems to detect suspicious transactions, as well as systems for screening customers and transactions against sanction lists. Furthermore, the Bank and Sørmegleren have processes in place to ensure that suspicious circumstances are investigated and reported to the authorities.

Sørlandets Forsikringssenter has no processes in place related to anti-money laundering (AHV) as the company does not handle money directly. Any cases are mainly reported to Frende Forsikring, which then creates and handles the case.

Financial crime: training

Sparebanken Sør regularly conducts training in the prevention and detection of financial crime, including corruption, bribery, anti-money laundering, anti-terrorist financing and financial crime in general. The training actions are systematic, targeted and adapted to the areas of responsibility and tasks of the various functions in the Bank. The table below shows the most important training actions the Bank has implemented in 2024 to prevent and detect financial crime. The Bank's subsidiaries are not included in the table. Sørmegleren has its own training in the AML (Anti-money laundering) area for its employees. Sørlandets Forsikringssenter's employees conduct annual AML training via Kan finans e-learning and have an annual review of current AML procedures.

	Risk Functions, including Executives and Group Management	Board of Directors	Other Functions in the Bank, including Executives and Group Management
Completion Rate			
Number of employees*	412	13	176
Percentage of employees who have completed training**	92 %	100 %	93 %
Training Measures			
E-learning	100 min	45 min	45 min
Frequency			
How often training is conducted	Annual	Annual	Annual
Training Topics			
E-learning training modules on anti-money laundering, counter-terrorist financing, source of funds, high-risk industries, cryptocurrency, and sanctions	X	X	X

* The total number of employees corresponds to the number of emloyees in the bank, excluding cleaners and janitors, as training is not required for these roles.

** A discrepancy in the training system has been identified, meaning that some employees and temporary staff have not received e-learning courses on AML-related topics.

The Bank regularly conducts training in anti-money laundering and terrorist financing through e-learning, digital and physical meetings. In addition to e-learning courses, employees in risk functions have received 1.5 hours of physical training in 2024 on primary crime and money laundering, and 1.5 hours of training on Teams on the origin of funds in credit cases, loan fraud, high-risk industries and money laundering. In addition, all managers must ensure that the ethics document and conflict of interest policy are reviewed annually in the department.

Targets related to financial crime

Sparebanken Sør aims to combat financial crime and has zero tolerance for all forms of financial crime. Sparebanken Sør has a low-risk target for financial crime and is committed to maintaining robust controls to reduce the risk of the Bank, its employees or its customers from being involved in financial crime. The Bank has a strong focus on constantly strengthening its efforts against financial crime, including through collaboration with other financial institutions, the police and other authorities, and through ongoing system improvements and analysis work.

4.28 Cybersecurity, information security, system security

Cybersecurity and system security policy

Sparebanken Sør’s information security policy clarifies the Group's targets and direction in its work on information security and provides overall guidelines for management and control of the area. By establishing overarching principles, the policy defines how information and information systems should be secured in order to effectively support the Group’s business strategy. The purpose is to establish security measures that are appropriate for all identified information security risks. The policy is intended to encompass all the Group’s business areas, including its subsidiaries.

Responsibility for following up and updating information security policy, including ISMS, lies with the IT security and emergency preparedness department. The policy for information security has been approved by the Bank’s Board of Directors.

Sparebanken Sør has developed an information security management system (ISMS) to ensure that the Bank maintains a high level of information security. By basing the Bank's ISMS on the ISO 27001 standard, Sparebanken Sør ensures that all aspects of information security are thoroughly assessed and handled. This includes risk assessment, management of security controls, and continuous monitoring and improvement of the Bank's security procedures. The overall goal is to protect all of the Bank’s systems and all information managed by the Bank.

The regulatory requirements for cybersecurity, information security, system security (for the financial industry, this is primarily regulated through the ICT regulations) and privacy (regulated through the General Data Protection Regulation, "GDPR") place strict demands on the Bank's operations in this area.

To comply with these regulations, several organisational and technical actions have been implemented. To regulate the relationship with suppliers, a system has been introduced for handling contracts and all attachments such as data processing agreements. It will also be noted here whether a supplier delivers an outsourcing service, and whether it is an important or critical outsourcing service.

Cyber and information security actions

Handling security incidents is an important part of ISMS. The Bank has established procedures to identify, report and handle security incidents efficiently and rapidly. When an incident occurs, contingency plans are activated immediately to minimise damage and restore normal operations as quickly as possible. All incidents are analysed so that lessons can be learned from them, thereby reducing the likelihood of future security breaches.

Experience shows that bank employees are subject to attempted attacks/manipulation on a daily basis, primarily via email. The Bank therefore focuses on a comprehensive and ongoing training programme to develop and maintain a robust security culture. In addition, regular testing is conducted to confirm their vigilance. Furthermore, international security industry cooperation is a key component of the security model. For the financial industry in the Nordic region, NFCERT (Nordic Financial CERT) handles this and Sparebanken Sør is a member. Membership and participation in industry collaboration help to strengthen Sparebanken Sør's resilience and preparedness against digital threats. Participation also helps reduce the likelihood of disruption to the services provided to the Bank’s customers and society at large.

Targets related to cybersecurity and information security

The goal of security work is to keep the level of risk for the entire Group at a generally low level, in line with the Board of Directors’ guidelines. This means we are engaged in ongoing work to adapt security mechanisms to the threat landscape.

To achieve this, all employees must complete mandatory cybersecurity training at least once a year. By 2024, 89 percent of employees have completed mandatory training. New employees must complete similar training when they start working. The ambition is to avoid security breaches that could cause disruption to banking operations. During the reporting period, no serious security breaches have been reported at the Bank.

4.29 Personal Data Information

Sørmegleren and Sørlandets Forsikringssenter are not fully covered by the guidelines described in this subchapter, as it pertains to the Bank’s extensive processing of personal data, which is less relevant for

Sørmegleren and Sørlandets Forsikringssenter. Sørmegleren addresses the handling of personal data in the ethics document described in subchapter “4.25 Corporate Culture.” Sørlandets Forsikringssenter follows the Bank’s procedures and GDPR guidelines.

Policy for the Protection of Personal Data

Sparebanken Sør’s policy for the protection of personal data (“Governing document for the processing of personal data in Sparebanken Sør”) has been adopted by the Board of Directors and sets out the overall guidelines for privacy in the Bank. The policy ensures that personal data is processed in accordance with the Personal Data Act and the General Data Protection Regulation (GDPR). It covers areas such as the lawfulness of processing, the Bank's obligations, customer rights, data protection impact assessment (DPIA) and reporting.

In addition to the policy, the Bank has detailed procedures that support these guidelines.
The data controller has overall responsibility for the legality, follow-up and quality assurance of the processing of personal data. Daily responsibility lies with the line, which means that all employees must be familiar with the relevant regulations and the Bank’s procedures regarding privacy.

Actions to manage the GDPR

Compliance with the General Data Protection Regulation requires that all bank employees are familiar with the applicable rules and the negative consequences that may result if the regulation is violated. Knowledge of the Bank’s procedures is a key part of this. In 2024, five meetings were held for new employees, each including a professional segment on GDPR.

Sparebanken Sør also has a data protection officer (DPO) who, among other things, provides advice and guidance to the Bank's employees and customers about data protection, and who carries out awareness-raising work and training for employees. In cases of deviations / personal data going astray, the Bank has an internal incident reporting system that ensures that the data protection officer receives the information necessary to notify the Norwegian Data Protection Authority.

In 2023–2024, Sparebanken Sør completed a transition from shared disk to Microsoft Teams, combined with the introduction of the automatic deletion of emails to reduce the risk of sensitive information going astray. As part of the initiative, employees have received training about the updated storage instructions. The measure covers the entire bank, with a particular focus on departments that handle customer data and is part of Sparebanken Sør's long-term strategy to ensure compliance with data protection regulations and protect customer data. The result of the initiative is that the Bank has:

- Established a separate storage instruction.
- Has conducted several training sessions and will continue to offer training in the future.
- Has received a tool for overview and reporting on the storage of personal data.

Targets related to personal data

The financial industry is subject to extensive regulations, including the GDPR. The Bank's ambition is to comply with these regulations at all times.

The purpose of policies and procedures in the area of privacy is to ensure that all processing of personal data is in line with the applicable legal requirements. This includes that the processing of data must be lawful, controllable and handled confidentially. Any discrepancies or misplaced personal data must be reported to the Norwegian Data Protection Authority within 72 hours.

In 2024, there were 17 cases of personal data being misplaced, either at the Bank or by a subcontractor (data processor). None of the cases have resulted in follow-up from the Norwegian Data Protection Authority.

4.30 Summary of targets G1

Theme	*Target*	*FY24 results*
Corporate Culture (Anti-Corruption)	Zero tolerance for corruption and bribery.	No reported whistleblowing cases of internal fraud in 2024.
	Actively contribute to preventing corruption and influence trading.	
Anti-Money Laundering and Terror Financing	Combating and maintaining zero tolerance for financial crime.	Low risk of financial crime maintained through strong controls and cooperation.
	Strengthen efforts through cooperation with authorities and system improvements.	Efforts strengthened through analysis, continuous system improvements, and participation in platforms for competence and experience exchange with local and central police and regulatory authorities, and other reporting entities.
Cybersecurity and System Security	Maintain security risk at a low level in accordance with the board's guidelines.	No major security breaches reported in 2024.
	Mandatory cybersecurity training for employees annually.	89%* of employees have completed the training.
Sensitive Information/GDPR	Comply with GDPR and ensure lawful, controllable, and confidential handling of personal data.	17 cases of deviations reported in 2024. None led to follow-up from the Data Protection Authority.
Comparison figures for previous years are not reported, and 2024 is therefore used as the baseline for all numbers in the table.		
*Employees with termination date 31.12.2024 are excluded from the training history. This means that the bank cannot reliably document whether these individuals have completed the training. It has therefore been assumed that they have not completed the training, and the percentage of employees who have completed may be slightly higher than the reported figure. The calculation does not take cleaners and janitors into account, as they are not required to undergo such training.		

5 RESULTS

Chapter 5 – Results

5.1 Highlights in 2024

The Sparebanken Sør Group delivered a solid profit in 2024, and the board wishes to highlight the following:

- Very strong growth in net interest income
- Solid profit contribution from associated companies
- Positive results from financial operations
- Low cost-income ratio of 35.3 percent
- Low losses on loans
- Return on equity after tax of 12.1 percent
- Profit per equity certificate of NOK 18.2
- Growth in lending of 4.6 percent
- Growth in deposits of 7.1 percent
- Common Equity Tier 1 capital ratio of 16.4 percent, exceeding the minimum requirement (including capital conservation buffer) of 15.9 percent
- Leverage ratio at a solid 9.1 percent
- Dividend to equity certificates by Sparebankstiftelsen Sparebanken Sør
- Dividend to equity certificate holders of NOK 509 million (NOK 12.21 per equity certificate), NOK 416 million in customer dividends, and NOK 348 million allocated to community donations.

5.2 Profit for the year

Accounting policies

The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS), including IAS 34. The accounting policies are explained in more detail in the notes to the financial statements.

In the annual financial statements have been prepared under the assumption of continued operations. The Group has solid earnings and equity, and in the Board’s opinion, there are no factors indicating anything other than continued operations.

The figures referenced in Chapters 5 and 6 represent Group figures unless otherwise specified as pertaining to the parent bank.

Profit for the year

Sparebanken Sør achieved a profit before tax of NOK 2 457 million in 2024, compared with NOK 2 227 million in 2023 - an improvement of NOK 230 million. The Group has experienced a very positive profit development in 2024, both through banking operations as well as contributions from subsidiaries and associated companies.

Profit after tax amounted to NOK 1 989 million, compared to NOK 1 773 million in 2023. This was equivalent to a return on equity, adjusted for interest on hybrid capital, of 12.1 percent in 2024, compared with 11.3 percent in 2023.

Total comprehensive income, which includes changes recognised directly in equity during the financial year, amounted to NOK 1 939 million in 2024, compared with NOK 1 680 million in 2023.

Net interest income

Net interest income amounted to NOK 3 315 million in 2024, compared with NOK 3 043 million in 2023 - an increase of NOK 272 million. Net interest income in 2024 was equivalent to 1.97 percent of average total assets, compared with 1.91 percent of average total assets in 2023. The increase was primarily driven by interest rate adjustments implemented by the Bank in line with Norges Bank’s policy rate hikes, as well as loan and deposit growth during the period.

The policy rate remained stable throughout 2024, with the Bank’s most recent rate increase, following changes from Norges Bank, taking effect on February 21, 2024. Intense competition for mortgage and deposit customers has put increasing pressure on margins. Meanwhile, there was limited growth in the corporate market portfolio in the second half of 2024. However, strong loan growth in the retail market during the same period has partly offset this effect. The Bank anticipates continued margin pressure but expects solid growth going forward. The outlook remains relatively stable, and net interest income is expected to level off in 2025.

In 2024, the Bank paid NOK 116.4 million in interest on hybrid capital, compared to NOK 81.5 million in 2023. Interest on hybrid capital has been charged directly to equity on an ongoing basis as part of the allocation of profits.

Commission income

Net commission income amounted to NOK 424 million in 2024, compared to NOK 400 million in 2023.

There was a positive development in commission income throughout 2024, driven by payment services, insurance (Frende), and real estate brokerage (Sørmegleren). The Bank’s annual portfolio growth commission from Frende reached NOK 6 million in 2024, compared to NOK 0 million in 2023. Credit brokerage (Brage) declined in 2024 due to a reduction in bonus commissions of NOK 7.4 million compared to the previous year. Commissions from mutual funds (Norne) and other products remained stable at the same level as in 2023.

The real estate brokerage segment faced a challenging start to 2024, as the total market experienced a significant downturn at the end of 2023, which continued into the beginning of 2024. However, market activity improved in the second half of the year, and Sørmegleren ended 2024 with a pre-tax profit that was NOK 10 million higher than at the end of 2023.

In June 2024, Sparebanken Sør, together with Sparebanken Vest (as part of the Frende banks), entered into an agreement to acquire a 70 percent stake in the asset management company Borea Asset Management. As part of the acquisition, Frende Kapitalforvaltning AS was established. The primary objective of this transaction is to strengthen the Bank's fund management offering, in collaboration with the other Frende banks, to provide customers with a broader range of high-quality investment products.

Commission expenses increased during the period, primarily due to growth and the procurement of additional payment services in 2024.

Financial instruments

Net income from financial instruments totaled NOK 28 million in 2024, compared to NOK 3 million in 2023.

The Bank recorded a net positive contribution from equity investments of NOK 25 million in 2024, a significant improvement from a negative NOK 13 million in 2023. This improvement was primarily driven by increased dividend income. However, there was a negative impact from valuation changes in the liquidity portfolio during the period, mainly due to widening credit spreads.

At the end of 2024, the liquidity portfolio amounted to NOK 31.0 billion and consisted of highly liquid covered bonds and certificates issued by the government and municipalities.

Accociated companies

In recent years, Sparebanken Sør has increased its ownership stakes in Frende Holding AS, Frende Kapitalforvaltning, and Brage Finans AS, where the Bank is now the second-largest shareholder. This aligns with the Bank's strategic focus on offering customers high-quality, relevant, and integrated financial solutions.

The Bank also holds a key strategic ownership interest in Vipps, owning 2.43 percent of the company through its stake in Balder Betaling AS.

Income from associated companies amounted to NOK 128 million in 2024, up from NOK 99 million in 2023. The increase was primarily driven by higher contributions from Frende, which faced challenges in its non-life insurance segment in 2023.

The 2024 earnings contributions were distributed as follows: NOK 67.7 million from Frende Holding AS, NOK 85.6 million from Brage Finans AS, and NOK -1.9 million from Frende Kapitalforvaltning AS. The negative contribution from Frende Kapitalforvaltning reflects the Bank's share of startup costs for the newly established investment company.

In connection with the acquisition of shares in Frende Holding AS in 2018, 2020, and 2024, value adjustments were identified and are being amortised over their expected useful life. The Group recorded amortisation of these excess values amounting to NOK 23.8 million in 2024 and NOK 22 million in 2023.

Operating Expenses

The Group's operating expenses amounted to NOK 1,380 million in 2024, compared to NOK 1,297 million in 2023, an increase of NOK 83 million. Operating expenses corresponded to 0.82 percent of average total assets, unchanged from 2023. The cost-to-income ratio was 35.3 percent in 2024, down from 36.3 percent in 2023.

The increase in costs was primarily driven by higher personnel expenses, which totaled NOK 809 million in 2024, up from NOK 757 million in 2023, an increase of NOK 52 million. The Group increased its workforce from 618 full-time equivalents (FTEs) at the end of 2023 to 637 FTEs at the end of 2024. Over the past 12 months, the Bank has added 30 FTEs, particularly strengthening its capabilities within analytics, risk management (IRB), compliance, and IT (business development), while also expanding the corporate customer service center. Following the announcement of the upcoming merger, recruitment for staff and support functions has been scaled back, while the Bank remains focused on maintaining high activity levels in customer-facing operations, regardless of the merger.

Depreciation and amortisation of fixed assets and intangible assets amounted to NOK 57 million in 2024, compared to NOK 47 million in 2023. The increase is primarily related to impairments. In 2024, the work on establishing a framework and submitting an application for IRB approval was concluded as a result of the planned merger. In this context, impairments of intangible assets totaling NOK 11.8 million were recognised. Additionally, impairments of certain buildings totaling NOK 5.9 million were recognised in 2024.

Other operating expenses totaled NOK 515 million in 2024, up from NOK 493 million in 2023, an increase of NOK 22 million. This increase reflects general price inflation in the market and is in line with expectations for the period. A total of NOK 14.3 million in costs related to the merger with Sparebanken Vest was recognised in 2024.

Losses and non-performing loans

Net loan losses amounted to NOK 75 million in 2024, compared to NOK 49 million in 2023. The loan loss provision in 2024 was negatively impacted by an increase in bankruptcies, particularly in the second half of the year.

Throughout 2024, interest rates remained consistently high, the Norwegian krone reached record-low levels, and wage growth was strong. Inflation has gradually declined towards the target rate, and many countries have begun lowering their policy rates. The first interest rate cut in Norway is expected during the first quarter of 2025. The energy sector, petroleum industry, and public sector experienced high levels of activity in 2024, while new home sales declined significantly, and construction activity continued to slow. However, house prices showed positive development both nationally and within the Bank’s primary market area.

Total impairments at year-end amounted to NOK 484 million, corresponding to 0.36 percent of gross loans, compared to NOK 470 million or 0.37 percent of gross loans at the end of 2023.

Non-performing loans totaled NOK 1,397 million at year-end, representing 1.04 percent of gross loans, up from NOK 1,071 million or 0.84 percent at the end of 2023. While non-performing loans have remained stable over an extended period, there was a slight increase towards the end of 2024 due to liquidity challenges faced by a large individual exposure. Despite this increase, the level of non-performing loans remains low, and non-performing loans as a percentage of gross loans are now at the same level as the corresponding key figures in 2019 (before the COVID pandemic).

Research and development

The Group does not engage in research activities.

5.3 Balance sheet

Total assets

Total assets amounted to NOK 176.5 billion at the end of 2024, compared to NOK 157.4 billion at the end of 2023.

Loans

Net loans to customers amounted to NOK 133.4 billion in 2024, compared to NOK 127.5 billion in 2023, representing an increase of NOK 5.9 billion, or 4.6 percent.

Gross loans to retail customers totaled NOK 86.4 billion, up from NOK 82.4 billion in 2023, an increase of NOK 4.0 billion, or 4.9 percent. The Group aims to increase its market share in the retail segment, with a target of achieving loan growth equivalent to the regional credit growth plus 1 percentage point. Nationwide credit growth (K2) to households was 3.7 percent at the end of the year, meaning the Group's growth in 2024 exceeded its ambition.

At year-end 2024, loans totaling NOK 60.6 billion had been transferred to Sparebanken Sør Boligkreditt AS, an important tool for the Bank to offer competitive terms in the retail market.

Loans to retail customers accounted for 64.6 percent of total loans, up from 64.4 percent as of December 31, 2023.

Gross loans to corporate customers amounted to NOK 47.4 billion in 2024, compared to NOK 45.5 billion the previous year, reflecting an increase of NOK 1.9 billion, or 4.2 percent. Nationwide credit growth (K2) to the corporate sector was 1.3 percent at the end of 2024. Growth in the corporate market remains focused on profitability and may vary throughout the year.

Deposits

At year-end, total deposits amounted to NOK 74.2 billion, compared to NOK 69.3 billion in 2023, representing a deposit growth of NOK 4.9 billion, or 7.1 percent.

In the retail market, deposits amounted to NOK 34.9 billion, compared to NOK 33.0 billion in 2023, an increase of NOK 1.9 billion, or 5.8 percent. In the corporate market, deposits totaled NOK 39.1 billion, compared to NOK 36.1 billion in 2023, representing an increase of NOK 3.0 billion, or 8.3 percent.

The deposit coverage ratio was 55.6 percent at year-end 2024, up from 54.3 percent at year-end 2023.

Debt established through issuance of securities and debt to financial institutions

The Bank finances its operations in the capital market through the issuance of interest-bearing securities. The Group’s outstanding debt securities amounted to NOK 66.3 billion at the end of 2024, compared to NOK 56.7 billion at the end of 2023. Long-term bond financing has been established through covered bonds, senior debt, and subordinated debt (senior non-preferred). At the end of 2024, covered bonds accounted for 89 percent of this financing. Long-term financing with maturities exceeding 12 months had an average maturity of 3.1 years, and the Group’s Net Stable Funding Ratio (NSFR) was 123 percent at year-end 2024.

The Group has facilitated long-term financing from international markets through the establishment of an EMTCN (European Medium Term Covered Bond Note) program for its mortgage credit company. By the end of 2024, the Group had diversified funding from international investors amounting to EUR 2.5 billion. All foreign currency financing is hedged against interest rate and exchange rate risk.

As of year-end 2024, Sparebanken Sør had issued NOK 8.1 billion in subordinated debt (senior non-preferred) to meet the regulatory MREL (Minimum Requirement for Own Funds and Eligible Liabilities) requirements.

The maturity structure of external financing is well aligned with the Bank's operations and complies with regulatory guidelines and Board-approved requirements.

Securities

The Group's liquidity portfolio of interest-bearing certificates and bonds amounted to NOK 31.0 billion at year-end 2024.

The securities portfolio is part of the Bank's liquidity reserve, designed to ensure the Bank's liquidity position during periods of market turbulence. The portfolio can be pledged as collateral for loans from Norges Bank and forms part of the Bank's highly liquid securities portfolio held to meet the Liquidity Coverage Ratio (LCR) requirements.

The Group's LCR stood at 199 percent as of December 31, 2024 (162 percent for the parent bank). The Group maintains a strong liquidity position with robust liquidity buffers.

Equity investments, including shares and equity certificates, amounted to NOK 264 million.

5.4 Allocation of profit

In the view of the Board, the submitted income statement and balance sheet present a true and fair view of the financial position and results of the Group and the parent bank. The Board of Directors is not aware of any circumstances that have arisen after the turn of the year that would alter this view.

The following allocation of the parent bank's profit of NOK 1 925 million is proposed:

Dividend (ECC):	NOK 509 million
Transferred to donation fund:	NOK 348 million
Customer dividend:	NOK 416 million
Transferred to equalisation fund:	NOK 226 million
Transferred to primary capital:	NOK 339 million
Interest on hybrid capital:	NOK 87 million
Total allocated:	**NOK 1 925 million**

5.5 Equity Certificates and Dividend

As of December 31, 2024, the Bank had issued 41 703 057 equity certificates, each with a nominal value of NOK 50. An overview of the 20 largest equity certificate holders as of December 31, 2024, is provided in Note 33. Earnings per equity certificate were NOK 8.2 for the parent bank and NOK 18.2 for the Group.

The Bank’s capital position is considered highly satisfactory, with a leverage ratio of 9.1 percent and a Common Equity Tier 1 (CET1) ratio of 16.4 percent at year-end 2024.

The Board of Directors will propose to the General Meeting a dividend payment for 2024 of NOK 12.21 per equity certificate, representing approximately 67 percent of the Group’s earnings per equity certificate. Based on the closing price of NOK 197.9 as of December 31, 2024, the proposed dividend corresponds to a yield of 6.2 percent. For 2024, the Board also proposes an allocation of NOK 348 million to donations and NOK 416 million to customer dividends.

5.6 Subsidiaries and Associated Companies

Other Subsidiaries

Sparebanken Sør Boligkreditt AS

Sparebanken Sør Boligkreditt AS is a wholly owned subsidiary of Sparebanken Sør, licensed as a mortgage credit institution. This license allows the company to issue covered bonds (OMF), providing bond investors with preferential security in Norwegian residential mortgages (the cover pool). The primary purpose of the company is to ensure stable and long-term funding for the Group at competitive terms. Agreements with the parent bank cover financing commitments and essential services such as loan management, risk management, and treasury functions.

Sparebanken Sør Boligkreditt AS issues covered bonds in the Norwegian bond market and Euro Covered Bonds (CB) internationally, with a bond prospectus listed on Euronext Dublin. The company adheres to the EU harmonised covered bond framework, approved by the Norwegian Financial Supervisory Authority, granting the use of the “OMF Premium” (CB Premium) designation. This approval imposes requirements on over-collateralisation, liquidity management, investor information accessibility, and external auditor oversight.

The cover pool includes Norwegian residential mortgages, interest-bearing securities, and financial derivatives used for foreign currency funding hedging. Mortgages are granted by Sparebanken Sør according to the Bank’s credit policy, and only loans with a loan-to-value (LTV) ratio not exceeding 80 percent at the time of transfer are eligible for inclusion.

At year-end, NOK 60.6 billion in loans had been transferred to the mortgage company, representing 70.1 percent of the Group’s total residential mortgage portfolio. Outstanding covered bonds and Euro Covered Bonds amounted to NOK 59.6 billion, with 48 percent issued in euros.

A Green & Sustainability Bond Framework, aligned with ICMA Green Bond Principles and updated by the Green Bond Committee in October 2024, governs the allocation of green bond proceeds to eligible green loans. The company had issued NOK 10.2 billion in green covered bonds by the end of 2024.

The cover pool, including interest-bearing securities, amounted to NOK 64.9 billion at year-end, with a nominal over-collateralisation of 15.1 percent. The company maintained a strong liquidity position, with a well-diversified and long-term funding structure, an LCR of 287 percent, and an NSFR of 123 percent.

Pre-tax profit for 2024 was NOK 466.9 million, and the CET1 ratio was 22.1 percent, well above regulatory requirements.

In 2024, the company issued NOK 12.25 billion in covered bonds, ending the year with five outstanding Euro-denominated bonds totaling NOK 28.4 billion. Interest rate and currency risks are hedged, ensuring that funding costs track Norwegian floating market rates. Derivative contracts are established under ISDA-CSA agreements with reputable financial counterparties.

Sørmegleren

Sørmegleren is the Bank's real estate brokerage subsidiary, holding a dominant position across much of the Bank's market area and maintaining its status as the region's leading real estate agency. In addition to leading the market for resale properties, the company has historically held a strong position in the new-build market. However, the new-build market was significantly weaker than usual in 2024, with low construction activity, particularly in and around the largest cities in Agder.

Sørmegleren has continued its focus on traditional commercial real estate brokerage, with expected future growth in market share and synergies from collaboration between the Bank and the brokerage business. As of year-end 2024, the company operated 17 offices with 91 employees.

Sørmegleren delivered a pre-tax profit of NOK 9.7 million in 2024, up from a loss of NOK 0.3 million in 2023. The improvement was primarily due to a recovery from the reduced market activity that impacted revenues in 2023, as well as cost-cutting measures implemented in 2024 that had a positive effect throughout the year.

Sørlandet Forsikringssenter AS

The Bank owns 100 percent of the shares in Sørlandet Forsikringssenter AS. The company represents a significant part of the Group's insurance sales force and is integral to the Group's strategic focus on the insurance segment.

Sørlandet Forsikringssenter AS operates as an insurance intermediary and had 12 employees/sales representatives as of year-end 2024.

Other Subsidiaries and Jointly Controlled Companies

The Bank's other subsidiaries, Prosjektutvikling AS and Transitt Eiendom AS, primarily manage properties in Lillesand and Arendal.

Transitt Eiendom AS is the parent company of Arendal Brygge AS and its subsidiary St. Ybes AS. Arendal Brygge AS became a wholly owned subsidiary as of December 31, 2023, and has been fully consolidated into the Group's financial statements from 2024.

Associated Companies

Frende Holding AS

Frende Holding AS (ownership share of 22.5 percent) is owned by 20 independent savings banks, in addition to three Varig insurance companies. Sparebanken Sør is the company's second-largest owner. The company is the parent company of Frende Skadeforsikring AS and Frende Livsforsikring AS, which offer non-life and life insurance to individuals and businesses.

Frende Holding AS achieved a profit before tax of NOK 384 million in 2024, compared to NOK 146 million in the same period the previous year. The financial return on actively invested funds in 2024 was NOK 364 million, compared to NOK 235 million in 2023, corresponding to a return of 6.24 percent. This made 2024 the best financial year in Frende's history.

Frende Skadeforsikring reported a profit before tax of NOK 264 million in 2024, up from NOK 168 million in 2023. The company has a total portfolio premium of NOK 2,988 million (NOK 2,577 million) distributed among more than 174,000 customers. The national market share at year-end 2024 was 3.4 percent (3.3 percent). The claims ratio was 79.2 percent in 2024, down from 81.4 percent in 2023.

Frende Livsforsikring reported a profit before tax of NOK 127 million in 2024, compared to NOK 8 million in 2023. The risk result was significantly better than the previous year, which was affected by developments in disability products and increased reserves, while the mortality risk product contributed positively to risk development in 2024. The portfolio premium amounted to NOK 754 million at year-end 2024, up from NOK 668 million at the same time in 2023.

Brage Finans AS

Brage Finans AS (ownership share of 26.8 percent) is a nationwide financial group offering leasing and secured loans to the corporate and retail markets. The company operates from its headquarters in Bergen. Distribution of the company's products is carried out through owner banks, capital goods dealers, and its own sales force.

The company's profit before tax for 2024 amounted to NOK 458 million, compared to NOK 463 million in 2023. The slight decrease in profit is mainly due to growth in both the loan portfolio and income. Net interest income amounted to NOK 884.4 million in 2024, compared to NOK 787.3 million in 2023, an increase of 12.3 percent. Business activity in Brage Finans' market areas remained strong despite persistently high interest rates and cost levels affecting several industries covered by the Group.

The loan portfolio amounted to NOK 26.5 billion at year-end 2024, compared to NOK 23.7 billion in 2023, resulting in a loan growth of 12 percent in 2024. Impairments recognised in the balance sheet amounted to NOK 213 million as of 31 December 2024, corresponding to 0.81 percent of the gross loan portfolio.

Norne Securities AS

Norne Securities AS (owned by a 15.1 percent stake) is a securities firm owned by savings banks, with Sparebanken Sør as the second-largest shareholder.

The company offers investment services to the savings banks and their customers, both in the corporate and retail markets. The company provides advisory services to players in the capital market and specialises in savings banks and their customers. It operates in three business areas: online trading of stocks and funds for private investors, Investment Banking (corporate advisory services), and securities trading for professional investors. The company's strategic ambition is to be a leading provider of all relevant capital market services for savings banks and their customers. Headquartered in Bergen, the company also has offices in Oslo, Trondheim, and Vilnius.

Net profit for 2024 amounted to NOK 18 million, up from NOK 3 million in 2023. Annual revenue reached NOK 151 million, compared to NOK 117 million the previous year. This marks the second-best financial result since the company was founded.

The company experienced strong deal flow and successfully executed multiple transactions within Investment Banking in 2024, particularly in the strategically important savings bank sector. Norne has acted as an arranger and advisor in several equity issuance and merger transactions. Customer activity in stock and fund trading for private investors continues to grow, now accounting for approximately 48 percent of total revenue. Growth has been particularly strong in the sales of Norne's proprietary fund-of-funds products. In the private investor market for stock and fund trading, the company continues to develop its services in close collaboration with its owner banks, which act as distribution partners.

Norne Securities is well positioned for further growth and maintains a high level of ambition. The company's strategic goal is to be a leading provider of all relevant capital market services for savings banks and their customers.

Balder Betaling AS

Balder Betaling AS (ownership stake 26.8 percent) is owned by Sparebanken Sør along with 19 other savings banks. The company has an ownership stake of 9.09 percent in Vipps Holding AS, which again owns 72.2 percent of the shares in Vipps MobilePay AS and 100 percent of shares of BankID BankAxept AS and aims to develop Vipps further together with the other owners. Thus, Sparebanken Sør has an indirect ownership in Vipps Holding AS of 2.43 percent.

Frende Kapitalforvaltning AS

Frende Kapitalforvaltning AS (ownership stake 35.0 percent) was established in 2024 and owns 70 percent of the shares in the asset management company Borea Asset Management. This investment is part of the strategic initiative within the Frende Group and is important for offering a broader range of high-quality fund products to the Bank's customers.

6

FINANCIAL STATEMENTS AND NOTES

Chapter 6 Financial Statements and Notes
Key Figures – Group

NOK MILLION	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Income statement					
Net interest income	3 315	3 043	2 368	1 939	1 914
Net commission income	424	400	417	419	347
Net income from financial instruments	28	3	-82	0	40
Other operating income	146	128	131	191	143
Total net income	**3 913**	**3 573**	**2 834**	**2 549**	**2 444**
Total operating expenses before losses	1 380	1 297	1 145	1 018	958
Operating profit before losses	**2 532**	**2 276**	**1 690**	**1 531**	**1 486**
Losses on loans and guarantees	75	49	74	-18	83
Profit before taxes	**2 457**	**2 227**	**1 615**	**1 549**	**1 403**
Tax expenses	468	454	332	323	307
Profit for the period	**1 989**	**1 773**	**1 283**	**1 226**	**1 096**
Profit as a percentage of average assets					
Net interest income	1.97 %	1.91 %	1.58 %	1.35 %	1.36 %
Net commission income	0.25 %	0.25 %	0.28 %	0.29 %	0.25 %
Net income from financial instruments	0.02 %	0.00 %	-0.05 %	0.00 %	0.03 %
Other operating income	0.01 %	0.08 %	0.09 %	0.13 %	0.10 %
Total net income	**2.33 %**	**2.25 %**	**1.89 %**	**1.78 %**	**1.74 %**
Total operating expenses before losses	0.82 %	0.82 %	0.76 %	0.71 %	0.68 %
Operating profit before losses	**1.51 %**	**1.43 %**	**1.13 %**	**1.07 %**	**1.06 %**
Losses on loans and guarantees	0.04 %	0.03 %	0.05 %	-0.01 %	0.06 %
Profit before taxes	**1.46 %**	**1.40 %**	**1.08 %**	**1.08 %**	**1.00 %**
Tax expenses	0.28 %	0.29 %	0.22 %	0.23 %	0.22 %
Profit for the period	**1.18 %**	**1.11 %**	**0.86 %**	**0.86 %**	**0.78 %**
Key figures. income statement					
Return on equity after tax (adjusted for hybrid capital)	12.1 %	11.3 %	8.7 %	9.0 %	8.4 %
Costs as % of income	35.3 %	36.3 %	40.4 %	39.9 %	39.2 %
Costs as % of income. excl. net income from financial instruments	35.5 %	36.3 %	39.3 %	40.0 %	39.9 %
Key figures. balance sheet					
Total assets	176 509	157 407	157 435	144 182	142 126
Average total assets	168 000	159 000	150 000	143 100	140 400
Net loans to customers	133 441	127 532	123 852	116 653	111 577
Grows in loans as %. last 12 mths.	4.6 %	3.0 %	6.2 %	4.5 %	4.9 %
Customer deposits	74 216	69 272	65 596	63 146	59 833
Growth in deposits as %. last 12 mths.	7.1 %	5.6 %	3.9 %	5.5 %	3.3 %
Deposits as % of net loans	55.6 %	54.3 %	53.0 %	54.1 %	53.6 %
Equity (incl. hybrid capital)	18 040	16 752	15 779	14 941	13 752
Losses on loans as % of net loans. annualised	0.06 %	0.04 %	0.05 %	-0.02 %	0.07 %
Gross non-performing loans (over 90 days) as % of gross loans	1.04 %	0.84 %	0.54 %	0.67 %	0.90 %
Other key figures					
Liquidity reserves (LCR). Group	199%	156%	177%	140%	173%
Liquidity reserves (LCR). Group- EUR	471%	310%	387%	604%	107%
Liquidity reserves (LCR). Parent Bank	162%	146%	169%	127%	154%
Common equity tier 1 capital ratio	16.4 %	16.8 %	17.1 %	16.4 %	15.7 %
Tier 1 capital ratio	18.3 %	18.1 %	18.5 %	18.1 %	17.1 %
Total capital ratio	20.7 %	20.3 %	20.7 %	20.3 %	19.1 %
Common equity tier 1 capital	14 739	14 178	13 653	13 004	12 204
Tier 1 capital	16 447	15 346	14 784	14 376	13 315
Net total primary capital	18 674	17 193	16 518	16 074	14 864
Leverage ratio	9.1 %	9.0 %	9.1 %	9.4 %	8.9 %
Number of branches	30	31	35	35	35
Number of FTEs in banking operations	535	505	485	464	442

NOK MILLION	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Key figures. equity certificates					
Equity certificate ratio before profit distribution	40.0 %	40.0 %	40.0 %	15.7 %	17.3 %
Number of equity certificates issued	41 703 057	41 703 057	41 703 057	15 663 944	15 663 944
Profit per equity certificate (Parent Bank)	8.2	15.7	12.6	11.8	10.5
Profit per equity certificate (Group)	18.2	16.4	11.9	12.2	11.3
Dividend last year per equity certificate (Parent Bank)	12.2	10.0	6.0	8.0	14.0
Book equity per equity certificate	157.8	149.9	141.0	136.4	140.0
Price/book value per equity certificate	1.25	0.96	0.92	1.07	0.82
Listed price on Oslo Stock Exchange at end of period	197.9	144.0	129.5	146.0	114.5

Income statement

PARENT BANK		NOK MILLION		GROUP	
2023	**2024**		**Notes**	**2024**	**2023**
4 406	5 114	Interest income effective interest method	14.32	8 223	6 913
1 008	1 406	Other interest income	14.32	1 594	1 178
2 843	3 818	Interest expenses	14.32	6 502	5 048
2 572	**2 702**	**Net interest income**	**4.14**	**3 315**	**3 043**
459	498	Commission income	15.32	549	509
123	143	Commission expenses	32	125	109
336	**355**	**Net commission income**		**424**	**400**
252	346	Dividend	32	36	2
-7	20	Net income from other financial instruments	11.12	-8	0
245	**366**	**Net income from financial instruments**	**16**	**28**	**3**
99	128	Income from associated companies	32	128	99
14	17	Other operating income		18	29
113	**145**	**Total other income**		**146**	**128**
694	**866**	**Total net other income**		**598**	**530**
3 266	**3 569**	**Total net income**		**3 913**	**3 573**
613	661	Wages and other personnel expenses	17	809	757
38	52	Depreciation. amortisation and impairment of non-current assets	27	57	47
472	493	Other operating expenses	4,18,32	515	493
1 123	**1 206**	**Total operation expenses before losses**	**4**	**1 380**	**1 297**
2 143	**2 362**	**Operating profit before losses**		**2 532**	**2 276**
53	73	Losses on loans. guarantees and undrawn credit	6.7	75	49
2 089	**2 290**	**Profit before taxes**	**4**	**2 457**	**2 227**
388	365	Tax expenses	19	468	454
1 701	**1 925**	**Profit for the period**		**1 989**	**1 773**
-	-	Minority interests		1	1
1 701	**1 925**	**Majority interests**		**1 988**	**1 772**
61	87	Attributable to additional Tier 1 capital holders		87	61
1 640	1 838	Attributable to ECC-holders and to the primary capital		1 901	1 711
1 701	**1 925**	**Profit for the period**		**1 988**	**1 772**
15.7	8.2	Profit/diluted earnings per equity certificate (in whole NOK)	33	18.2	16.4

Statement of comprehensive income

PARENT BANK		NOK MILLION		GROUP	
2023	**2024**		**Notes**	**2024**	**2023**
1 701	**1 925**	**Profit for the period**		**1 988**	**1 772**
		Items that will not be reclassified subsequently to profit or loss			
-0	1	Change in value. basis swaps			
		Change in the value of residential mortgages		-64	-119
-	-0	Tax effect		14	26
-0	**0**	**Total other comprehensive income**		**-50**	**-93**
1 701	**1 925**	**Comprehensive income for the period**		**1 939**	**1 680**
		Minority interests		1	1
		Majority interests		**1 938**	**1 679**
15.7	17.6	Comprehensive income/diluted earnings per equity certificate		17.8	15.5

Notes 1 to 35 form an integral part of the consolidated financial statements.

Balance

PARENT BANK		NOK MILLION		GROUP	
31.12. 2023	31.12. 2024	ASSETS	Notes	31.12. 2024	31.12. 2023
604	492	Cash and receivables from central banks	20.21	492	604
5 012	8 352	Loans to credit institutions	14,20,21,22	4 602	468
71 815	72 899	Net loans to customers	4,5,6,8,9,10,20,21,32	133 441	127 532
21 998	25 687	Bonds and certificates	14,20,21,23	31 042	24 156
235	260	Shares	20,21,24	264	235
931	1 037	Financial derivatives	20,21,31	3 789	2 002
2 823	4 240	Shareholding in group companies	25	-0	-0
1 537	2 000	Shareholding in associated companies	26	2 000	1 537
102	108	Intangible assets	27	119	114
	-	Deferred tax benefit	19	18	
451	429	Property, plant and equipment	27	493	527
375	452	Other assets		248	233
105 882	**115 956**	**TOTAL ASSETS**	**4**	**176 509**	**157 407**
		LIABILITIES AND EQUITY CAPITAL			
3 643	6 116	Liabilities to credit institutions	13,14,20,21,22	5 584	3 530
69 289	74 248	Deposits from customers	4,13,14,20,21,28,32	74 216	69 272
6 991	7 021	Liabilities related to issue of securities	4,13,14,20,21,23,32	66 340	56 724
783	919	Financial derivatives	20,21,31	919	922
391	368	Payable taxes	19	491	496
1 635	1 743	Other liabilities	30	526	610
138	154	Provisions for commitments	17	154	138
40	35	Deferred tax	19	-	23
7 177	8 118	Senior non-preferred	13,20,21,29	8 118	7 177
1 763	2 120	Subordinated loan capital	3,13,20,21,29	2 120	1 763
91 850	**100 843**	**Total liabilities**	**4.13**	**158 469**	**140 655**
5 179	5 412	Equity certificate capital	3.33	5 921	5 596
1 085	1 585	Hybrid capital	3	1 585	1 085
7 768	8 117	Other equity	3	10 535	10 071
14 032	**15 114**	**Total equity**	**3**	**18 040**	**16 752**
105 882	**115 956**	**TOTAL LIABILITIES AND EQUITY**	**4**	**176 509**	**157 407**

Notes 1 to 35 form an integral part of the consolidated financial statements.

Kristiansand, 31. December 2024 / 4. Mars 2025

Knut Ruhaven Sæthre Chair	Mette Ramfjord Harv Deputy chair	Merete Steinvåg Østby	Erik Edvard Tønnesen
Trond Randøy	Eli Giske	Hans Arthur Frigstad	Tina Maria Kvale
			Geir Bergskaug CEO

Changes in equity

GROUP NOK MILLION	Equity certificates	Premium Fund	Dividend equalisation-fund	Hybrid capital	Primary capital	Gift fund	Other equtiy	Minority interests	TOTAL
Balance 31.12.2022	**2 084**	**2 068**	**1 043**	**1 085**	**7 417**	**415**	**1 663**	**4**	**15 779**
Profit 2023			648	82	346	625	72		1 773
Interest paid, hybrid capital				-82					-82
Calculated tax on interest hybridcapital			8		12		-		20
Issuance of hybrid capital				125					125
Buyback of hybrid capital				-125					-125
Other comprehensive income*							-93		-93
Dividend distributed for 2022			-250						-250
Allocated gift fund						-152			-152
Distrbuted customer dividends						-227			-227
Purchase of own equity certificates	-5		0		-8				-13
Other changes							-2	-1	-4
Balance 31.12.2023	**2 079**	**2 068**	**1 449**	**1 085**	**7 768**	**662**	**1 639**	**3**	**16 752**
Profit 2024			723	116	321	764	64		1 989
Interest paid, hybrid capital				-116					-116
Calculated tax on interest hybridcapital			12		17		-		29
Issuance of hybrid capital				760					760
Buyback of hybrid capital				-260					-260
Other comprehensive income*							-50		-50
Dividend distributed for 2023			-417						-417
Allocated gift fund						-245			-245
Allocated customer dividend						-417			-417
Purchase of own equity certificates	6		1		10				16
Other changes			0		1		-5	4	-0
Balance 31.12.2024	**2 084**	**2 068**	**1 768**	**1 585**	**8 117**	**764**	**1 648**	**7**	**18 040**

* Basic adjustments to interest and currency swaps were NOK -29,1 million as of 1.1.2024 and NOK -79,0 million as of 31.12.2024. The adjustment is included as part of other equity.

PARENT BANK NOK MILLION	Equity certificates	Premium Fund	Dividend equalisation-fund	Hybrid capital	Primary capital	Gift fund	Other equtiy	Minority interests	TOTAL
Balance 31.12.2022	**2 084**	**2 068**	**793**	**1 085**	**7 417**		**-**		**13 448**
Profit 2023			648	82	972		-		1 701
Interest paid, hybrid capital				-82					-82
Calculated tax on interest hybridcapital			8		12		-		20
Allocated dividends **			-417		-417				-834
Allocated gifts **					-208				-208
Issuance of hybrid capital				125					125
Buyback of hybrid capital				-125					-125
Other comprehensive income			-		-		-		-
Purchase of own equity certificates	-5		0		-8				-13
Balance 31.12.2023	**2 079**	**2 068**	**1 032**	**1 085**	**7 768**		**-**		**14 032**
Profit 2024			723	116	1 085		0		1 925
Interest paid, hybrid capital				-116					-116
Calculated tax on interest hybridcapital			12		17		-		29
Allocated dividends **			-509		-416				-925
Allocated gifts**					-348				-348
Issuance of hybrid capital				760					760
Buyback of hybrid capital				-260					-260
Other comprehensive income					1		-0		0
Purchase of own equity certificates	6		1		10				16
Other changes			0		0				0
Balanse 31.12.2024	**2 084**	**2 068**	**1 259**	**1 585**	**8 117**		**-0**		**15 114**

** Cash dividends to the owners of equity certificates are entered in the equalisation-fund, and customer dividends are entered in the primary capital.

Notes 1 to 35 form an integral part of the consolidated financial statements. See Note 33 concerning equity certificates, equity capital and proposed dividend.

Cash flow statement

PARENT BANK		NOK MILLION	GROUP	
2023	**2024**		**2024**	**2023**
5 163	6 444	Interest received	9 770	7 891
-2 672	-3 700	Interest paid	-6 413	-4 946
320	368	Other payments received	422	389
-1 031	-1 107	Operating expenditure	-1 257	-1 187
-10	7	Loan recoveries	7	-10
-317	-394	Tax paid for the period	-499	-360
-117	-288	Gift expenditure	-288	-117
-5	-3	Fraud cases paid	-3	-5
-4	-27	Change in other assets	-27	-4
3 596	4 905	Change in customer deposits	4 890	3 571
-4 352	-1 185	Change in loans to customers	-6 013	-3 507
808	2 473	Change in deposits from credit institutions	2 054	772
1 379	**7 492**	**Net cash flow from operating activities**	**2 642**	**2 487**
17 737	8 953	Payments received, securities	9 334	17 737
-23 210	-12 579	Payments made, securities	-16 153	-18 917
15	15	Payments received, sale of property, plant and equipment	15	15
-101	-44	Payments made, purchase of property, plant and equipment	-47	-102
70	315	Payments received, investments in subsidiaries and associates	65	70
-75	-1 811	Payments made, investments in subsidiaries and associates	-397	-71
22	11	Change in other assets	-6	3
5 200	-3 340	Change in loans to credit institusions	-4 135	5 730
-342	**-8 480**	**Net cash flow from investing activities**	**-11 324**	**4 467**
-750	0	Change in deposits from credit institutions	1	-750
-	2 000	Payments received, bond debt	14 000	-
-2 500	-2 000	Payments made, bond debt	-6 300	-8 420
-558	-947	Payments made, dividends and interest on hybrid capital	-947	-558
2 600	1 000	Issue of senior non-preferred	1 000	2 600
700	850	Issue of subordinated loan capital	850	700
-600	-500	Deduction of subordinated loan capital	-500	-600
75	-39	Change in other liabilities	-63	53
125	760	Issue of hybrid capital	760	125
45	-82	Change in financial derivative assets	72	1 819
-9	91	Change in financial derivative debt	-45	-1 758
-125	-260	Buyback of hybrid capital	-260	-125
-12	-13	Payments of rental obligations	-13	-12
	17	Payment recived of own equity certificates	16	
-14		Payments made of own equity certificates		-13
-1 023	**877**	**Net cash flow from financing activities**	**8 571**	**-6 939**
14	**-111**	**Net change in liquid assets**	**-111**	**14**
590	604	Cash and cash equivalents as at 1 Jan	604	590
604	**492**	**Cash and cash equivalents at end of period**	**492**	**604**

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method. Cash flows are classified as operating activities, investing activities and financing activities. Cash is defined as cash and receivables with central banks.

Notes 1 to 35 form an integral part of the consolidated financial statements.

Notes

1. Accounting policies

1. General information
2. Basis for preparation of the financial statements
3. Revenue recognition
4. Financial instruments
5. Hedge accounting
6. Accounting for exchange-rate effects
7. Tangible assets
8. Intangible assets
9. Pension expenses and liabilities
10. Income tax
11. Equity
12. Hybrid capital
13. Segments / segment accounting
14. Cash flow statement
15. Changes in accounting policies and note disclosures
16. Standards and interpretations that have been approved, but not yet adopted

1.1 General information

The Sparebanken Sør Group consists of the Parent Bank Sparebanken Sør and the subsidiaries Sparebanken Sør Boligkreditt AS, Sørmegleren Holding AS, Prosjektutvikling AS, Transitt Eiendom AS and Sørlandets Forsikringssenter AS. The Group conducts banking operations at 30 locations and provides real estate services at 17 locations in the counties of Agder, Rogaland, Vestfold and Telemark.

Within the framework of its articles of association, in addition to the legislation applicable at any given time, the Bank may perform all business and services that banks in general are licensed to undertake. The Bank is licensed as a securities investment company. Sparebanken Sør Boligkreditt AS is a wholly owned subsidiary of the Sparebanken Sør Group. Sparebanken Sør Boligkreditt AS was established to offer mortgages within 80 percent of the property value.

Sparebanken Sør is an equity certificate bank. The registered office of the Bank and the real estate agency business is in Kristiansand.

The consolidated financial statements for 2024 were presented by the Board of Directors on 4 March 2025 and are due to be adopted by the General Meeting on 27 March 2025. The General meeting is the Bank's highest governing body.

1.2 Basis for preparation of the financial statements

Application of IFRS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, in addition to the Norwegian disclosure requirements pursuant to the Norwegian

Accounting Act. The financial statements in Sparebanken Sør Parent bank have been prepared in accordance with the regulations on annual accounts for banks, mortgage companies and financial institutions § 1-4, 2nd paragraph b). This means that the same principles are used as for IFRS, with the exception of proposed dividends and gifts for distribution that are accounted for in the year that is the basis for the distribution.

Sparebanken Sør prepares its financial statements in Norwegian kroner (NOK), which is the functional currency for all entities in the Group. Unless stated otherwise, all amounts in the financial statements have been rounded to the nearest million.

The consolidated financial statements are based on the principles of historical cost accounting, except for the following accounting items:

- Buildings, which are measured at adjusted amount.
- Financial instruments at fair value through profit or loss, and financial instruments through other comprehensive income.

The consolidated financial statements have been prepared according to uniform accounting policies for identical transactions and events under otherwise identical conditions.

Consolidation and Group companies

The consolidated financial statements cover the Parent Bank and subsidiaries over which the Bank alone, or together with subsidiaries, has a controlling influence, usually as a result of a shareholding in excess of 50 percent. Internal transactions and balances are eliminated.

When subsidiaries are acquired, the cost price of shares in the parent company is eliminated against the equity in the subsidiary at the time of acquisition. The difference between the cost price and net book value of assets in the subsidiary at the time of the acquisition is added to the assets to which the excess value relates within the market value of these assets. The part of the cost price that cannot be attributed to specific assets represents goodwill. If the value of the acquired assets exceeds the cost price, the difference is recognised in income.

In the Parent Bank’s financial statements, shareholdings in consolidated companies are recognised at cost price on initial recognition. The shareholdings are tested annually for impairment, and if necessary are written down to their recoverable amount.

Associates and joint ventures

Associates are companies over which the Bank exerts significant influence but not control or joint control of financial and operational management. Significant influence normally exists when the Bank has a shareholding of between 20 and 50 percent.

A joint venture is a joint arrangement where the parties who have joint control over the arrangement have the right to the arrangement’s net assets. Joint control is the contractual agreement on sharing control of an arrangement that only exists when decisions on relevant activities require unanimity between the parties sharing control.

Associates and joint ventures are recognised in accordance with the equity method both in the consolidated financial statements and in the financial statements of the Parent Bank. This means that the shareholdings are initially recognised at cost and subsequently adjusted for the Bank's share of the profit or loss of the associates and joint ventures.

The Group's share of profit/loss from investments in associates and joint ventures is presented on a separate line in the income statement. An impairment test is carried out on the carrying amount of the investment on any indication of impairment. Any impairment is recognised in the financial statements under the share of profit/loss of associates or joint ventures. When the share of the loss exceeds the investment in an associate, the Group's carrying amount is reset to zero and no further losses are recognised unless the Group is obliged to cover these losses.

The Sparebanken Sør Group's shares in joint ventures are of significant size.

Business combinations

Business combinations are recognised in accordance with the acquisition method.

The consideration for the purchase of the business is measured at fair value at the acquisition date. Transaction costs are recognised in income as they arise. A contingent consideration is measured at fair value at the time of acquisition. It is classified as liability or equity in accordance with IAS 32. Contingent consideration classified as a liability is recognised at fair value in subsequent periods, with changes in value through profit or loss. Contingent consideration classified as equity is not measured after the initial recognition.

When acquiring a business, all acquired assets and liabilities are classified and allocated in accordance with the contractual terms, financial circumstances and relevant conditions at the acquisition date. Acquired assets and liabilities are recognised at fair value in the opening consolidated balance sheet.

Goodwill is calculated as the sum of the consideration and the carrying amount of non-controlling shareholdings and the fair value of previously owned assets, less the net value of identifiable assets and liabilities calculated at the acquisition date. Goodwill is not amortised but is tested at least once a year for impairment.

If the fair value of net assets in the business combination exceeds consideration, the difference is immediately recognised in income at the time of acquisition.

1.3 Revenue recognition

Interest income and expenses related to assets and liabilities which are measured at amortised cost or fair value over OCI are recognised in profit/loss on an ongoing basis using the effective interest rate method. Interest income on loans measured at amortised cost and loans measured at fair value through profit/loss are included in the income statement under interest income using the effective interest method. The effective interest rate is the rate that equates the present value of future cash flows within the loan's expected term, to the carrying amount of the loan at initial recognition. Cash flows include establishment fees. Interest income is calculated based on gross loans to customers in stages 1 and 2 and based on net loans to customers in stage 3.

Interest income and expenses related to instruments measured at fair value through profit or loss, the nominal interest is recognised under other interest income, while changes in value are included in net income from other financial instruments.

Commission income and expenses, which are direct payment for services provided are recognised when the services have been delivered. Fees for establishing loan agreements are amortised over the anticipated loan term. Fees associated with loans measured at fair value are recognised directly in income.

Dividends are recognised in income when the right to receive the dividend has been approved, which normally takes place when the entity (issuer) holds its annual general meeting. For the Parent Bank, dividends and gifts can be recognised as income in the year that is the basis for the distribution, if there is a significant preponderance of probability for such a distribution.

1.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one enterprise and a financial liability or an equity instrument for another enterprise.

Financial instruments are measured and classified in accordance with IFRS 9. Note disclosures have been prepared in accordance with IFRS 7.

Recognition and derecognition

Financial assets and liabilities are recognised in the balance sheet when the Bank becomes a party to the contractual provisions of the instrument.

A financial asset is deducted when the contractual rights to the cash flows from the financial asset expire, or the Bank transfers the financial asset in such a way that the risk and profit potential of the asset concerned is essentially transferred.

A financial liability is derecognised when the liability has been repaid, cancelled or has matured. When an existing financial liability is replaced by a new liability from the same lender under terms that have been materially changed, or the terms of an existing liability have been materially modified, the original liability is derecognised and a new liability is recognised. The difference in capitalised value is recognised through profit or loss.

Classification and measurement

Measurement of the financial asset is determined on initial recognition of the asset.

The Group classifies its financial assets in four categories:

- Fair value with changes in value recognised through profit or loss.
- Fair value with changes in value recognised through other comprehensive income (OCI).
- Amortised cost.
- Derivatives designated as hedging instruments recognised at fair value.

Classification on initial recognition is based on the instruments being held in a business model both to receive contractual cash flows and for sale, and whether contractual cash flows solely consist of payments of interest and principal on given dates.

Financial instruments that are held to receive contractual cash flows shall as a principle be measured at amortised cost.

Financial assets that are held to receive contractual cash flows and for resale shall as a principle be measured at fair value through other comprehensive income (OCI).

Instruments with cash flows that are not only payments of interest and principal or where the purpose of owning the instrument is not to receive contractual cash flows are measured at fair value with changes in value recognised through profit or loss.

On initial recognition, financial liabilities are classified as loans and liabilities, or derivatives designated as hedge instruments in an effective hedge. Derivatives are initially recognised at fair value. Loans and liabilities are recognised at fair value adjusted for directly attributable transaction costs. Changes in value deriving from inherent credit risk, where the liability is measured using the fair value option, are recognised through other comprehensive income (OCI).

Derivatives used in connection with hedge accounting are measured according to the policies for hedge accounting. See separate section.

The Parent Bank's mortgage portfolio, that can be transferred to the mortgage company, is measured at fair value through OCI. The Group's mortgage portfolio is measured at amortised cost.

Fair value with changes in value recognised through profit or loss

All derivatives are measured at fair value with changes in value recognised through profit or loss. However, derivatives designated as hedging instruments are recognised in accordance with the principles of hedge accounting.

Sparebanken Sør has also chosen to recognise holdings of interest-bearing bonds, certificates and shares at fair value with changes in value through profit or loss. These are assets and liabilities that are managed, measured and reported to management at fair value.

Fixed-interest loans can be redeemed before maturity against payment for premiums or discounts arising as a result of movements in market rates. Sparebanken Sør hedges the interest rate risk for this balance sheet item through derivatives. Derivatives are always measured at fair value. As changes in the value of the derivatives are recognised in income, recognition of fixed-interest loans at amortised cost will lead to significant fluctuations in profit. Recognition at fair value through profit or loss will therefore lead to a more harmonised comparison of the profit or loss on the derivative and changes in value of fixed-interest loans.

Fair value through other comprehensive income (OCI)

Loans to retail customers collateralised by real estate are classified at fair value through other comprehensive income in the Parent Bank. This is a consequence of the fact that the loans can be sold later to the Bank's wholly owned mortgage company. The purpose is therefore not solely to receive contractual cash flows but also resale.

This category further covers interest rate and currency swaps used as hedging instruments. For these derivatives, changes in value due to changes in exchange rates are recognised through other comprehensive income (OCI). Hedge accounting is discussed further in a separate section below.

Amortised cost

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

1. The financial asset is held in a business model whose purpose is to receive contractual cash flows, and
2. The contractual terms for the financial asset lead to cash flows which consist exclusively of payments of principal and interest on given dates.

Debt instruments, whose sole purpose is to be held in order to collect contractual cash flows, are recognised at amortised cost. In the Group, all borrowings and loans at variable interest rates are classified at amortised cost.

There is an exception in the Parent Bank's financial statements relating to loans to retail customers collateralised by real estate that can be transferred to the mortgage company. These loans are classified at fair value through other comprehensive income.

Derivatives designated as hedging instruments recognised at fair value

Interest rate swaps and currency swaps used as instruments for the fair-value hedging of bonds issued at fixed interest rates are recognised at fair value. Hedge accounting is discussed further in a separate section.

Subsequent Measurement

Measurement at fair value with changes in value recognised through profit or loss

Fair value is the price that would be obtained upon the sale of an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the time of valuation.

Measurement of financial instruments traded on an active market

Financial instruments traded on an active market are valued at the observed market prices.

Measurement of financial instruments not traded on an active market

The fair value of financial instruments not traded on an active market is determined using a suitable valuation method. Valuation techniques are based on recently signed transactions between independent parties, by referencing instruments with virtually the same content or by discounting cash flows. As far as possible, valuations are based on externally observed parameter values.

Fair value of interest-bearing securities is determined by established market values reported by leading external market players, or at fair value calculated on the basis of the prevailing market yield and credit spread curves.

In calculating the fair value of interest rate swaps, the prevailing market value of the relevant inter-bank interest rate curve is used.

For shares that are not listed or traded actively, the change in value is based primarily on the valuation methods described above.

Fixed-interest loans are not traded in an active market. The Bank must therefore establish a market spread to estimate the loans' fair value as of 31 December. For fixed-interest loans in the retail market, the average of the ten best mortgages published at www.finansportalen.no is used to represent the market interest rate.

Measurement at fair value with changes in value recognised through other comprehensive income

Loans to retail customers collateralised by real estate are measured continuously at fair value, and any changes in value are recognised through other comprehensive income. This applies only in the Parent Bank.

Measurement at amortised cost

Subsequent measurement of financial instruments measured at amortised cost, is performed using an effective interest method and is subject to loss provisions. Gains and losses are recognised through profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include receivables from customers and loans to customers, excluding fixed-rate loans.

Amortised cost is defined as the carrying amount on initial recognition, less received/paid interest and instalments, including accrued effective interest, adjusted for net impairment losses and the net recognised effect of hedging.

The effective interest method is a method that calculates amortised cost and accrues interest income/ expenses to the relevant period. Interest income is recognised using the effective interest method. The effective interest rate is the interest rate that by discounting the loan's cash flows over the anticipated term, gives a value equal to the loan's (gross) amortised cost on the date of its establishment.

Derivatives designated as hedging instruments recognised at fair value

Interest rate and currency swaps are measured at fair value in the balance sheet. Changes in value due to changes in spreads will be recognised in comprehensive income as a hedging effect.

Offsetting

Financial assets and financial liabilities are offset and presented net in the balance sheet, when the company has a legally enforceable right to offset and intends to realise the asset and settle the liability simultaneously as a whole.

Modification

When the contractual cash flows from a financial asset are renegotiated or altered in some other way, and the renegotiation or change does not lead to derecognition of the financial asset, the gross recognised value of the financial asset is recalculated and any gain or loss on the change is recognised through profit or loss.

The gross recognised value of the financial asset is recalculated as the present value of the renegotiated or changed cash flows, discounted at the original effective interest rate of the financial asset. Any expenses incurred and fees adjust the recognised value of the changed financial asset and are depreciated over the remaining life of the changed financial asset.

Impairment of financial assets

The Group has recognised a provision for expected credit losses (ECL) for all debt instruments that are not classified at fair value through profit or loss. A provision is recognised for expected losses based on relevant information available at the reporting date, including historical, current and future information.

Loss allowances are calculated on the basis of probability of default (PD), loss given default (LGD) and exposure at default (EAD). The model used to calculate provisions for expected losses depends on whether there has been a significant increase in credit risk since initial recognition. On initial recognition and in cases where the credit risk has not significantly increased since initial recognition, a provision is recognised for expected losses over the next 12 months. Expected losses over the next 12 months are losses that are expected to incur over the lifetime of the instrument, which can be linked to events occurring during the next 12 months. Expected credit losses over the whole term are calculated for assets where the credit risk has increased materially since initial recognition, except for assets which are nevertheless assessed as having a low absolute credit risk on the reporting date.

The expected credit loss for exposures that have been qualitatively assessed is calculated based on the present value of all cash flows over the expected residual lifetime. In effect, this is the difference between the contractual cash flows in accordance with the agreement and the cash flow that the Group expects to receive, discounted at the effective interest rate of the instrument. The expected cash flow shall cover cash flows from the sale of collateral or other credit enhancements that are embedded in the contract terms.

In the balance sheet, loan impairments reduce the carrying amounts of the exposures. In the income statement, losses on loans consist of realised losses, changes in loss allowance, loss on fraud cases, income on loans and provisions for guarantees and unused credit facilities, as well as income relating to recovery of previously realised losses. Losses on loans are based on a qualitative assessment of the Bank’s loan and guarantee portfolio in accordance with IFRS 9.

For further details, please refer to Note 6.

Loans with low credit risk

The Bank uses the exception for low credit risk for lending to credit institutions and central banks. This means that the Group assesses whether the instruments that had a low credit risk on initial recognition still have a low credit risk at the balance sheet date. This assessment is made using relevant available information that can be obtained without undue cost or effort.

Reduction in the value of loans as a result of qualitative assessments

Loss allowance based on qualitative assessments is recognised when there are objective and observable indications that a loan is impaired as a result of a credit loss. A loss allowance is reversed when the loss is reduced, and the reduction is objectively attributable to an event occurring after the date on which loss allowance was recognised. All loans regarded as significant will be assessed to see whether there is objective evidence of weakened creditworthiness, and the objective indication is highly likely to result in reduced future cash flows for the servicing of the exposure.

A customer's exposure is classified as defaulted if a payment obligation is past due by more than 90 days, and the overdue amount exceeds both 1 percent of the outstanding exposure and NOK 1,000 for retail customers or NOK 2,000 for corporate customers (payment default).

A customer’s commitment is defined as default if it is probable that the borrower will not fulfil its obligations due to objective requirements:

- Loss write-downs have been registered on the customer’s obligation
- Incurred losses have been recognised for the customer
- A bankruptcy petition has been filed, or the customer has been declared bankrupt
- The customer has applied for, or is in a debt settlement
- A company has been requested to be dissolved, or a forced dissolution has been decided
- Sales of credits due to deteriorating credit quality

A customer’s commitment is defined as default if qualitative assessments are made that indicate that the borrower is not fulfilling its obligations. Qualitative assessments are made when observable data relating to the exposure is available, for example information regarding significant financial difficulties for the issuer or borrower. This applies when the borrower’s lender, due to financial or contractual grounds relating to the borrowers’ financial difficulties, has granted the borrower concessions that the lender would not otherwise have considered and when it becomes probable that the borrower will enter bankruptcy or undergo another form of financial reorganisation.

Reduction in the value of loans, guarantees and unused credit facilities as a result of model-based calculations

Loans that have not been subject to qualitative impairment assessments are included in the basis of calculation for model-based impairments. The same applies to guarantees and unused credit facilities.

The model assessing the impairment of financial assets under IFRS 9 applies to financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income. The standard also contains requirements for loss provisions on new loans, by stipulating that an impairment must be recognised for expected credit losses resulting from expected defaults in the next 12 months. The model calculates losses for all customers at account level. The model also includes loan approvals, guarantees and unused lines of credit. For loans where the credit risk has increased materially after initial recognition, a loss allowance corresponding to the expected credit loss over the term of the loan is recognised.

Realised losses

When it is highly probable that a loss is final, it is recognised as a realised loss. Some realised losses will be covered by previously recognised, qualitatively assessed loss allowance, and will therefore be recognised against the existing provision. Realised losses not covered by qualitatively assessed loss allowance, as well as any surplus or deficit in relation to previously recognised loss allowance are recognised through profit or loss.

Presentation in the balance sheet and income statement

Loans

Loans are recorded as either loans to and receivables from credit institutions, or as net loans to customers. Interest is included in the income statement under interest income from assets valued at amortised cost. Changes in value due to loss allowance are included in the income statement under losses on loans, guarantees and unused credit facilities.

Changes in value of fixed-interest loans, which are measured at fair value, are included in the income statement under net income from financial instruments. Interest is included in the income statement under interest income from assets valued at fair value.

Changes in the value of loans to retail customers collateralised by real estate (Parent Bank) are presented through other comprehensive incomes.

Bonds and certificates

This balance sheet item includes the Group’s certificate and bond portfolio. Interest is included in the income statement under interest income from assets at fair value. All changes in value are recognised in the income statement under net income from financial instruments.

Shares

The balance sheet includes the Group’s shares recognised at fair value. All changes in value are recognised in the income statement under net income from financial instruments.

Financial derivatives (assets and liabilities)

This balance sheet item includes financial derivatives. Changes in value related to the derivatives are recognised in the income statement under net income from financial instruments.

Liabilities to credit institutions and deposits from customers

This balance sheet item includes liabilities to credit institutions and customers. Interest is recognised in the income statement under interest expenses.

Liabilities from issuance of securities

This balance sheet includes issued securities debt. Interest is recognised in the income statement under interest expenses. In case of early redemption or repurchase of issued bonds, any gains and losses are recognised under net change in the value of financial instruments.

Provisions

A provision is recognised when the company has an obligation (legal or self-imposed) due to a previous event, where it is likely (more likely than not) that there will be a financial settlement as a result of this liability, and the size of the amount can be reliably determined. If the effect is significant, the provision is calculated by discounting the expected future cash flow with a discounted interest rate before tax that reflects the market's pricing of the time value of money, and if relevant, the specific risks associated with this obligation.

Subordinated loan capital and senior non-preferred

This balance sheet item includes issued subordinated loans and senior non-preferred loans (SNP). Interest is recognised in the income statement under interest expenses.

1.5 Hedge accounting

Sparebanken Sør uses hedge accounting in relation to the Bank's funding at fixed-interest terms and foreign currency. Hedging covers the bond-related interest rate risk and currency risk.

The Bank's criteria for classifying a derivative as a hedging instrument are:

- The hedge accounting is anticipated to be very effective in that it counteracts changes in the fair value of the bond issued.
- There must be an economic relationship between the hedging instrument and the hedged object, and the effect of credit risk must not dominate any changes in value in the hedging relationship.
- It must be possible to measure the effectiveness of hedging reliably.
- Satisfactory documentation has been established prior to hedging which shows, among other things, that hedging is effective and is expected to remain effective throughout the period.

Sparebanken Sør uses fair value hedging. Hedging is measured and documented every quarter to ensure that it is effective. The dollar-offset method is used to measure the effectiveness of hedging. When the hedging is established and effective, interest rate swaps and currency swaps will be recognised in the balance sheet at fair value and in the income statement under net income from financial instruments.

The hedged item is recognised in the balance sheet at amortised cost. Changes in fair value associated with the hedged risk are accounted for as a supplement or deduction in the book value of the bond debt and is recognised in the income statement under net income from financial instruments.

IFRS 9 applies qualitative requirements for hedge effectiveness, where a prospective effectiveness test is regarded as adequate.

Ineffectiveness in hedging is defined as the difference between the value adjustment of hedging instruments compared to the value adjustment of the hedged risks in the objects, is recognised in the income statement on an ongoing basis. The exception is the part of the value adjustment that is due to a change in spreads linked to the hedging instruments. For interest rate and currency swaps changes in value due to changes in spreads will be recognised through other comprehensive incomes as a hedging effect.

If circumstances should occur which render hedging ineffective, the Bank/Group will amortise the change in value associated with the hedged item over the residual period. The associated hedging instrument will continue to be measured at fair value with changes in value through profit or loss.

1.6 Accounting of exchange rate effects

Income and expenses in foreign currencies are translated into Norwegian kroner (NOK) at the exchange rates prevailing on the transaction date.

Balance sheet items denominated in foreign currencies are hedged by corresponding items on the opposite side of the balance sheet, or through hedging transactions. Currency derivatives (currency futures) traded with customers are hedged in a similar manner against another external party. Assets and liabilities in foreign currencies are translated into Norwegian kroner at the Banks' median rates on the balance sheet date. Foreign exchange gains and losses are recognised in the income statement under net income from other financial instruments.

1.7 Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and impairments. When assets are sold or disposed of, the book value is deducted, and any loss/ gain is recognised in the income statement. Depreciation is computed on a straight-line basis over the expected useful economic life of the asset. The remaining useful economic life and residual values for each asset are reassessed annually.

At each reporting date, an assessment is made of whether there are any indications of impairment. If there are indications of impairment of an asset, the Bank will obtain valuations or calculate the assets' utility value. The asset is written down to either fair value or utility value, depending on which method returns the highest value. The basis for previous write-downs is considered at the same time.

Real estate is decomposed by calculating the value of land, technical installations and buildings. Land is not depreciated. Buildings and technical facilities are depreciated over their estimated useful economic life and are not considered to have any residual value. Improvements and periodic maintenance are amortised over the asset's estimated economic lifetime.

Leases

Identification of a leasing agreement

When entering a contract, the Group determines whether the contract is or contains a leasing agreement. A contract is or contains a leasing agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a remuneration.

The Group as Lessor

The Group presents assets that have been leased out as non-current assets in the balance sheet. Leasing revenue is recognised through profit or loss on a straight-line basis over the term of the lease. Direct expenses incurred when establishing an operating lease are added to the carrying amount of the leased assets and are recognised as an expense in the leasing period on the same basis as leasing revenue.

Recognition of leases and recognition exemptions

At the inception of a lease, the Group recognises a lease liability and a corresponding right-of-use asset for all leases, except for the following applied exemptions:

- Short-term leases (lease terms of 12 months or less)
- Low-value assets

The Group recognises the lease payments for these leases as other operating costs in the income statement as they arise.

The Group measures lease liabilities on inception as the present value of the lease payments that were not been paid at that time. The lease term represents the non-cancellable period of the lease, in addition to periods that are covered by an option to either extend or cancel the lease if the Group will (will not) exercise this option with reasonable certainty. The lease is subsequently measured by increasing the carrying amount to reflect the interest rate on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessments or amendments to the lease, or to reflect adjustments to lease payments as a result of adjustments to indices or instalments. The Group presents its lease liabilities under other liabilities in the balance sheet.

The Group measures right-of-use assets at cost, less accumulated amortisation and loss allowance, adjusted for any re-measurements of the lease liability. The Group recognises right-of-use assets under fixed assets in the balance sheet.

Subsequent measurements of right-of-use assets will determine whether the value of the asset is significantly impaired, and any identified losses will be recognised. Right-of-use assets and liabilities are in the parent bank and consolidated accounts of insignificant sizes.

Distinction between service contracts and leases

IFRS 16 distinguishes between service contracts and leases. A distinction is therefore made between contracts that give the customer the right to use an asset (lease) and those that represent a purchase of services. IFRS 16 defines a lease as follows: “a contract, or part of a contract, that conveys a right to use the asset (the underlying asset) for a period of time in exchange for consideration. To be classified as a lease, a contract must convey the right to control the use of an identified asset.” Service agreements represent mutually unfulfilled contracts, where delivery is considered to take place as and when the service is delivered by the supplier and adopted by the customer. Service contracts do not fall under the new IFRS 16 standard.

As well as ordinary tenancy agreements, Sparebanken Sør has a significant contract for the delivery of IT systems. The agreement describes “Business-as-a-Service” (BaaS) and indicates that this refers to services that are received. The agreement is deemed to be a purchase of services since no right to control the use of an identified asset has been conveyed. The agreement is not deemed to be covered by IFRS 16.

1.8 Intangible assets

Intangible assets acquired separately will be posted in the balance sheet at cost. Posted intangible assets are recognised at cost reduced for depreciation and amortisation.

Expenses related to the purchase of new software and adaptation to other systems, which the company controls and receives future benefits from, are posted on the balance sheet as intangible assets. Software and adaptation are normally amortised on a straight-line basis over three years. Costs incurred because of maintaining or sustaining the future utility of software are expensed.

1.9 Pension expenses and liabilities

Defined-benefit pension scheme

Defined-benefit pension schemes are valued at the present value of the future pension benefits that for accounting purposes are regarded as earned at the balance sheet date. Pension assets are valued at fair value.

In accordance with IAS 19, both liabilities related to group plans in life insurance companies and unsecured liabilities have been recognised in the financial statements in accordance with the calculations performed by an external actuary. The net pension expense for the year consists of the present value of accrued pension entitlements for the year and interest expenses on the pension liability, less the expected return on pension plan assets.

The net pension expense is included under personnel expenses. Changes in estimate deviations are recognised through other comprehensive income (OCI) and plan changes will be added to the income statement as personnel cost consecutively. Defined-benefit group schemes in a life insurance company have been closed. The schemes were terminated in 2016 in connection with the transition to a defined-contribution scheme. The remaining defined-benefit pension scheme is insignificant and is not actuarially calculated ongoing.

Defined-contribution scheme

Under the defined-contribution scheme, the Bank does not guarantee a future pension. The Bank pays an annual contribution to the employees' pension plan. Payments into the scheme are directly recognised as an expense.

1.10 Income tax

Income tax is accrued as a cost, irrespective of when payment is made. The tax expense therefore reflects the year's tax and future taxes payable as a result of the year's activities. The tax is expected to offset net income included in the year's tax expense and is designated as tax payable.

Deferred tax is calculated on the basis of differences between the reported results for tax and accounting purposes that will be offset in the future. Tax-increasing and tax-reducing temporary differences within the same time interval are offset against each other.

Any net deferred tax assets are recognised as an asset in the balance sheet when it is probable that the tax-reducing differences will be realised. The company will likewise reduce the deferred tax assets to the extent that the company no longer considers it probable that it can make use of the deferred tax asset.

Wealth tax is calculated and recognised under other operational expenses in the income statement, and tax payable in the balance sheet.

1.11 Equity

Sparebanken Sør has issued equity certificates on the Oslo Stock Exchange. The equity is divided into equity certificates, a share premium fund, an equalisation fund, a primary capital fund, a gift fund and other equity.

To calculate the share of equity, equity certificates, the share premium fund and equalisation fund, are divided by total equity, less other equity and hybrid capital.

The proposed distribution of gifts and dividends is presented as other equity until a final decision on distribution has been made. Distributions are then presented as liability until payment has been made. Gift funds allocated to the primary capital are assigned to Sør-fondet gift foundation.

For the Parent Bank, proposed dividends and gifts for distribution are accounted for in the year that is the basis for the distribution.

1.12 Hybrid capital

Hybrid capital (Additional tier 1 capital) is a bond with an agreed interest rate. Hybrid capital has no maturity date, and the Bank has a unilateral right to refrain from paying interest to investors under specified conditions. Hybrid capital does not satisfy the definition of a financial liability in accordance with IAS 32 and is classified as equity. Interest is not presented as an interest expense in the income statement, but as a reduction in other equity.

Transaction costs and accrued interest are presented as a reduction in “Other equity”, while the benefit of tax deductions for the interest results in an increase in “Other equity”.

1.13 Segments / Segment reporting

Segments are reported in the same way as the different areas of activity are reported and monitored internally by management and the Board.

Sparebanken Sør has two operating segments:

- RM – Retail market, including loans transferred to Sparebanken Sør Boligkreditt AS.
- CM – Corporate market, including loans transferred to Sparebanken Sør Boligkreditt AS.

The Bank’s staff departments, including capital market, and real estate agency are not separate reportable segments and are reported as undistributed.

1.14 Cash flow statement

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. Cash and cash equivalents are defined as cash and receivables with central banks.

1.15 Changes in accounting policies and note disclosures

Applied accounting policies are consistent with the standards used for the previous accounting period.

There are no changes in IFRS with effect for the 2024 accounts have been relevant this year.

1.16 Standards and interpretations that have been approved, but not yet adopted

The following new standards and interpretations of existing standards have been published and will be mandatory for company and consolidated accounts in future accounting periods, although management has not decided on early applications:

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
The IASB has completed the post implementation review of the classification and measurement changes in IFRS 9. The review clarifies financial liability derecognition, ESG-linked financial asset assessment, and introduces new disclosure requirements.

The amendments clarify derecognition of financial liabilities on the settlement date and introduce an option for early derecognition via electronic payment systems. Guidance on assessing contractual cash flow characteristics of ESG-linked financial assets and evaluating contingent features is also clarified. Further explanations for non-recourse loans and contractually linked instruments are provided, along with additional disclosure requirements in IFRS 7 for financial instruments with contingent features and equity instruments classified fair value through OCI.

The amendments will take effect for annual periods starting on or after 1. January 2026.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, ISAB issued IFRS 18 Presentation and disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements and is a response to investors demand for better information about the financial performance of companies.

IFRS 18 builds upon the foundation laid by IAS 1, keeping many sections with minimal revisions. However, it introduces new requirements on presentation within the statement of profit or loss, which includes the introduction of specified required totals and subtotals, and new categories of profit or loss. Additionally, it requires disclosure of management-defined performance measures and new principles for determining the location of information with aggregation and disaggregation to reference similar and dissimilar characteristics in the financial statement.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027.

2. Discretionary judgements, estimates and assumptions

In preparing financial statements, management makes estimates and discretionary judgments. Areas largely comprised of discretionary estimates, with a high degree of complexity, and where assumptions and estimates are significant to the accounts of the Parent Bank and the Group, are presented below.

General

In applying the Group's accounting policies, the company's management has exercised discretion in some areas and made assumptions about future events. There will naturally be an inherent uncertainty related to accounting items based on the use of discretion and assumptions about future events. When exercising discretion and making assumptions about future events, management will use information available at the balance-sheet date, previous experience with similar assessments, as well as market and third-party assessments of current conditions. Although management exercises its best judgment and bases itself on the best estimates available, it must be anticipated that the actual outcome may, in some cases, differ materially from the accounting estimates. Estimates, assumptions and conditions that represent a significant risk of material changes in the carrying value of assets and liabilities within the next financial year are discussed below.

Provisions for loan losses

The determination of impairment losses involves a significant degree of judgment. The global turbulence caused by the aftermath of the pandemic and Russia's aggressive warfare is gradually coming under control. In most countries, policy rates have been lowered several times in 2024. Norway stands out as an exception, where interest rates remain at their highest level.

Housing prices in the Group's core markets have shown a positive but moderate development over several years. As of year-end 2024, statistics indicated a trend in the Bank's primary market that was approximately in line with the national average over the past 12 months.

As of year-end 2024, these factors have been considered in the assessment of the macroeconomic parameters used as inputs in the impairment evaluations.

The model used for calculating impairment losses incorporates macroeconomic data and is forward-looking. Changes in economic conditions or macroeconomic factors will require corresponding adjustments to the relevant parameters. The macroeconomic parameters applied and the figures used as inputs in the impairment model are presented in Note 6.

All customer loans classified at amortised cost are subject to loss provisions in accordance with the requirements of IFRS 9. Under IFRS 9, loss provisions must be recognised for all exposures based on expected credit losses (ECL). Each month, all exposures are assessed to calculate the expected future credit losses.

Expected credit losses for the next 12 months are calculated at initial recognition, and all exposures are assigned an application score.

For subsequent periods, exposures without a significant increase in credit risk will have expected credit losses calculated and recognised for the next 12 months. If there has been a significant increase in credit risk, expected credit losses will be calculated and recognised for the entire lifetime of the exposure.

If observable data related to exposures indicate significant financial difficulties for the borrower, the loans will be assessed qualitatively. In such cases, an individual evaluation of the model-calculated loss will be performed, and if necessary, the model-based loss may be overridden. For qualitative assessments, impairments are calculated as the difference between the carrying amount of the loan and the present value of future cash flows, discounted using the effective interest rate at the time of the initial qualitative impairment assessment.

The Group conducts an annual review of the entire corporate loan portfolio. Large exposures, defaulted exposures, and high-risk exposures are assessed on a quarterly basis.

Impairment provisions are largely based on the Group's risk classification models. The Group utilises models for application scoring and portfolio scoring, which form the foundation for risk classification. Any weaknesses in these models may affect the impairment provisions calculated by the model.

The assessment of impairments, where there is objective evidence of a decline in value, will always involve a significant degree of judgment. Predictions based on historical data may prove inaccurate, as the relevance of historical information as a decision-making basis can never be known with certainty. When collateral values are tied to specific assets or industries in distress, the collateral may need to be realised in illiquid markets. In such situations, the valuation of collateral will be subject to considerable uncertainty.

The model used to calculate credit losses incorporates macroeconomic data, and any changes in economic conditions or macroeconomic factors will require corresponding adjustments to the relevant parameters. Sparebanken Sør primarily relies on inputs from Norges Bank's Monetary Policy Report and statistics from Statistics Norway (SSB) as the basis for macroeconomic assumptions. The timing and selection of parameters to be updated depend partly on management's judgment and may vary between different banks.

The quality of the Bank's scoring and risk classification models also has a direct impact on the calculated credit losses.

Fair Value of Financial Instruments

The fair value of financial instruments is, in part, calculated based on assumptions that are not directly observable in the market. This is particularly relevant when determining the appropriate credit risk premium for the fair value measurement of fixed-rate instruments, such as borrowings, loans, and securities issued by other entities. In such cases, management has based its assessments on the information available in the market, combined with its best judgment. This information includes, among other factors, credit assessments conducted by leading market participants.

3. Capital adequacy

Sparebanken Sør aims to maximise its long-term value creation. The Group also aims to maintain a moderate to low risk profile. This means that effective risk and capital management are key strategic elements.

Sparebanken Sør has established a strategy and process for risk measurement, management and control that provides an overview of the risks the Bank is exposed to. This therefore provides the basis for the assessment and calculation of the Bank's total capital requirement, and how this can be maintained to meet the specific risks in an adequate manner. The process is described as ICAAP (Internal Capital Adequacy Assessment Process). The assessment of capital required includes size, composition and distribution of equity and subordinated loan capital in relation to the risks the Bank is or may be subjected to. This is based on the results of stress tests that show the negative effects of changes in macro-variables which may cause the Bank greater losses.

The Board of Directors establishes a capital plan to ensure that the Bank at all times has a total capital ratio which meets regulatory requirements and expectations. In order to have better flexibility in terms of strategic choices and business opportunities, the Bank maintains a higher level of capital than the requirement calculated on the basis of ICAAP.

The Group maintains a strong capital buffer and met the capital requirements as of December 31, 2024, with a Common Equity Tier 1 (CET1) ratio of 14.9 percent, a Tier 1 capital ratio of 16.7 percent, and a total capital ratio of 19.1 percent.

The minimum requirement for Common Equity Tier 1 capital was 14.9 percent as of December 31, 2024. The countercyclical capital buffer requirement was 2.5 percent, following Norges Bank's decision to maintain this level in November 2024. The purpose of the countercyclical capital buffer is to enhance banks' resilience and to mitigate the risk of banks' lending practices amplifying an economic downturn.

The capital composition requirements under Pillar 2 are set forth by the Capital Requirements Directive. In 2024, the Bank received a new Pillar 2 requirement and capital requirement guidance (P2G), effective from May 31, 2024. The new Pillar 2 requirement is set at 1.6 percent of the Pillar 1 risk exposure amount, of which at least 56.25 percent must be covered by Common Equity Tier 1 (CET1) capital. This translates to a CET1 capital requirement of 0.9 percent to meet the Pillar 2 requirement. In addition, the Financial Supervisory Authority expects the Bank to maintain a capital buffer of 1.0 percent. This capital buffer should be held as CET1 capital above the total requirements for CET1 capital ratio, Tier 1 capital ratio, and total capital ratio. Based on the current Pillar 2 decision, the Group’s internal target for CET1 capital in 2024 was set at 16.2 percent.

Sparebanken Sør uses the standard method for credit- and market risk and the basic method for operational risk, to calculate capital adequacy in accordance with the current capital adequacy rules – Basel II.

PARENT BANK		NOK million	GROUP	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
14 032	**15 114**	**Total equity**	**18 040**	**16 752**
		Tier 1 capital		
-1 085	-1 585	Hybrid capital classified as equity (AT-1)	-1 708	-1 168
0	-	Share of profit not eligible as common equity tier 1 capital	-1 273	-1 079
-102	-108	Deductions for intagible assets	-130	-113
-47	-33	Deductions for additional value adjustements	-41	-32
-237	-235	Other deductions	-149	-182
12 561	**13 153**	**Total common equity tier 1 capital**	**14 739**	**14 178**
		Other tier 1 capital		
1 085	1 585	Hybrid capital (AT-1)	1 708	1 168
		Deductions from other tier 1 capital		
13 646	**14 738**	**Total tier 1 capital**	**16 447**	**15 346**
		Additional capital supplementary to tier 1 capital		
1 750	2 100	Subordinated loan capital (T-2)	2 227	1 847
		Deductrions from additional capital		
1 750	**2 100**	**Total additional capital**	**2 227**	**1 847**
15 396	**16 838**	**Net subordinated capital**	**18 674**	**17 193**
		Calculation basis according to standard method		
48	31	Engagements with local and regional authorities	33	49
1 029	1 130	Engagements with institutions	334	326
3 645	3 370	Engagements with enterprises	5 984	5 839
8 140	7 114	Engagements with mass market	11 598	11 568
34 102	35 737	Engagements secured in property	56 885	53 810
847	1 118	Engagements which have fallen due	1 419	1 046
1 854	1 993	Engagements which are high risk	1 993	1 855
1 313	1 522	Engagements in covered bonds	1 885	1 445
5 045	7 294	Engagements in collective investment funds	2 104	1 431
969	978	Engagements, other	761	1 054
56 991	**60 288**	**Capital requirements for credit and counterparty risk**	**82 996**	**78 423**
	-	Capital requirements for position, currency and product risk	-	
4 974	5 954	Capital requirements for operational risk	6 496	5 642
141	179	CVA addition	521	575
62 106	**66 421**	**Risk-weighted balance (calculation basis)**	**90 013**	**84 641**
20.2 %	19.8 %	Common equity tier 1 capital ratio. %	16.4 %	16.8 %
22.0 %	22.2 %	Tier 1 capital ratio. %	18.3 %	18.1 %
24.8 %	25.3 %	Total capital ratio. %	20.7 %	20.3 %
12.3 %	12.9 %	Leverage ratio	9.1 %	9.0 %

Minimum capital requirments

PARENT BANK		NOK million	GROUP	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
		Minimum capital requirements		
4.50 %	4.50 %	Minimum Tier 1 capital requirements	4.50 %	4.50 %
2.50 %	2.50 %	Conservation buffer	2.50 %	2.50 %
4.50 %	4.50 %	Systemic risk buffer	4.50 %	4.50 %
2.50 %	2.50 %	Counter-cyclical buffer	2.50 %	2.50 %
1.70 %	1.60 %	Pilar 2 requirements *	1.60 %	1.70 %
14.96 %	14.90 %	CET1 requirements, incl. Pilar 2	14.90 %	14.96 %
16.78 %	16.70 %	Tier1 Capital requirements, incl. Pilar 2	16.70 %	16.78 %
19.20 %	19.10 %	Total capital requirements, incl. Pilar 2	19.10 %	19.20 %
9 291	9 897	CET1 requirements, incl. Pilar 2	13 412	12 662
10 421	11 092	Tier1 Capital requirements, incl. Pilar 2	15 032	14 203
11 924	12 686	Total capital requirements, incl. Pilar 2	17 193	16 251
3 270	3 256	Above CET1 requirements, incl. Pilar 2	1 327	1 516
3 224	3 645	Above Tier1 Capital requirements, incl. Pilar 2	1 415	1 144
3 471	4 151	Above total capital requirements, incl. Pilar 2	1 482	942

* of which 0.90% CET1 requirements

4. Segment reporting

Sparebanken Sør has three operating segments: Retail Market (RM), Corporate Market (CM) and real estate (Sørmegleren). The Bank's own investment activities are not a separate reporting segment and are included under 'Undistributed'. For more information about the segments, refer to accounting policies. Retail Market (RM) and Corporate Market (CM) deviate in this context from retail customers and corporate customers in reporting on sectors and industries.

The different segments recognise actual revenue and expenses related to loans and deposits as revenue and expenses in the balance sheet. All employees are related to the different segments. When there is a liquidity shortfall in the segments, an interest expense is calculated based on an internal rate, which is determined each month.

The Group's branch offices are located in Agder, Rogaland, Vestfold and Telemark. The Group also has customers in other geographical areas, who are served by the established offices. Loans are broken down geographically in Note 9.

None of the Group's customers individually account for more than 10 percent of turnover. This applies to both 2024 and 2023.

Report per segment			Banking business			31.12.2024
NOK MILLION	RM	CM	Undistrib. and elimin.	Total banking business	Sørmegleren	Total
Net interest and commision income	1 460	1 295	560	3 315	-1	3 315
Net other operating income	216	107	107	429	169	598
Operating expenses	687	239	297	1 223	158	1 380
Profit before losses per segment	**990**	**1 162**	**371**	**2 522**	**10**	**2 532**
Losses on loans and guarantees	-3	82	-3	75		75
Profit before tax per segment	**993**	**1 080**	**374**	**2 447**	**10**	**2 457**
Gross loans to customers	89 479	44 634	-229	133 885		133 885
Impairment losses	-51	-393	0	-444		-444
Net loans to customers	89 429	44 241	-229	133 441		133 441
Other assets			42 948	42 948	120	43 068
Total assets per segment	**89 429**	**44 241**	**42 719**	**176 389**	**120**	**176 509**
Deposits from customers	36 097	29 771	8 349	74 216		74 216
Other liabilities	53 332	14 471	16 330	84 132	120	84 253
Total liabilities per segment	**89 429**	**44 241**	**24 679**	**158 349**	**120**	**158 469**
Equity			18 040	18 040		18 040
Total liabilities and equity per segment	**89 429**	**44 241**	**42 719**	**176 389**	**120**	**176 509**

Report per segment			Banking business			31.12.2023
NOK MILLION	RM	CM	Undistrib. and elimin.	Total banking business	Sørmegleren	Total
Net interest and commision income	1 325	1 220	498	3 043	-0	3 043
Net other operating income	189	94	89	373	158	530
Operating expenses	471	147	522	1 140	158	1 297
Profit before losses per segment	**1 044**	**1 167**	**65**	**2 276**	**-0**	**2 276**
Losses on loans and guarantees	5	44	-0	49		49
Profit before tax per segment	**1 039**	**1 123**	**65**	**2 227**	**-0**	**2 227**
Gross loans to customers	85 253	42 931	-225	127 959		127 959
Impairment losses	-58	-367	-2	-426		-426
Net loans to customers	85 195	42 565	-228	127 532		127 532
Other assets			29 780	29 780	95	29 875
Total assets per segment	**85 195**	**42 565**	**29 553**	**157 312**	**95**	**157 407**
Deposits from customers	34 189	28 601	6 481	69 272		69 272
Other liabilities	51 005	13 963	6 319	71 288	95	71 383
Total liabilities per segment	**85 195**	**42 565**	**12 800**	**140 560**	**95**	**140 655**
Equity			16 752	16 752		16 752
Total liabilities and equity per segment	**85 195**	**42 565**	**29 553**	**157 312**	**95**	**157 407**

The Sparebanken Sør Group does not report segments in the Parent Bank separately. Since Sparebanken Sør Boligkreditt AS is an integral part of the Group's retail banking market, it would be misleading to report segments in the Parent Bank in isolation.

5. Credit and credit risk

Credit risk represents the largest area of risk for the Group. The Board defines the Group's credit strategy which, together with the Bank's credit policies and guidelines for credit processes, are intended to ensure that the customer portfolio has an acceptable risk profile and helps the Group maximise long-term value creation.

Sparebanken Sør has Agder, Rogaland, Telemark and Vestfold as its principal market. In addition, the Bank has a national market segment, encompassing organisations that form part of Knif and their employees.

The Bank's risk classes are as follows:

Risk classes	Lower limit of default, %	Upper limit of default, %
A	0.00	0.10
B	0.11	0.25
C	0.26	0.50
D	0.51	0.75
E	0.76	1.25
F	1.26	2.00
G	2.01	3.00
H	3.01	5.00
I	5.01	8.00
J	8.01	99.99
K	100.00	

Loan distributed in risk classes

The models used to calculate the probability of default (PD) in the next 12 months and expected credit losses (ECL) at the customer and portfolio level are based on internal and external data. Retail customers and corporate customers are scored each month and are divided into 11 classes (A – K) based on their probability of default. Class K comprises non-performing loans. For definition of non-performing loans refer note 1.

The table below shows the intervals for the different risk classes based on the probability of default.

Probability of default	
Low risk (A-D)	0,00 - 0,75%
Medium risk (E-G)	0,76 - 3,00 %
High risk (H-J)	3,01 - 100 %
Default (K)	100%

Gross loan distributed by risk classes

PARENT BANK					GROUP			
31.12.2023		**31.12.2024**		**NOK MILLION**	**31.12.2024**		**31.12.2023**	
				Retail banking customers:				
20 189	72.0 %	19 061	69.2 %	Low risk	67 565	78.2 %	65 305	79.2 %
7 082	25.2 %	7 838	28.4 %	Medium risk	17 270	20.0 %	15 118	18.3 %
659	2.4 %	548	2.0 %	High risk	1 379	1.6 %	1 743	2.1 %
27 931		**27 447**		**Total non-matured or written down**	**86 214**		**82 165**	
129	0.5 %	113	0.4 %	Non-performing	229	0.3 %	251	0.3 %
28 060	**100%**	**27 560**	**100%**	**Total retail banking customers**	**86 443**	**100%**	**82 416**	**100%**
				Corporate customers:				
22 030	49.9 %	22 197	48.5 %	Low risk	23 677	49.9 %	23 173	50.9 %
16 389	37.1 %	18 291	40.0 %	Medium risk	18 435	38.9 %	16 578	36.4 %
4 951	11.2 %	3 971	8.7 %	High risk	4 031	8.5 %	5 005	11.0 %
43 371		**44 460**		**Total non-matured or written down**	**46 143**		**44 755**	
788	1.8 %	1 296	2.8 %	Non-performing	1 299	2.7 %	788	1.7 %
44 159	**100%**	**45 756**	**100%**	**Total corporate customers**	**47 442**	**100%**	**45 543**	**100%**
72 218		**73 316**		**Total gross loans**	**133 885**		**127 959**	

Total commitments distributed by risk classes

Total commitments include the balance of approved loans and credit to customers, any unused portion of approved loans, guarantee limits and granted guarantees.

PARENT BANK					GROUP			
31.12.2023		31.12.2024		NOK MILLION	31.12.2024		31.12.2023	
				Retail banking customers:				
23 909	74.0 %	22 460	70.5 %	Low risk	76 862	79.4 %	74 314	80.6 %
7 604	23.5 %	8 726	27.4 %	Medium risk	18 316	18.9 %	15 824	17.2 %
684	2.1 %	556	1.7 %	High risk	1 387	1.4 %	1 769	1.9 %
32 198		**31 742**		**Total non-matured or written down**	**96 529**		**91 907**	
130	0.4 %	119	0.4 %	Non-performing	235	0.2 %	252	0.3 %
32 328	**100%**	**31 861**	**100%**	**Total retail banking customers**	**96 800**	**100%**	**92 159**	**100%**
				Corporate customers:				
27 637	51.7 %	26 696	49.9 %	Low risk	28 374	51.1 %	28 946	52.6 %
19 698	36.8 %	21 105	39.4 %	Medium risk	21 333	38.4 %	19 890	36.1 %
5 354	10.0 %	4 231	7.9 %	High risk	4 291	7.7 %	5 408	9.8 %
52 690		**52 032**		**Total non-matured or written down**	**53 998**		**54 244**	
818	1.5 %	1 488	2.8 %	Non-performing	1 491	2.7 %	818	1.5 %
53 508	**100%**	**53 520**	**100%**	**Total corporate customers**	**55 489**	**100%**	**55 062**	**100%**
85 836		**85 381**		**Total gross loans**	**152 289**		**147 221**	

Migration between risk classes during the year

For the Group, there has been a slight negative migration in the retail market portfolio. The overall risk to the retail market portfolio is nevertheless assessed as highly satisfactory.

The business portfolio shows a migration from low risk to medium and high risk. The main emphasis is on engagement with low-risk. The classification does not take into account collateral, only solvency.

Maximum credit risk

Maximum exposure to credit risk, for the components of the balance sheet, including derivatives. Exposure is shown gross before any pledged security and permitted offsets.

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
		Assets		
5 012	8 352	Loans and advances to credit institutions	4 602	468
71 815	71 815	Net loans to costumers	133 524	127 532
21 998	21 998	Bonds and certificates	31 042	24 156
931	1 037	Financial derivatives	3 789	2 002
99 756	**103 201**	**Total credit risk exposure from balance sheet**	**172 957**	**154 158**
		Financial guarantee commitments, unutilised credits and loan approvals		
1 717	1 419	Guarantees	1 419	1 717
987	2 251	Unutilised credits to credit institutions		
9 942	8 900	Unutilised credits	15 203	15 587
1 958	1 746	Loan approvals	1 746	1 958
14 605	**1 419**	**Total financial guarantee commitments, unutilised credits and loan approvals**	**1 419**	**19 262**
114 361	**104 620**	**Total credit risk exposure**	**174 376**	**173 420**

Collateral

The Group uses a variety of collateral to reduce risk depending on the market and type of transaction. The main principle for assessing collateral is that the value is estimated to what it would be in a situation where the Bank needs the collateral. Except for commitments where impairments have been recognised, the value of the collateral is calculated on a going concern basis. The valuation of collateral takes into account the estimated sales cost. The main types of collateral used are mortgages secured on dwellings (residential/ commercial), personal guarantees (consumer guarantees and surety), registrable movable property (inventory, plant and machinery) and receivables. The estimated value of residential as collateral for loans is updated quarterly (Property value), while collateral for other loans is updated when new credit applications are processed or commitments followed up, at the very least. The Group's loans generally have very good collateral.

Collateral in the retail market

Mortgages constitute a major part of the retail market portfolio, and the Group's mortgage portfolio has the following LTV (Loan to Value) distribution.

Loan to value ratio (LTV) loans secured by permanent housing as at 31.12.2024

	PARENT BANK		GROUP	
LTV 31.12.2024	NOK MILLION	%	NOK MILLION	%
Below 40 %	3 872	14.3 %	18 010	21.0 %
40 - 50 %	3 286	12.1 %	13 827	16.1 %
50 - 60 %	4 152	15.3 %	17 288	20.1 %
60 - 70 %	4 091	15.1 %	16 395	19.1 %
70 - 75 %	2 724	10.0 %	8 694	10.1 %
75 - 80 %	4 699	17.3 %	6 782	7.9 %
80 - 85 %	2 034	7.5 %	2 312	2.7 %
85 - 90 %	1 098	4.0 %	1 241	1.4 %
90 - 95 %	417	1.5 %	476	0.6 %
95 - 100 %	175	0.6 %	222	0.3 %
Over 100 %	607	2.2 %	663	0.8 %
TOTAL	**27 155**	**100%**	**85 910**	**100%**

Loan to value ratio (LTV) loans secured by permanent housing as at 31.12.2023

	PARENT BANK		GROUP	
LTV 31.12.2023	NOK MILLION	%	NOK MILLION	%
Below 40 %	3 723	13.4 %	16 535	20.2 %
40 - 50 %	3 053	11.0 %	12 717	15.5 %
50 - 60 %	4 337	15.7 %	16 717	20.4 %
60 - 70 %	4 788	17.3 %	15 844	19.3 %
70 - 75 %	2 946	10.6 %	7 830	9.5 %
75 - 80 %	3 840	13.9 %	6 706	8.2 %
80 - 85 %	2 214	8.0 %	2 586	3.2 %
85 - 90 %	1 258	4.5 %	1 416	1.7 %
90 - 95 %	524	1.9 %	574	0.7 %
95 - 100 %	260	0.9 %	300	0.4 %
Over 100 %	768	2.8 %	816	1.0 %
TOTAL	**27 711**	**100%**	**82 041**	**100%**

It should be noted that the LTV ratio is based on a traditional ratio where the entire loan is placed in the interval where the “last part” of the loan belongs. This means that the real LTV ratio will be lower than shown in the table. For a loan that is embedded with a high loan-to-value ratio, only part of this loan volume will be in the interval with a high loan-to-value ratio, while most of the loan will be in the lower intervals.

Collateral in the commercial market

The measurement and assessment of collateral for corporate loans are more complex than for the retail market and will be subject to greater uncertainty in estimates at the portfolio level. However, the Bank frequently reviews the collaterals in its loan portfolio on an individual level.

6. Description of the loss model under IFRS 9

Impairment model

The model assessing the impairment of financial assets under IFRS 9, applies to financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income. The standard was implemented on 1 January 2018. See Note 1 for accounting policies related to descriptions. The same calculation model is used for the Group, mortgage company and Parent Bank, but with different dates being defined for initial recognition.

Provision must be made for expected losses, based on relevant information available at the time of reporting, including historical, current and future information. The loss is shown in the accounts before a loss event has occurred, and future expectations are included in the calculations.

Loss allowances are calculated on the basis of probability of default (PD), loss given default (LGD) and exposure at default (EAD). The principal rule is that the loss provision is calculated on the basis of an expected credit loss over the next 12 months or an expected credit loss over the whole term. Expected credit loss over the whole term is calculated for assets where the credit risk has increased significantly since initial recognition, with the exception of assets which are nevertheless assessed as having a low absolute credit risk on the reporting date. If there has not been a significant increase in credit risk since initial recognition, a loss provision will be calculated for an expected credit loss in the next 12 months. IFRS 9 also introduces requirements for loss provisions on new loans, by recognising loss allowance for expected credit losses as a result of expected default over the next 12 months.

Assessment of a significant increase in credit risk

The Bank uses the PD-level as the main criteria to assess a significant increase in credit risk. A significant increase in credit risk is assessed based on both the relative increase in PD and the absolute change. It requires the relative change to be significant and the level of risk itself to be not insignificant compared with that considered to be a low risk. In addition, any large absolute change must, under any circumstances, be regarded as a significant increase.

The limits for significant increase and PD checks are summarised in the table below:

Parameter	RM	CM
Absolute limit (a)	0.625 %	0.625 %
Relative change (b)	2	2
Absolute change ©	5%	5%

Relative change (b) corresponds to PD having doubled from approval to the time of calculation in order to be defined as significantly worsened.

The absolute limit corresponds to risk class D.

If the economic cycle or national/regional development trends indicate that there is a higher risk in individual sectors/industries, this is included by changing the PD level of customers in the sectors/industries concerned.

PD as basis for expected loss

The PD model gives PD at customer level, 12 months ahead. At the end of 2024, there is no lifetime PD model.

When calculating the expected credit loss over the lifetime of the commitment, it is the probability of default over the same lifetime that should be used. A methodology has been developed to estimate PD over a commitment's lifetime. This is based on breaking lifetime down into separate years and estimating PD for each year ahead in time.

Validations showes that the models overestimate. Since the loss model is expected oriented, calibrating PD is done to an excepted oriented estimate before used in the loss model.

Population

The model is intended to calculate expected loss for all customers, at account level and on not already recognised losses. Loss is calculated based on the situation statement at the end of the month. For loans where the credit risk has increased significantly after initial recognition, an impairment loss must be recognised for expected credit losses over the term of the loans. All model calculations are made at account level. Data that exists only at customer level is linked to individual accounts. For example, risk class is allocated at the customer level so that all the customers' accounts have the same score. The most important variables in the extract are risk class and PD with associated interest, balance, approval and collateral at the time of calculation.

Loans approved but not discounted at the calculation date, must also be included in the basis of calculation.

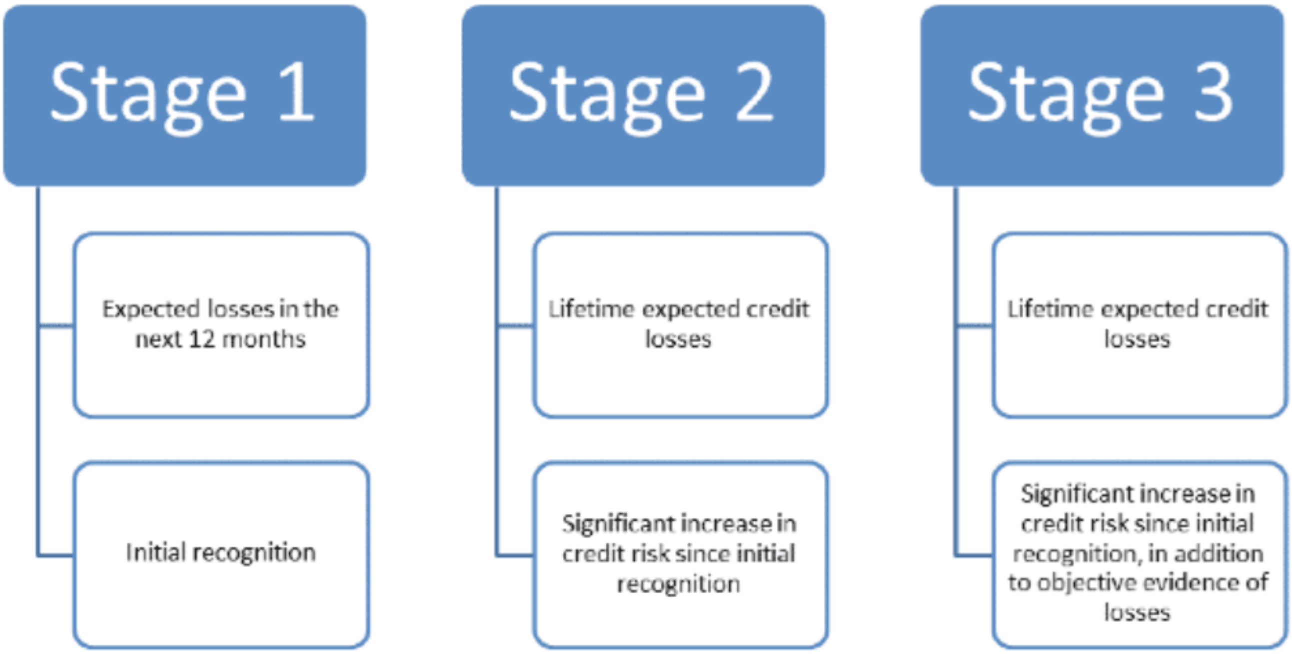
Under IFRS 9, an expected loss must also be calculated on receivables from central banks and credit institutions. The Group has no loss provisions with respect to these receivables for the financial year 2024. The low-risk exemption in IFRS 9 is used because the main emphasis on lending to credit institutions is linked to Norwegian banks. These have an assignment in risk class B and a PD of 0.175 percent. LGDs are considered to be low as they have good ratings from external rating agencies. The Group considers that the condition of low credit risk is met on the balance sheet date and that the expected loss will be completely insignificant.

After the dataset has been defined, the various account commitments are noted and allocated to the different stages. Allocation to one of the three "stages" in the model is based on their change in risk since initial recognition (change of credit risk). For a description of the individual "stages", see the subsequent explanations. All commitments are placed in stage 1 upon initial recognition, and are subsequently moved to stage 2 or 3 if there has been a significant increase in credit risk. Commitments for which qualitatively assessed loss allowance have been recognised are excluded from the model-based calculation of loss allowance. Qualitatively assessed loss allowance are added to those in stage 3.

Non-performing account commitments are defined in the model as all account commitments where the customer has risk class K. Default is defined at the customer level for both mass market and corporate customers. For an overview of the Bank's risk classes, refer to Note 5 –Credit and credit risk.

A customer's exposure is classified as defaulted if a payment obligation is past due by more than 90 days, and the overdue amount exceeds both 1 percent of the outstanding exposure and NOK 1,000 for retail customers or NOK 2,000 for corporate customers (payment default). A customer's commitment is defined as non performing if it is likely that the borrower will not fulfill its obligations due to objective requirements. See note 1 for a description of when qualitative assessments are made.

When a customer has one or several defaulted loans, it is the customer's total commitment which is reported as default and not the individual loan. See also Note 10.



Stage 1

In most cases, this is the starting point for all financial assets that come under the general impairment model. Financial instruments that have the same credit risk as at initial recognition and which have not been classified in stage 2 or 3 are covered by this stage. The estimated expected losses recognised in the balance sheet are equivalent to the expected losses over the next 12 months.

Stage 2

Financial assets that have had a significant increase in credit risk since initial recognition are placed in stage 2. Whether an account commitment has had a significant change or not, is defined as a function of the probability of default (PD) on the measurement date and the probability of default on the date of loan approval. Expected losses on assets in stage 2 are calculated over the remaining term of the asset.

The model has the following additional indicators and overriding rules for customer commitments (loans to customers):

- For commitments that qualify for a one-year loss calculation (stage 1), a check will be made of whether there is a 30-day default/account overdrawn. If so, the commitment will be transferred to lifetime calculation (stage 2). This applies to overdrawn accounts from the first Norwegian krone, but older than 30 days.

- For commitments that qualify for a one-year loss calculation (stage 1), a check will be made of whether there is a larger overdraft. If so, the commitment will be transferred to lifetime calculation (stage 2). This applies to overdrawn amounts that are relatively larger than the credit limit, starting from the first day.

- Commitments with changed payment obligations (ex. instalment deferral) or refinancing resulting from payment issues (forbearance) are automatically moved to stage 2 (if initially under stage 1) .
- The commitments are also checked against an internal watch list that will detect commitment-specific forward-looking risk.

Stage 3

Stage 3 of the impairment model includes assets that have had a significant change in credit risk since initial recognition and where there is objective evidence of loss at the time of reporting. In this stage, the model calculates an expected loss over the remaining term of the asset. If individual loss allowance has been recognised, these override the model-based calculation.

Qualitative assessments are made when observable data related to significant financial issues are present. If the Bank, based on economic and contractually matters related to the customers financial issues, has provided any forbearances, and it is likely that the customer will go bankrupt or exposed to a financial reorganisation. If observable data related to impairment are present, a future reduction in cash flow will be evaluated.

The same model is used for the Group, Parent Bank and a wholly owned mortgage company, but with different dates being defined for initial recognition. At Group level, the account's approval date is used, while the transfer date is used for the mortgage company. As a rule, the approval date will be used for the Parent Bank, unless the account has been registered in the mortgage company. If so, the date of transfer to the Parent Bank is used.

Estimated losses will be calculated based on 12 months' probability of default (PD), loss given default (LGD) and exposure at default (EAD). The dataset contains historical data about the observed probability of default (PD) and loss given default (LGD). This will form the basis for producing estimates of future PD and LGD values. The Bank's PD model gives PD at customer level, one year ahead. The Bank does not have a lifetime PD model. When calculating expected credit loss over the lifetime of the commitment, it is the probability of default over the same lifetime that should be used.

Migration to a lower stage

A commitment that has migrated to step 2 may migrate back to step 1 if it no longer fulfils the criteria for migration mentioned above. There is no quarantine period before a commitment can migrate to a lower stage, except if the loan has been given a forbearance mark. For migration from step 3 to step 1 or step 2 the quarantine rules after default, will apply. All the customer accounts are in step 3 of the quarantine period. Commitments that have defaulted will migrate to step 1 or 2 when they are no longer in default.

Forbearance and probation

Commitments with forbearance are debt contracts where forbearance are granted to a debtor who has, or is in the process of getting, difficulties in meeting their financial obligations.

Commitments provided with forbearance may be performing or initially non-performing. The commitments are listed as forbearance in the data warehouse. Factors causing forbearance will be changes in repayments, e.g. installments postponements and refinancing as a result of payment issues.

When a commitment is listed forbearance, a transfer to stage 2 automatically will take place from stage 1. If the commitment is in stage 2 or 3 initially, no transfers will take place. In case of forbearance, PD may be adjusted.

If a commitment is listed forbearance there is a probation period, before the commitment is regarded as performing and transferring back to stage 1.

Macro and scenario

The Group has adopted a macro model that calculates estimated changes in PD. The PD values from the macro model are used further into the IFRS9 model.

The model contains data for macroeconomic conditions, and relevant parameters must be adjusted to take account of any changes in economic climate or macro conditions before the model can be run. The parameters are primarily established based on the Monetary Policy Report/Financial Stability Report from Norges Bank, as well as the latest available data on unemployment and housing prices.

The following macro parameters are used in the model:

1. Level of key policy rate
2. Growth in unemployment
3. Growth in house prices
4. National growth in GDP
5. Exchange rate related to import
6. Oil price (USD)

Macroeconomic variables as a basis of scenarios:

	2024	2025	2026	2027	2028
Housing price %	2.7	5.4	6.6	5.3	5.3
Housing price region %	5.0	5.4	6.6	5.3	5.3
Unemployment %	4.0	4.1	4.1	4.0	4.0
Oilprice, $	81.0	73.0	71.0	69.0	69.0
Key policy rate	4.5	4.1	3.4	3.0	3.0
Import-weighted exchange rate	120.2	121.0	121.0	121.0	121.0
USD	11.1	11.2	11.2	11.2	11.2
GDP %	3.2	2.6	2.8	2.4	2.4

Sparebanken Sør has largely secured loans in real estate, and setting parameters for house prices (including real estate) is considered to be a parameter that has a major impact on LGD (Loss Given Default).

In addition, there is a great deal of uncertainty associated with future unemployment, and the determination of this parameter is also of significant importance for the Group’s model-calculated loss impairments.

Three scenarios are defined in the model; realistic (base) scenario, optimistic scenario and pessimistic scenario. All scenarios are applicable with effect from the date of calculation. This means that the first scenario period is in progress at the time of calculation. This is done so that the scenarios will have an impact on the whole calculation, including stages 1 and 3. The background to the assessments is an overall assessment of all the central elements affecting the development of the Norwegian and regional economy, and whether these factors suggest that changes should be made to the PD and/or LGD level in individual sectors, product and market segments or the whole portfolio.

The realistic (base) scenario is a macroeconomic scenario that represents expected future economic growth over the next 5 years. The realistic scenario is comparable to the ICAAP scenario Base Case. The scenario is based on an expectation of stable and moderate global economic growth, as well as stable growth in the Norwegian economy over the next 5 years. It is further expected that regional economic growth over the next 5 years will be on a par with the rest of the country.

The optimistic scenario is a macroeconomic scenario that represents an economic upturn with strong economic growth. Positive development and strong economic growth over the next 5 years are expected in this scenario. Oil prices will rise, and the Norwegian economy will experience strong economic growth. Regional economic growth is expected to be on a par with the rest of the country.

The pessimistic scenario represents a downturn, with weak economic growth. The pessimistic scenario may represent an economic downturn based on a 25-year cycle, but one that will be considerably milder than the credit crisis in the early 1990s. In this scenario, it is expected that growth in emerging markets will decline. Increased protectionism will create barriers to trade and global economic growth will stall. Oil prices fall and taken together with weak economic growth among our most important trading partners, this will lead to weak development and growth in the Norwegian economy. Regional economic growth is expected to be on a par with the rest of the country.

The Bank has further assessed the scenarios described above and weighted them to determine ECL. Weighting was performed based on an expectation that a realistic scenario will occur in 3 out of 5 years (60 percent probability), while the other two scenarios will occur in 1 out of 5 years (20 percent probability each).

Parameter	RM	CM
Weighted optimistic scenario	20.00%	20.00%
Weighted realistic scenario	60.00%	60.00%
Weighted pessimistic scenario	20.00%	20.00%

Sensitivities

Sparebanken Sør largely has loans secured by property. This is one of the parameters that affect LGD the most. Because the Group has a large proportion of mortgages in real estate, a sensitivity analysis has been performed relating to the changes in the portfolio’s collateral. The analysis has been carried out over the coming year by assuming a fall in collateral figures of 10, 20 and 30 percent respectively. The changes have the following impact on the Group’s loss expense:

			GROUP 31.12.2024
Loan loss provisions NOK MILLION	**10 percent reduction in collateral**	**20 percent reduction in collateral**	**30 percent reduction in collateral**
- Loan loss provisions, CM	78	174	241
- Loan loss provisions, RM	21	49	76
Total	**99**	**223**	**317**

Loan loss provisions NOK MILLION	10 percent reduction in collateral	20 percent reduction in collateral	PARENT BANK 31.12.2024 30 percent reduction in collateral
- Loan loss provisions, CM	77	172	239
- Loan loss provisions, RM	8	19	27
Total	**86**	**191**	**265**

Loan loss provisions NOK MILLION	10 percent reduction in collateral	20 percent reduction in collateral	GROUP 31.12.2023 30 percent reduction in collateral
- Loan loss provisions, CM	73	162	267
- Loan loss provisions, RM	22	49	83
Total	**94**	**211**	**350**

Loan loss provisions NOK MILLION	10 percent reduction in collateral	20 percent reduction in collateral	PARENT BANK 31.12.2023 30 percent reduction in collateral
- Loan loss provisions, CM	72	160	264
- Loan loss provisions, RM	9	20	34
Total	**81**	**180**	**298**

Validation

The purpose of validating the IFRS 9 system is to confirm that, both the model and the process, is working as intended and provides the best estimates. The system shall provide the best estimate for expected credit loss (ECL), based on access to information and knowledge at the reporting date. Calculations and assumptions are subjected to an annual validation. The validation provides a report investigated by the Validation Committee. Based on the results there will be an assessment related to the satisfactory of the model and process – and any needs for adjustments.

Changes in the loss model in 2024

Only PD scenarios have been modified according to macro data forecasts. No other significant changes have been made as of 2024.

7. Losses and impairments on loans, guarantees and undrawn credit facilities

Losses on loans

The provision for credit losses and the impairment charge for the period have been calculated in accordance with IFRS 9, based on expected credit loss (ECL) using the three-stage approach, as described in Note 6.

The various elements contained in losses and loss allowances, guarantees and undrawn credit facilities are discussed under Note 1 Accounting Policies and Note 5 Credit Area and Credit Risk. Reference is also made to Chapter 3 of the report, which covers Risk Management.

Macroeconomic Developments and Credit Loss Provisions in recent years, the macroeconomic environment has undergone significant changes. Market volatility has increased, with more frequent fluctuations, driven by the COVID-19 pandemic, followed by a more uncertain macroeconomic landscape characterised by heightened geopolitical tensions, high inflation, and rising interest rates. The Group's credit loss provisions for 2024 are based on updated assumptions as of December 31, 2024.

Model-based credit losses are calculated using the Bank's IFRS 9 model, which also incorporates variables from a macroeconomic model. This macro model is based on current probability of default (PD) levels and aims to project expected developments.

Throughout 2024, macroeconomic conditions have shown a positive shift, resulting in changes to operating conditions for both corporate and retail customers. Lending rates appear to have stabilised, and inflation has subsided. However, 2024 has also seen a significant decline in new home sales and a continued reduction in construction activity.

During the same period, however, housing prices in the Bank's primary market area have experienced positive developments. In 2024, property prices in the Group's core markets remained in line with the national average.

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
19	-27	Period's change in write-downs stage 1	-27	16
22	-12	+Period's change in write-downs stage 2	-10	21
-3	66	+Period's change in write-downs stage 3	65	-4
6	50	+ Period's confirmed loss	50	6
14	-1	+ Periodic amortisation expense	-1	14
10	7	- Period's recoveries relating to previous losses	7	10
0	0	+ Change in write downs on guaranties	0	-
5	4	+ Losses from fraud cases	4	5
53	**73**	**Loss expenses during the period**	**75**	**49**

The balance of confirmed losses as at 31 December 2024 was NOK 91 million. The equivalent figure as at 31 December 2023 was NOK 99 million. This applies to loans which have been derecognised and that the Group is still working to collect.

Provisions for loan losses by stage

PARENT BANK				31.12.2024	GROUP			
Stage 1 Expected losses in the next 12 months	Stage 2 Lifetime expected credit losses	Stage 3 Lifetime expected credit losses	Total	NOK MILLION	Total	Stage 3 Lifetime expected credit losses	Stage 2 Lifetime expected credit losses	Stage 1 Expected losses in the next 12 months
116	**209**	**121**	**446**	**Provisions for loan losses as at 01.01.**	**470**	**124**	**221**	**124**
				Transfers				
30	-22	-8	0	Transferred to stage 1	0	-8	-25	33
-9	29	-20	0	Transferred to stage 2	0	-21	31	-10
-3	-19	22	0	Transferred to stage 3	0	22	-19	-3
25	42	14	81	Losses on new loans	89	14	45	29
-35	-41	-31	-108	Losses on deducted loans *	-114	-32	-45	-38
-36	-1	74	37	Losses on older loans and other changes	39	75	4	-40
88	**197**	**171**	**456**	**Provisions for loan losses as at 31.12**	**484**	**175**	**212**	**96**
74	185	157	417	Provisions for loan losses	444	161	200	83
13	12	14	40	Provisions for losses on guarantees and undrawn credits	40	14	12	14
88	**197**	**171**	**456**	**Total provision for losses as at 31.12.**	**484**	**175**	**212**	**96**

* Losses on derecognised loans relate to losses on loans that have been repaid.
The table also includes write-downs on off-balance sheet items (undrawn credit facilities and guarantees). These are presented as other liabilities in the balance sheet.

PARENT BANK				31.12.2023	GROUP			
Stage 1 Expected losses in the next 12 months	Stage 2 Lifetime expected credit losses	Stage 3 Lifetime expected credit losses	Total	NOK MILLION	Total	Stage 3 Lifetime expected credit losses	Stage 2 Lifetime expected credit losses	Stage 1 Expected losses in the next 12 months
98	**186**	**122**	**406**	**Provisions for loan losses as at 01.01.**	**434**	**126**	**199**	**110**
				Transfers				
58	-53	-5	0	Transferred to stage 1	0	-6	-56	61
-9	19	-10	0	Transferred to stage 2	0	-10	20	-10
-1	-5	6	0	Transferred to stage 3	0	6	-5	-1
53	61	7	122	Losses on new loans	128	7	64	57
-20	-33	-23	-76	Losses on deducted loans *	-84	-24	-37	-24
-63	33	24	-6	Losses on older loans and other changes	-8	25	36	-69
116	**209**	**121**	**446**	**Provisions for loan losses as at 31.12**	**470**	**124**	**221**	**124**
99	187	117	403	Provisions for loan losses	427	121	199	107
16	23	4	43	Provisions for losses on guarantees and undrawn credits	43	4	23	17
116	**209**	**121**	**446**	**Total provision for losses as at 31.12.**	**470**	**124**	**221**	**124**

* Losses on derecognised loans relate to losses on loans that have been repaid.
The table also includes write-downs on off-balance sheet items (undrawn credit facilities and guarantees). These are presented as other liabilities in the balance sheet.

Expected annual average net loss

Loss allowance totaling NOK 484 million was recognised in connection with losses on loans, guarantees and unused credit facilities as of 31 December 2024 (NOK 470 million as of 31 December 2023). These relate to different risk classes.

All commitments to the corporate market are priced individually based on, among other things, risk, profitability requirement and competitive situation. Pricing therefore reflects the risk relating to the commitment, and margins obtained are generally greater at higher risk.

Mortgage loans are priced using a price matrix which reflects both loan to value and risk classification.

The Group has made provisions for expected losses using both qualitative assessments and the IFRS 9 loss model. This has led to somewhat greater fluctuations in the loss expense over the year.

The year 2024 has been marked by consistently elevated interest rates, a historically weak NOK exchange rate, and robust wage growth, while also seeing inflationary pressures moderating towards the targeted inflation rate.

GROUP/PARENT BANK 2023				Corporate Customers excl. Self-employed				GROUP/PARENT BANK 2024
Stage 1 Expected losses in the next 12 months	**Stage 2** Lifetime expected credit losses	**Stage 3** Lifetime expected credit losses	**Total**	**NOK MILLION**	**Total**	**Stage 3** Lifetime expected credit losses	**Stage 2** Lifetime expected credit losses	**Stage 1** Expected losses in the next 12 months
89	**170**	**82**	**340**	**Provisions for loan losses as at 01.01.**	**395**	**95**	**192**	**107**
				Transfers				
53	-50	-4	0	Transferred to stage 1	0	-4	-19	23
-8	18	-9	0	Transferred to stage 2	0	-17	26	-9
-1	-4	5	0	Transferred to stage 3	0	21	-19	-3
50	56	6	111	Losses on new loans	74	14	38	22
-18	-28	-12	-58	Losses on deducted loans *	-98	-28	-37	-34
-56	31	27	2	Losses on older loans and other changes	48	77	0	-29
107	**192**	**95**	**395**	**Provisions for loan losses as at 31.12**	**418**	**159**	**181**	**78**
92	171	92	355	Provisions for loan losses	384	146	170	68
15	22	3	40	Provisions for losses on guarantees and undrawn credits	34	13	11	10
107	**192**	**95**	**395**	**Total provision for losses as at 31.12.**	**418**	**159**	**181**	**78**

* Losses on derecognised loans relate to losses on loans that have been repaid.
The table also includes write-downs on off-balance sheet items (undrawn credit facilities and guarantees). These are presented as other liabilities in the balance sheet.

				Retail Customers incl. Self-employed				
	PARENT BANK			31.12.2024		GROUP		
Stage 1 Expected losses in the next 12 months	**Stage 2** Lifetime expected credit losses	**Stage 3** Lifetime expected credit losses	**Total**	**NOK MILLION**	**Total**	**Stage 3** Lifetime expected credit losses	**Stage 2** Lifetime expected credit losses	**Stage 1** Expected losses in the next 12 months
9	**17**	**26**	**51**	**Provisions for loan losses as at 01.01.**	**75**	**29**	**29**	**17**
				Transfers				
7	-3	-4	0	Transferred to stage 1	0	-4	-5	10
-1	4	-3	0	Transferred to stage 2	0	-3	5	-1
0	-1	1	0	Transferred to stage 3	0	1	-1	0
3	4	0	7	Losses on new loans	15	0	8	7
-2	-5	-3	-10	Losses on deducted loans *	-16	-4	-8	-4
-7	0	-4	-11	Losses on older loans and other changes	-8	-2	4	-11
10	**16**	**12**	**38**	**Provisions for loan losses as at 31.12**	**65**	**16**	**31**	**18**
7	15	11	33	Provisions for loan losses	60	15	30	15
3	1	1	5	Provisions for losses on guarantees and undrawn credits	6	1	1	3
10	**16**	**12**	**38**	**Total provision for losses as at 31.12.**	**65**	**16**	**31**	**18**

				Retail Customers incl. Self-employed				
	PARENT BANK			31.12.2023		GROUP		
Stage 1 Expected losses in the next 12 months	**Stage 2** Lifetime expected credit losses	**Stage 3** Lifetime expected credit losses	**Total**	**NOK MILLION**	**Total**	**Stage 3** Lifetime expected credit losses	**Stage 2** Lifetime expected credit losses	**Stage 1** Expected losses in the next 12 months
9	**16**	**40**	**66**	**Provisions for loan losses as at 01.01.**	**94**	**44**	**29**	**21**
				Transfers				
4	-3	-2	0	Transferred to stage 1	0	-2	-6	8
-1	1	0	0	Transferred to stage 2	0	-1	2	-1
0	-1	1	0	Transferred to stage 3	0	1	-1	0
4	5	1	10	Losses on new loans	16	2	8	7
-2	-5	-11	-18	Losses on deducted loans *	-26	-12	-9	-5
-7	3	-3	-7	Losses on older loans and other changes	-9	-3	5	-12
9	**17**	**26**	**51**	**Provisions for loan losses as at 31.12**	**75**	**29**	**29**	**17**
7	16	25	48	Provisions for loan losses	72	29	28	15
2	1	0	3	Provisions for losses on guarantees and undrawn credits	3	0	1	2
9	**17**	**26**	**51**	**Total provision for losses as at 31.12.**	**75**	**29**	**29**	**17**

Impairment by sector, industry and stage

PARENT BANK					GROUP			
Stage 1	Stage 2	Stage 3	Loss allowances as of 31.12.2024	NOK MILLION	Loss allowances as of 31.12.2024	Stage 3	Stage 2	Stage 1
5	12	10	28	Retail customers	54	14	26	14
3	1	0	4	Public administration	4	0	1	3
2	2	0	4	Primary Industry	5	0	2	2
3	7	24	34	Manufactoring industry	34	24	7	3
18	24	22	64	Real estate development	64	22	24	18
2	18	34	54	Building and construction industry	54	34	18	2
40	99	47	186	Property management	186	47	99	40
1	0	1	2	Transport	2	1	0	1
4	7	17	28	Retail trade	28	17	7	4
1	3	1	5	Hotel and restaurants	5	1	3	1
3	5	4	12	Housing cooperatives	12	4	5	3
2	7	5	14	Financial/commercial services	14	5	7	2
5	11	7	23	Sosial services	23	7	11	5
88	**197**	**171**	**456**	**Total impairment losses on loans, guarantees and undrawn credit**	**484**	**175**	**212**	**96**
74	185	157	417	*Impairment losses on lending*	444	161	200	83
13	12	14	40	*Impairment losses on unused credits and guarantees*	40	14	12	14
88	**197**	**171**	**456**	**Total impairment losses**	**484**	**175**	**212**	**96**

PARENT BANK					GROUP			
Stage 1	Stage 2	Stage 3	Loss allowances as of 31.12.2023	NOK MILLION	Loss allowances as of 31.12.2023	Stage 3	Stage 2	Stage 1
6	13	20	39	Retail customers	61	23	24	14
2	0	0	2	Public administration	2	0	0	2
2	4	0	6	Primary Industry	6	0	4	2
2	3	0	5	Manufactoring industry	5	0	3	2
29	37	21	87	Real estate development	87	21	37	29
4	24	15	43	Building and construction industry	44	15	25	4
48	95	35	178	Property management	178	35	95	48
1	1	1	3	Transport	3	1	1	1
7	10	9	26	Retail trade	26	9	10	7
1	3	2	6	Hotel and restaurants	6	2	3	1
3	3	0	6	Housing cooperatives	6	0	3	3
3	4	6	13	Financial/commercial services	13	6	4	3
7	13	11	31	Sosial services	32	11	13	7
116	**209**	**121**	**446**	**Total impairment losses on loans, guarantees and undrawn credit**	**470**	**124**	**221**	**124**
99	187	117	403	*Impairment losses on lending*	427	121	199	107
16	23	4	43	*Impairment losses on unused credits and guarantees*	43	4	23	17
116	**209**	**121**	**446**	**Total impairment losses**	**470**	**124**	**221**	**124**

The presentation of industries is based on official industrial codes and is grouped as the Group reports these internally.

8. Loans broken down by stage

Change in gross loans by stage

31.12.2024								
PARENT BANK				NOK MILLION	GROUP			
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
60 160	**11 144**	**914**	**72 218**	**Gross loans as at 01.01**	**127 959**	**1 057**	**14 822**	**112 080**
1 914	-1 830	-84	-	Transferd to stage 1	-	-106	-2 781	2 887
-4 114	4 408	-294	-0	Transferd to stage 2	-0	-330	6 851	-6 521
-322	-337	659	-	Transferd to stage 3	-0	702	-368	-334
36	-104	21	-47	Net change on present loans	-1 558	6	-193	-1 371
17 997	3 802	114	21 914	New loans	41 298	145	4 657	36 496
-17 196	-3 348	-195	-20 739	Derecognised loans	-33 785	-227	-4 480	-29 078
-29			-29	Change in value during the period	-29	-	-	-29
58 445	**13 734**	**1 136**	**73 316**	**Gross loans as at 31.12**	**133 885**	**1 248**	**18 508**	**114 129**
			51 064	Of which loan at amortised cost	128 909			
			17 276	Of which loan at fair value through OCI				
			4 976	Of which loan at fair value	4 976			
74	185	157	417	Impairment losses on lending	444	161	200	83
0.13 %	1.35 %	13.83 %	0.57 %	Impairments in % of gross loans	0.33 %	12.91 %	1.08 %	0.07 %
68 945	**15 145**	**1 291**	**85 381**	**Commitments**	**152 289**	**1 397**	**19 991**	**130 901**
88	197	171	456	Impairment losses on commitments	484	175	212	96
0.13 %	1.30 %	13.27 %	0.53 %	Impairments in % of commitments	0.32 %	12.55 %	1.06 %	0.07 %

* Loans at fair value have previously been reported on a separate row in note 8. These loans are included in the annual report as part of step 1. This is because these loans are valued on an ongoing basis at fair value and are not included in the model calculations in accordance with IFRS 9.

31.12.2023								
PARENT BANK				NOK MILLION	GROUP			
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
57 445	**9 802**	**442**	**67 689**	**Gross loans as at 01.01**	**124 237**	**637**	**12 726**	**110 874**
2 476	-2 439	-37	-	Transferd to stage 1	-	-77	-3 284	3 361
-3 501	3 556	-55	0	Transferd to stage 2	-	-82	5 667	-5 585
-397	-170	567	-	Transferd to stage 3	-	667	-215	-452
-767	-791	0	-1 557	Net change on present loans	-4 054	-3	-896	-3 156
20 742	3 805	67	24 613	New loans	39 698	32	4 351	35 315
-15 869	-2 617	-71	-18 558	Derecognised loans	-31 952	-118	-3 527	-28 308
31			31	Change in value during the period	31	-	-	31
60 160	**11 144**	**914**	**72 218**	**Gross loans as at 31.12**	**127 959**	**1 057**	**14 822**	**112 080**
			49 431	Of which loan at amortised cost	123 742			
			18 570	Of which loan at fair value through OCI				
			4 217	Of which loan at fair value	4 217			
99	187	117	403	Impairment losses on lending	427	121	199	107
0.16 %	1.68 %	12.80 %	0.56 %	Impairments in % of gross loans	0.33 %	11.45 %	1.34 %	0.10 %
71 982	**12 906**	**949**	**85 836**	**Commitments**	**147 221**	**1 071**	**16 648**	**129 502**
116	209	121	446	Impairment losses on commitments	470	124	221	124
0.16 %	1.63 %	12.75 %	0.52 %	Impairments in % of commitments	0.32 %	11.58 %	1.33 %	0.10 %

* Loans at fair value have previously been reported on a separate row in note 8. These loans are included in the annual report as part of step 1. This is because these loans are valued on an ongoing basis at fair value and are not included in the model calculations in accordance with IFRS 9.

PARENT BANK								
31.12.2023				NOK MILLION				31.12.2024
Stage 1	Stage 2	Stage 3	Total	Gross loan assessed at amortised cost	Total	Stage 3	Stage 2	Stage 1
39 637	**7 588**	**376**	**47 602**	**Gross loans assessed at amortised cost 01.01**	**49 431**	**828**	**8 461**	**40 142**
2 088	-2 059	-29	-	Transferd to stage 1	-	-79	-1 497	1 575
-2 949	3 002	-53	-	Transferd to stage 2	-	-285	3 814	-3 529
-387	-165	552	-	Transferd to stage 3	0	636	-323	-313
-182	-771	-11	-964	Net change on present loans	232	18	-78	291
10 135	2 238	41	12 415	New loans	10 109	105	2 366	7 633
-8 201	-1 372	-49	-9 622	Derecognised loans	-8 703	-160	-1 718	-6 825
40 142	**8 461**	**828**	**49 431**	**Gross loan assessed at amortised cost 31.12**	**51 064**	**1 064**	**11 026**	**38 975**

PARENT BANK								
31.12.2023				NOK MILLION				31.12.2024
Stage 1	Stage 2	Stage 3	Total	Gross loan through other comprehensive income	Total	Stage 3	Stage 2	Stage 1
13 273	**2 213**	**65**	**15 551**	**Gross loan through other comprehensive income 01.01**	**18 570**	**83**	**2 683**	**15 804**
389	-380	-8	-	Transferd to stage 1	-	-5	-334	339
-552	555	-2	-	Transferd to stage 2	-0	-9	594	-585
-10	-5	15	-	Transferd to stage 3	-0	23	-14	-9
-188	-20	12	-197	Net change on present loans	-114	3	-27	-90
10 056	1 567	24	11 646	New loans	10 346	7	1 436	8 902
-7 163	-1 246	-22	-8 430	Derecognised loans	-11 526	-35	-1 630	-9 861
15 804	**2 683**	**83**	**18 570**	**Gross loan through other comprehensive income 31.12**	**17 276**	**68**	**2 709**	**14 499**

Change in undrawn credits and guarantees (off balance) by stage

				31.12.2024				
PARENT BANK				NOK MILLION				GROUP
Stage 1	Stage 2	Stage 3	Total	UNDRAWN CREDITS AND GUARANTEES (off balance)	Total	Stage 3	Stage 2	Stage 1
11 806	**1 772**	**40**	**13 618**	**Undrawn credits and guarantees as at 01.01.**	**19 262**	**40**	**1 837**	**17 628**
325	-322	-3	0	Transferd to stage 1	-	-3	-342	344
-551	552	-1	-0	Transferd to stage 2	-	-1	595	-593
-104	-41	145	-	Transferd to stage 3	-	145	-41	-104
-1 042	-564	16	-1 590	Net change on present loans	-1 292	16	-561	-748
1 915	454	3	2 372	New loans	3 173	3	462	2 950
-1 877	-430	-25	-2 333	Derecognised loans	-2 738	-25	-456	-2 257
10 472	**1 421**	**175**	**12 068**	**Undrawn credits and guarantees as at 31.12**	**18 404**	**175**	**1 494**	**17 220**

				31.12.2023				
PARENT BANK				NOK MILLION				GROUP
Stage 1	Stage 2	Stage 3	Total	UNDRAWN CREDITS AND GUARANTEES (off balance)	Total	Stage 3	Stage 2	Stage 1
10 413	**906**	**57**	**11 376**	**Undrawn credits and guarantees as at 01.01.**	**16 436**	**58**	**957**	**15 422**
145	-139	-6	0	Transferd to stage 1	-	-6	-152	159
-654	655	-1	0	Transferd to stage 2	-	-1	703	-702
-10	-66	76	-	Transferd to stage 3	0	76	-66	-10
914	-297	-48	568	Net change on present loans	693	-48	-318	1 059
2 574	886	4	3 464	New loans	4 014	4	889	3 362
-1 577	-171	-43	-1 791	Derecognised loans	-1 880	-43	-175	-1 663
11 806	**1 772**	**40**	**13 618**	**Undrawn credits and guarantees as at 31.12**	**19 262**	**40**	**1 837**	**17 628**

Change in gross loans between retail customers including self-employed and corporate customers excluding self-employed

31.12.2024				RETAIL CUSTOMERS INCLUDING SELF-EMPLOYED				
PARENT BANK				NOK MILLION				GROUP
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
26 282	**4 259**	**178**	**30 718**	**Gross loans as at 01.01**	**86 550**	**351**	**7 936**	**78 262**
808	-789	-18	-0	Transferred to stage 1	-0	-40	-1 740	1 780
-1 251	1 276	-24	0	Transferred to stage 2	-	-60	3 719	-3 658
-17	-26	43	-	Transferred to stage 3	-0	86	-57	-29
-307	-57	-9	-373	Net change on present loans	-1 883	-12	-146	-1 725
11 685	1 884	9	13 577	New loans	32 872	11	2 739	30 122
-11 738	-1 935	-53	-13 726	Derecognised loans	-26 772	-86	-3 066	-23 620
25 462	**4 611**	**125**	**30 197**	**Gross loans as at 31.12**	**90 766**	**249**	**9 385**	**81 132**

31.12.2023				RETAIL CUSTOMERS INCLUDING SELF-EMPLOYED				
PARENT BANK				NOK MILLION				GROUP
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
24 246	**3 699**	**167**	**28 112**	**Gross loans as at 01.01**	**84 702**	**346**	**6 623**	**77 733**
838	-822	-16	0	Transferred to stage 1	-	-56	-1 667	1 723
-1 134	1 147	-13	0	Transferred to stage 2	-	-40	3 257	-3 218
-44	-22	66	-	Transferred to stage 3	-	166	-67	-99
-330	-43	-6	-379	Net change on present loans	-2 876	-10	-147	-2 719
11 990	1 847	25	13 862	New loans	28 995	37	2 393	26 565
-9 284	-1 547	-46	-10 877	Derecognised loans	-24 271	-93	-2 456	-21 723
26 282	**4 259**	**178**	**30 718**	**Gross loans as at 31.12**	**86 550**	**351**	**7 936**	**78 262**

PARENT BANK/GROUP				CORPORATE CUSTOMERS EXCLUDING SELF EMPLOYED				
31.12.2023				NOK MILLION				31.12.2024
Stage 1	Stage 2	Stage 3	Total	GROSS LOANS	Total	Stage 3	Stage 2	Stage 1
33 140	**6 102**	**292**	**39 535**	**Gross loans as at 01.01**	**41 409**	**707**	**6 885**	**33 817**
1 638	-1 618	-21	-	Transferred to stage 1	0	-65	-1 041	1 106
-2 367	2 410	-42	-	Transferred to stage 2	-0	-269	3 133	-2 863
-353	-148	501	-	Transferred to stage 3	0	616	-311	-305
-437	-749	7	-1 178	Net change on present loans	326	18	-48	355
8 781	1 958	-5	10 733	New loans	8 397	134	1 918	6 345
-6 585	-1 071	-25	-7 681	Derecognised loans	-7 013	-142	-1 413	-5 458
33 817	**6 885**	**707**	**41 409**	**Gross loans as at 31.12**	**43 119**	**999**	**9 123**	**32 996**

The presentation between retail and corporate customers is divided according to official sector codes. In these tables, self-employed are allocated to retail customers. The tables are not comparable with other distributions in other notes.

Sparebanken Sør Boligkreditt AS only has customers classified as retail customers in this note. For corporate customers, the tables for the parent bank and group will therefore be the same.

9. Loans broken down by type, geographical area, sector and industry

Gross loans by type

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
		Loans valued at amortised cost		
7 442	7 131	Overdraft- and working capital facilities	21 844	19 956
4 075	4 150	Building loans	4 150	4 075
37 525	39 387	Repayment loans	102 395	99 198
49 043	**50 668**	**Total loans valued at amortised cost**	**128 389**	**123 229**
		Loan designated at fair value		
18 570	17 276	Mortgages (fair value - OCI)		
4 217	4 976	Fixed rate loans (fair value - through profit and loss)	4 976	4 217
22 787	**22 252**	**Total loans designated at fair value**	**4 976**	**4 217**
388	396	Accrued interest	520	513
72 218	**73 316**	**TOTAL GROSS LOANS**	**133 885**	**127 959**
-403	-417	Impairment losses on lending	-444	-427
71 815	**72 899**	**TOTAL NET LOANS**	**133 441**	**127 532**

For impairments, see Note 7 Losses and impairments on loans, guarantees and undrawn credit facilities.

Gross loans by geographical area

PARENT BANK					GROUP			
31.12.2023		31.12.2024		NOK MILLION	31.12.2024		31.12.2023	
43 611	60.4 %	44 485	60.7 %	Agder	82 783	61.8 %	79 712	62.3 %
		10 214	13.9 %	Telemark	16 585	12.4 %		
		2 545	3.5 %	Vestfold	3 990	3.0 %		
12 607	17.5 %			Vestfold and Telemark			19 562	15.3 %
5 586	7.7 %	6 010	8.2 %	Oslo	11 879	8.9 %	10 917	8.5 %
		1 433	2.0 %	Akershus	4 531	3.4 %		
2 296	3.2 %			Viken			6 147	4.8 %
2 835	3.9 %	2 884	3.9 %	Rogaland	5 309	4.0 %	4 960	3.9 %
5 282	7.3 %	5 745	7.8 %	Other counties	8 808	6.6 %	6 661	5.2 %
72 218	**100.0 %**	**73 316**	**100.0 %**	**Total gross loans**	**133 885**	**100.0 %**	**127 959**	**100.0 %**

As a result of policy changes in the public sector, some municipalities and counties have been merged and divided. Hence, the 31.12.2024 setup and figures are not comparable to previous period.

The geographical breakdown is based on the customer’s home/business address.

Gross loans by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
28 060	27 560	Retail customers	86 443	82 416
360	440	Public administration	440	360
1 560	1 503	Primary industry	1 659	1 683
915	1 094	Manufacturing industry	1 172	979
4 855	4 691	Real estate development	4 691	4 856
1 890	2 163	Building and construction industry	2 480	2 196
22 715	23 892	Property management	23 835	22 644
563	529	Transport	631	647
1 354	1 418	Retail trade	1 567	1 501
396	370	Hotel and restaurant	401	422
2 382	2 712	Housing cooperatives	2 712	2 382
1 309	1 177	Financial/commercial services	1 563	1 594
5 859	5 766	Social services	6 291	6 280
0	0	Accrued interests	0	0
72 218	**73 316**	**TOTAL GROSS LOANS**	**133 885**	**127 959**
403	417	Impairment losses on lending*	444	426
71 815	**72 899**	**TOTAL NET LOANS**	**133 441**	**127 532**

*Impairment losses on lending relate only to loans to customers and do not include impairment losses on unused credit and guarantees.

The breakdown is based on official industry codes and corresponds to the Groups internal reporting.

Guarantees by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
8	9	Retail customers	9	8
328	29	Public administration	29	328
2	3	Primary industry	3	2
414	432	Manufacturing industry	432	414
347	303	Real estate development	303	347
175	206	Building and construction industry	206	175
138	141	Property management	141	138
52	53	Transport	53	52
165	159	Retail trade	159	165
11	13	Hotel and restaurant	13	11
0	0	Housing cooperatives	0	0
32	36	Financial/commercial services	36	32
45	35	Social services	35	45
1 717	**1 419**	**TOTAL GUARANTEES**	**1 419**	**1 717**

Undrawn credits by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
4 261	4 292	Retail customers	10 395	9 735
577	676	Public administration	676	577
448	318	Primary industry	341	463
359	415	Manufacturing industry	424	364
1 619	624	Real estate development	624	1 620
1 017	779	Building and construction industry	813	1 049
1 663	1 781	Property management	1 818	1 665
76	81	Transport	88	82
689	813	Retail trade	830	703
55	69	Hotel and restaurant	70	56
288	10	Housing cooperatives	10	288
316	256	Financial/commercial services	310	365
532	532	Social services	587	579
11 901	**10 646**	**TOTAL UNDRAWN CREDITS**	**16 985**	**17 545**

Commitments by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
32 328	31 861	Retail customers	96 847	92 159
1 264	1 145	Public administration	1 145	1 264
2 010	1 825	Primary industry	2 003	2 148
1 688	1 941	Manufacturing industry	2 028	1 758
6 821	5 617	Real estate development	5 618	6 823
3 082	3 148	Building and construction industry	3 499	3 420
24 516	25 815	Property management	25 794	24 447
691	663	Transport	771	780
2 208	2 389	Retail trade	2 556	2 368
463	452	Hotel and restaurant	484	489
2 670	2 722	Housing cooperatives	2 722	2 670
1 658	1 470	Financial/commercial services	1 909	1 991
6 437	6 333	Social services	6 912	6 904
0	0	Accrued interests	0	0
85 836	**85 381**	**TOTAL COMMITMENTS**	**152 289**	**147 221**

10. Non-performing commitments

Non-performing is the failure of a borrower to fulfill its obligations towards the Bank. Borrower's obligations include financial claims (payment default) and other obligations which it is likely that the borrower will not fulfill.

A customer's exposure is classified as defaulted if a payment obligation is past due by more than 90 days, and the overdue amount exceeds both 1 percent of the outstanding exposure and NOK 1,000 for retail customers or NOK 2,000 for corporate customers (payment default). All commitments in stage 3 are defined as non-performing commitments.

A customer's commitment is also defined as default if it is probable that the borrower will not fulfill its obligations due to objective requirements:

- Loss write-downs have been registered on the customer's obligation
- Incurred losses have been recognised for the customer
- A bankruptcy petition has been filed, or the customer has been declared bankrupt
- The customer has applied for or is in a debt settlement
- A company has been requested to be dissolved, or a forced dissolution has been decided
- Sales of credits due to deteriorating credit quality

In addition to direct payment default, default will also occur if other objective reasons or qualitative assessments and credit impairments are present. Default will also occur in the following situations:

"Forebearance": This can be defined as a combination of financial problems and concessions from the Bank's side, where the Bank has provided terms and conditions that would not be given to a "healthy" customer.

"Unlikeliness to pay": This can be a covenant breach, or other information about the customer where it needs to be assessed whether this has significance for default.

New infection and quarantine rules have also been introduced, which entail transmission of infection to co-borrowers in cases where a joint loan is defaulted. Furthermore, there will be a quarantine period of 3 to 12 months from the disappearance of the default until the customer is declared fit for loan repayment.

Non-performing commitments

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
949	**1 291**	**Total non-performing loans (step 3)**	**1 397**	**1 071**
121	171	Impairement losses in stage 3	175	124
828	**1 119**	**Net non-performing loans**	**1 222**	**946**
12.7 %	13.3 %	Provisioning non-performing loans	12.5 %	11.6 %
1.31%	1.76%	Total non-performing loans (step 3) in % of gross loans	1.04%	0.84%

Gross non-performing commitments by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
130	106	Retail customers	212	252
818	1 185	Corporate customers	1 185	818
949	**1 291**	**Total defaulted commitments**	**1 397**	**1 071**
0	0	Public administration	0	0
8	1	Primary industry	1	8
5	98	Manufacturing industry	98	5
177	421	Real estate development	421	177
85	69	Building and construction industry	69	85
418	464	Property management	464	418
6	1	Transport	1	6
37	47	Retail trade	47	37
12	18	Hotel and restaurant	18	12
0	32	Housing cooperatives	32	0
29	23	Financial/commercial services	23	29
41	10	Social services	10	41
818	**1 185**	**Total corporate customers**	**1 185**	**818**

The weighted average collateral coverage was 84 percent for non-performing commitments as of 31 December 2024 and 86 percent as of 31 December 2023. Collateral coverage is the extent of the pledged security linked to each loan and cannot exceed 100 percent.

Forbearance

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
1 863	3 129	Step 2	4 541	2 301
491	493	Step 3	523	632
2 354	**3 622**	**Total exposures with forbearance measures**	**5 064**	**2 833**

Commitments provided with forbearance are debt contracts where payment facilities have been granted to a debtor who has, or is about to have, problems in fulfilling his financial obligations. Commitments provided with forbearance may be performing or initially non-performing. If a customer receives payment relief, the whole customer commitment will be in forbearance. Factors causing forbearance will be changes in repayments, e.g. installments postponements and refinancing as a result of payment issues. When a commitment is listed forbearance, a transfer to stage 2 automatically will take place, if initially in stage 1. If the commitment is in stage 3 already, no transfers will take place. If a commitment is listed forbearance and later regarded as performing, there is a quarantine before transferring back to stage 1.

In 2024, new procedures for labeling forbearance have been implemented for advisors. This has resulted in enhanced competence and more accurate customer classification. Combined with higher costs and elevated interest rates, this has led to an increase in the volume of forbearance-labeled customers.

11. Exchange rate risk

The table states the net currency position for Sparebanken Sør, including financial derivatives. Under the Bank’s internal rules, the maximum effect on profit in the event of a 25 percent movement in exchange rates must not be more than NOK 10 million.

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
4	2	Net foreign currency position	2	4
1	**1**	**Income effect at 25% change**	**1**	**1**

12. Interest rate risk

Interest rate risk is the risk of loss that arises from changes in interest rates if the interest rate commitment periods for the Bank's obligations and claims are not coincident. Interest rate risk that arises from the Group's ordinary business in the form of fixed-rate customer loans, interest rate derivatives with customers, fixed-rate investments, and financing with fixed interest rates and in currency, is continuously hedged. The Bank's interest rate risk exposure is measured by taking into account uncovered balance and derivative positions.

The Group is exposed to fixing risk within a term of 3 months. If large parts of the liability side receive a new interest rate at one point, and large parts of the asset side receive a new interest rate at another point within this three-month period, re-pricing risk arises, which in given scenarios can result in a less favorable result for the company than otherwise could have been the case.

Interest rate risk is assessed using the Economic Value of Equity (EVE) method based on a stress test scenario where the entire interest rate curve experiences a parallel shift of 2 percentage points, and an assessment of how 6 stress test scenarios with different twists in the interest rate curve affect the company's positions. The case that gives the largest potential for loss is used to determine the interest rate risk.

At the Group level, the board has approved a risk tolerance level for interest rate risk using the EVE method. The framework also includes interest rate risk in currency. At the end of 2024, Sparebanken Sør's interest rate risk was measured to be NOK 91 million using the EVE method.

Interest rate sensitivity

The tables below show the financial consequences of given changes to interest rates for the Group and the parent bank's balance sheet total. The Bank measures and manage interest rate risk based on six different shock scenarios across 19 time-bands, cf. EBA Guideline 2022/14 and the Financial Supervisory Authority's guidelines. The six interest rate shock scenarios are as follows:

1. Parallel shock up
2. Parallel shock down
3. Steepener shock – short rates down, long rates up
4. Flattener shock – short rates up, long rates down
5. Short rates shock up
6. Short rates shock down

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
-1	-21	Parallel shock up 2 %	-49	-47
1	21	Parallel shock down 2 %	49	47
30	20	Steepener shock	87	72
-30	-20	Flattener shock	-87	-72
29	-25	Short rates shock up 3 %	-91	-71
-29	25	Short rates shock down 3 %	91	71

Calculations of interest rate risk using the Net Interest Income (NII) method are also prepared. This method is assessed as the effect on net interest income for all assets and liabilities with an interest rate shock of 2 percentage points within a time horizon of 1 year. At the end of 2024, Sparebanken Sør's interest rate risk measured by the NII method was NOK 384 million.

13. Liquidity risk

Liquidity risk is the risk of the Group being unable to meet its obligations or being unable to fund ordinary lending growth.

Liquidity risk is managed through the Group's liquidity strategy, general guidelines and procedures, and through established loan approval authorisations. Key operational management parameters are the requirement for deposit-to-loan ratio, indicator value of long-term funding, stress indicator for liquidity coverage within 30 days (LCR) and, in addition, guidelines for ability to survive in situations where there is no access to market funding. The liquidity risk is also managed by securing funding from the capital market with various maturities, funding sources and instruments. Periodic stress testing of liquidity risk is carried out, and there are established contingency and recovery plans for the Group.

Deposits from customers are the Bank's most stable source of funding. The Board of Directors emphasises that the ratio between deposits from customers and lending must be adapted to the Group's overall funding situation. As at 31 December 2024, the Group's deposit-to-loan ratio was 55.6 percent, up from 54.3 percent on 31 December 2023.

In addition, Sparebanken Sør Boligkreditt AS is an important funding instrument, ensuring access to long-term funding through the issuance of covered bonds. In order to issue covered bonds, mortgage loans equivalent to 70 percent of all loans to the retail market were transferred from the Bank to the mortgage loan company as at 31 December 2024 (66 percent as at 31 December 2023).

Target requirements adopted by the Board of Directors for the Bank's liquidity risk comply with guidelines issued by the Financial Supervisory Authority of Norway. At year-end, Sparebanken Sør fulfilled the Board-adopted requirements.

The Group has an extensive liquidity reserve in the form of liquid interest-bearing securities. The Bank also has mortgages cleared for transfer to the mortgage company. At year-end, the Bank's interest-bearing liquidity portfolio, composed of government securities, other zero-weighted securities, covered bonds and municipal bonds, totaled NOK 31.0 billion.

The Bank's short-term liquidity risk is managed partly through the Liquidity Coverage Requirement (LCR) imposed by the authorities. At the end of 2024, the LCR indicator for Sparebanken Sør was 199 percent (156 percent at 31 December 2023). This is sufficient to meet all projected liquidity maturities within the next 30 days under a stress scenario. The requirement was 100 percent at 31 December 2024. The requirement is applicable at all times.

The Group's liquidity risk is followed up through periodic reporting to Group Management and the Board of Directors.

Liquidity risk

The tables show cash flows including contractual interest maturity. As such, the figures cannot be reconciled with the balance sheet.

NOK MILLION	Total	Up to 1 mth.	From 1 mth. to 3 mths.	From 3 mths. to 1 year	From 1 year to 5 years	GROUP 31.12.2024 Over 5 years
Liabilities /non-derivative obligations						
Debts to credit institutions	5 793	3 580	27	1 065	1 121	0
Deposits from customers	74 408	59 512	7 250	7 647		
Debt incurred due to issue of securities	73 506	21	509	13 912	58 702	363
Other liabilities	1 007	186	212	575	27	6
Senior non-preferred	9 267	62	5 023	2 791	8	1 384
Subordinated loan capital	2 384	20	12	445	1 461	445
Loan commitments and unused credit facilities	17 545	17 545				
Total liabilities	**183 910**	**80 925**	**13 033**	**26 434**	**61 320**	**2 198**
Derivative obligations						
Financial derivatives gross settlement						
Payment	-44 018	-13 563	-3 359	-5 629	-21 466	0
Payment received	49 271	13 960	4 204	6 291	24 817	0
Total derivative obligations	**5 253**	**396**	**845**	**662**	**3 351**	**0**

NOK MILLION	Total	Up to 1 mth.	From 1 mth. to 3 mths.	From 3 mths. to 1 year	From 1 year to 5 years	PARENT BANK 31.12.2024 Over 5 years
Liabilities /non-derivative obligations						
Debts to credit institutions	6 325	4 112	27	1 065	1 121	0
Deposits from customers	74 440	59 544	7 250	7 647		
Debt incurred due to issue of securities	8 015	0	84	1 038	6 531	363
Other liabilities	2 100	788	816	446	22	28
Senior non-preferred	9 267	62	5 023	2 791	8	1 384
Subordinated loan capital	2 384	20	12	445	1 461	445
Loan commitments and unused credit facilities	12 887	12 887				
Total liabilities	**115 418**	**77 412**	**13 212**	**13 431**	**9 143**	**2 219**
Derivative obligations						
Financial derivatives gross settlement						
Payment	-18 171	-13 563	-3 359	-500	-749	0
Payment received	19 286	13 960	4 204	394	729	0
Total derivative obligations	**1 115**	**396**	**845**	**-106**	**-20**	**0**

NOK MILLION	Total	Up to 1 mth.	From 1 mth. to 3 mths.	From 3 mths. to 1 year	From 1 year to 5 years	GROUP 31.12.2023 Over 5 years
Liabilities /non-derivative obligations						
Debts to credit institutions	3 800	1 526	0	0	1 254	1 020
Deposits from customers	69 558	57 672	4 426	7 460		
Debt incurred due to issue of securities	62 118	21	390	7 509	54 198	0
Other liabilities	1 102	185	259	590	31	39
Senior non-preferred	8 276	62	6 983	299	0	933
Subordinated loan capital	2 030	5	20	583	1 422	0
Loan commitments and unused credit facilities	19 503	19 503				
Total liabilities	**166 388**	**78 974**	**12 077**	**16 440**	**56 905**	**1 991**
Derivative obligations						
Financial derivatives gross settlement						
Payment	-50 452	-16 187	-7 027	-666	-26 572	0
Payment received	53 750	16 059	7 709	556	29 426	0
Total derivative obligations	**3 297**	**-128**	**681**	**-110**	**2 854**	**0**

NOK MILLION	Total	Up to 1 mth.	From 1 mth. to 3 mths.	From 3 mths. to 1 year	From 1 year to 5 years	PARENT BANK 31.12.2023 Over 5 years
Liabilities /non-derivative obligations						
Debts to credit institutions	3 913	1 638	0	0	1 254	1 020
Deposits from customers	69 575	57 689	4 426	7 460		
Debt incurred due to issue of securities	7 774	0	61	2 209	5 503	0
Other liabilities	2 022	714	767	471	31	39
Senior non-preferred	8 276	62	6 983	299	0	933
Subordinated loan capital	2 030	5	20	583	1 422	0
Loan commitments and unused credit facilities	11 900	11 900				
Total liabilities	**105 490**	**72 009**	**12 257**	**11 023**	**8 210**	**1 991**
Derivative obligations						
Financial derivatives gross settlement						
Payment	-24 606	-16 187	-7 027	-666	-725	0
Payment received	25 030	16 059	7 709	556	706	0
Total derivative obligations	**424**	**-128**	**681**	**-110**	**-20**	**0**

Maturity structure of issued bonds as at 31.12.2024

NOK MILLION									
ISIN Number	Ticker	Currency	Nominal	Owned by the bank	Recognised value	Fair value	Reference rate	Payment-structure	Final maturity
NO0010735418	SOR34 PRO	NOK	500		504	504	Fixed rate	No installments	12.05.2025
NO0010754849	SOR41 PRO	NOK	300		293	296	Fixed rate	No installments	23.12.2025
NO0012703455	SOR72 PRO	NOK	850		839	849	Fixed rate	No installments	21.12.2026
NO0012703448	SOR73 PRO	NOK	400		400	405	NIBOR 3 mths	No installments	21.12.2026
NO0012446493	SOR68 PRO ESG	NOK	899		886	889	Fixed rate	No installments	22.02.2027
NO0012446485	SOR67 PRO ESG	NOK	1 099		1 106	1 111	NIBOR 3 mths	No installments	22.02.2027
NO0012780909	SOR76 PRO	NOK	500		501	509	NIBOR 3 mths	No installments	13.12.2027
NO0012780917	SOR75 PRO	NOK	500		501	510	NIBOR 3 mths	No installments	13.12.2028
NO0013330506	SOR88 PRO	NOK	699		701	702	NIBOR 3 mths	No installments	13.09.2027
NO0013330514	SOR87 PRO	NOK	999		1 001	1 003	NIBOR 3 mths	No installments	13.09.2029
NO0013330498	SOR86 PRO	NOK	299		289	289	Fixed rate	No installments	13.09.2034
Issued by Parent bank				**-**	**7 021**	**7 067**			
NO0010832637	SORB28	NOK	5 750		5 756	5 766	NIBOR 3 mths	No installments	24.09.2025
XS2555209381		EUR	500		5 956	5 957	Fixed rate	No installments	14.11.2025
XS1947550403		EUR	500		5 798	5 806	Fixed rate	No installments	06.02.2026
XS2069304033		EUR	500		5 659	5 659	Fixed rate	No installments	26.10.2026
NO0012535824	SORB32	NOK	5 500		5 522	5 556	NIBOR 3 mths	No installments	31.05.2027
NO0011002529	SORB31	NOK	7 000		7 101	7 091	NIBOR 3 mths	No installments	20.09.2027
NO0010670409	SORB08	NOK	500		508	510	Fixed rate		24.01.2028
XS2291901994		EUR	500		5 522	5 473	Fixed rate	No installments	28.01.2028
XS2389362687		EUR	500		5 430	5 375	Fixed rate	No installments	25.09.2028
NO0013214841	SORB33	NOK	6 000		6 027	6 043	NIBOR 3 mths	No installments	23.05.2029
NO0013388454	SORB34	NOK	6 250	250	6 294	6 288	NIBOR 3 mths	No installments	06.11.2029
Issued by Subsidiary					**59 573**	**59 524**			
Eliminations					**(254)**	**(253)**			
Total bonds Group					**66 340**	**66 338**			

Sparebanken Sør Boligkreditt AS is entitled to extend the term of all issued bonds by 1 year.

Accrued interest is added to fair value in order to be comparable with carrying amount.

At year-end 2024, the average remaining term to maturity of the portfolio of senior bond debt and covered bonds was 2.7 years, compared with 2.8 years at year-end 2023.

Maturity structure of issued subordinated loans as at 31.12.2024

NOK MILLION ISIN Number	Ticker	Currency	Nominal	Owned by the bank	Recognised value	Fair value	Reference rate	Payment-structure	Final maturity
NO0010887177	SOR62 PRO	NOK	350		355	356	NIBOR 3 mths	Subordinated loan capital	09.07.2030
NO0012721804	SOR74 PRO	NOK	200		199	205	Fixed rate	Subordinated loan capital	13.10.2032
NO0012843020	SOR78 PRO	NOK	400		403	407	NIBOR 3 mths	Subordinated loan capital	23.05.2033
NO0012948928	SOR81 PRO	NOK	300		300	312	NIBOR 3 mths	Subordinated loan capital	27.09.2033
NO0013209833	SOR85 PRO	NOK	250		253	258	NIBOR 3 mths	Subordinated loan capital	16.10.2034
NO0013354043	SOR90 PRO	NOK	600		610	612	NIBOR 3 mths	Subordinated loan capital	02.04.2035
Subordinated capital			**2 100**		**2 120**	**2 150**			

Maturity structure on senior non-preferred debt as at 31.12.2024

NOK MILLION ISIN Number	Ticker	Currency	Nominal	Owned by the bank	Recognised value	Fair value	Reference rate	Payment-structure	Final maturity
NO0010886781	SOR61 PRO	NOK	2 000		2 001	2 005	NIBOR 3 mths	No installments	30.06.2026
NO0011099764	SOR65 PRO	NOK	500		491	492	Fixed rate	No installments	17.09.2025
NO0010920788	SOR63 PRO	NOK	1 000		1 007	1 009	NIBOR 3 mths	No installments	10.02.2027
NO0012548926	SOR70 PRO	NOK	500		496	503	Fixed rate	No installments	14.06.2027
NO0012548918	SOR69 PRO	NOK	500		501	509	NIBOR 3 mths	No installments	14.06.2027
NO0013008052	SOR84 PRO	NOK	1 000		1 021	1 043	Fixed rate	No installments	04.09.2028
NO0012916891	SOR80 PRO	NOK	750		756	774	NIBOR 3 mths	No installments	15.05.2028
NO0012916909	SOR79 PRO	NOK	850		847	872	Fixed rate	No installments	15.05.2030
NO0013379487	SOR92 PRO	NOK	550		555	557	NIBOR 3 mths	No installments	23.10.2029
NO0013379495	SOR91 PRO	NOK	450		442	443	Fixed rate	No installments	23.10.2031
Senior non-preferred			**8 100**		**8 118**	**8 207**			

Liquidity indicators

The enterprise must at all times have a liquidity reserve (LCR). From 31 December 2017 the requirement has been 100 percent.

This means the holding of liquid assets must at least be equivalent to net cash outflow in a given stress period of 30 calendar days. The Liquidity Coverage Ratio is calculated according to the following formula and is expressed as a percentage:

$$\text{Liquidity Coverage Ratio (LCR)} = \frac{\text{Liquid assets}}{\text{Net cash outflow 30 days ahead given a stress situation}}$$

At year-end 2024, LCR was 199 percent for the Group and 162 percent for the Parent Bank. Corresponding figures for 2023 were 156 percent for the Group and 146 percent for the Parent Bank.

14. Interest income and interest expenses

Interest income

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Interest income from financial instruments at amortised cost:		
268	393	Interest on receivables from credit institutions	127	137
3 206	3 709	Interest on loans given to customers	8 096	6 776
3 474	**4 102**	**Total interest from financial instruments at amortised cost**	**8 223**	**6 913**
		Interest income from financial instruments at fair value through OCI:		
933	1 012	Interest on loans given to customers (mortgages)	-	-
933	**1 012**	**Total interest from financial instruments at fair value through OCI**	**-**	**-**
4 406	**5 114**	**Total interest income effective interest method**	**8 223**	**6 913**
		Interest income from financial instruments at fair value:		
130	147	Interest on loans given to customers (fixed rate loans)	147	130
878	1 260	Interest on certificates and bonds	1 447	1 048
1 008	**1 406**	**Total interest from financial instruments at fair value through profit or loss**	**1 594**	**1 178**
1 008	**1 406**	**Total other interest income**	**1 594**	**1 178**
5 414	**6 520**	**Total interest income**	**9 817**	**8 091**

Interest expenses

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Interest expenses from financial instruments at amortised cost:		
157	230	Interest on liabilities to credit institutions	208	154
1 795	2 559	Interest on customer deposits	2 558	1 795
428	410	Interest on issued securities	3 106	2 626
104	135	Interest on subordinated loans	135	104
304	433	Interest on senior non-perferred loans	433	304
55	51	Fees to the Norwegian Banks Guarantee Fund and other interest expenses	62	65
2 843	**3 818**	**Interest expenses from financial instruments at amortised cost**	**6 502**	**5 048**
2 843	**3 818**	**Total interest expenses**	**6 502**	**5 048**

Average interest rates

PARENT BANK					GROUP			
Average volume in NOK million		Average interest rates			Average interest rates		Average volume in NOK million	
31.12.2023	31.12.2024	31.12.2023	31.12.2024		31.12.2024	31.12.2023	31.12.2024	31.12.2023
				Assets				
6 282	7 467	4.27%	5.27%	Loans to- and receivables from credit institutions	5.18%	4.29%	2 454	3 222
72 184	72 594	5.69%	6.47%	Loans to customers	6.16%	5.36%	127 911	123 390
20 164	24 519	4.36%	5.14%	Bonds and certificates	5.11%	4.38%	28 293	23 932
				Liabilities				
4 057	5 462	3.86%	4.21%	Liabilities to credit institutions	4.18%	3.91%	4 970	3 932
5 976	7 404	5.09%	5.85%	Senior non-preferred	5.85%	5.09%	7 404	5 976
64 644	67 693	2.59%	3.41%	Deposits from customers	3.41%	2.59%	66 558	63 888
8 807	7 141	4.83%	5.71%	Liabilities related to issue of securities	5.08%	4.44%	60 935	59 156

The average interest rates is calculated, as the interest amount, as a percentage of the average volume.

15. Commission income

PARENT BANK			GROUP	
2023	2024	NOK MILLION	2024	2023
23	20	Guarantee commission	20	21
37	36	Security trading and management	36	37
215	237	Payment transmission	238	215
53	68	Insurance services	68	53
132	137	Fees from other activities	188	184
459	**498**	**Total commission income**	**549**	**509**

16. Income from financial instruments

PARENT BANK			GROUP	
2023	2024	NOK MILLION	2024	2023
31	-29	Changes in value - fixed rate loans - designated at fair value through profit	-29	31
-43	27	Changes in value - derivatives fixed rate loans - liable to fair value through profit	27	-43
-12	**-3**	**Net fixed rate loans**	**-3**	**-12**
-14	-11	Gains(losses) and change in value - certificates and bonds	-32	-19
252	346	Share dividend	36	2
-15	-11	Gains(losses) and change in value - shares	-11	-15
223	**324**	**Certificates, bonds and shares - designated at fair value through profit**	**-7**	**-31**
-53	39	Change in value - bonds at fixed interest rate - hedge accounting	-1 840	-2 470
50	-36	Change in value - derivatives fixed rate bonds - liable to fair value through profit	1 841	2 482
-3	**3**	**Net issued securities at fixed rate - hedge accounting**	**1**	**11**
0	1	Gains (losses) from buy-back of own bonds - amortised cost	-4	-2
31	30	Currency gains (losses)	30	31
0	0	Change in value of other financial instruments at fair value	0	0
5	11	Other financial derivatives - liable to fair value through profit	11	5
36	**42**	**Net other financial instruments and derivatives**	**37**	**34**
245	**366**	**Net income from financial instruments**	**28**	**3**

Changes in the value of fixed-interest loans include those associated with changes in interest rates and margins. See Note 21 for further details.

17. Payroll expenses and pensions

PARENT BANK			GROUP	
2023	2024	NOK MILLION	2024	2023
435	466	Wages to employees and fee to elected representatives*	584	550
72	79	Payroll tax	96	89
24	27	Financial tax	28	25
44	58	Pension costs	63	49
37	32	Other Personell costs	38	43
613	**661**	**Total personnel costs**	**809**	**757**
505	535	Number og FTE at 31.12	637	618
495	520	Average numer of FTE per year	628	613

*The Bank's compensation consists primarily of a fixed salary, in addition to a bonus scheme. The scheme covers all employees. Depending on the performance, the bonus scheme can result in a maximum payment of 1.5 monthly salaries per employee. Board members are not included in the bonus scheme.

In 2024, the terms for employee loans were changed. All full-time employees can borrow up to NOK 5 million on employee terms. The interest rate for the subsidised loan quota will continuously be 1.0 percentage points below the applicable standard interest rate. The interest rate on loans exceeding the subsidised loan quota will follow the standard interest rate. This is subject to the loan being within 85 percent of the market value.

Sparebanken Sør has had a savings program in equity certificates for permanent employees since 2019. The program will continue in 2025. Through this program, employees can purchase the Bank's equity certificates for fixed amounts between NOK 15 000 and NOK 65 000, with a 20 percent discount on the market price. The purchase is financed by deducting an equal amount from the employees' salaries over the next 12 months. The discount is subject to a 24-month holding period. The Bank will acquire own equity certificates in the market and subsequently resell them to its employees.

Information on benefits for senior executives and elected representatives, as well as details on loans and collateral for senior executives, is provided in the executive remuneration report available on the Bank’s website (www.sor.no).

Pensions

The Group is required to have an occupational pension scheme in accordance with the Mandatory Occupational Pensions Act and complies with the requirements of this law.

Sparebanken Sør has a defined-contribution pension scheme for all employees, with the exception of around 16 pensioners and disabled people who are covered by a closed, group pension plan.

The parent bank contribution rates are:

- Salary equivalent to 0 to 7.1 times the National Insurance basic amount, G: 7 percent
- Salary equivalent to 7.1 to 12 times G: 15 percent

In connection with the transformation of previously defined pension plans, the Bank established a compensatory scheme for employees who previously had a defined benefit pension scheme. At the end of

2024, the scheme covered 223 employees. The scheme is contribution-based. The annual agreed contribution is transferred to securities funds. The contributions to the securities funds consist of an asset furnished as security for the company, and a corresponding gross pension obligation for the employees. Employer's National Insurance contributions and financial tax are calculated and a provision made from the sum of contributions and the development in value of the securities funds. The funds are disbursed to the members upon retirement, when they leave their employ, in the event of disability or death.

For the CEO, the pension applies from 62 to 67 years. The early retirement pension is equal to 67 percent of the fixed salary.

For other EVPs of the Group management, the pension for salaries above 12 G is defined contribution - with the same rates as for salaries between 7 G and 12 G.

In addition to the above schemes, the company pays premiums to the Joint Scheme for AFP. This is a defined benefit multi-company pension scheme and is financed through premiums that are determined as a percentage of salary. For accounting purposes, the scheme is treated as a defined contribution pension scheme where premium payments are expenditure on an ongoing basis.

The obligation related to the remaining defined benefit pension scheme is to be regarded as insignificant and simplifications have therefore been made in the notes.

For employees in subsidiaries, defined contribution pension schemes have been established, all of which cover the requirements of the Act.

Pension expense and pension obligation

PARENT BANK			GROUP	
2023	**2024**	**NOK MILLION**	**2024**	**2023**
27	35	Ordinary pension expense, defined-contribution scheme	40	32
10	14	Pension expense relating to the compensatory scheme	14	10
7	8	Pension expense relating to early retirement (AFP)	8	7
0	2	Other pension costs	2	0
44	**58**	**Total pension expenses**	**63**	**49**
130	148	Capitalised pension relating to compensatory scheme	148	130
8	6	Net pension obligation, defined benefit pension	6	8
138	**154**	**Total pension obligation shown in the balance sheet**	**154**	**138**

Active members in the different schemes

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
544	608	Members defined-contribution scheme	710	657
238	223	Members compensatory scheme	223	238
12	15	Members defined benefit scheme	15	12

Sensitivity analysis pension calculation

The Bank switched its group occupational pension arrangements from a defined-benefit to a defined-contribution scheme on 1 November 2016. As a result, pension liabilities were significantly reduced. A sensitivity analysis is therefore not considered to be significant and has consequently not been performed since 2019.

18. Other operating expenses

PARENT BANK			GROUP	
2023	2024	NOK MILLION	2024	2023
39	42	Marketing	46	44
257	263	IT costs	273	268
25	27	Operating costs - real estate	30	29
28	40	External fees	39	30
34	31	Wealth tax	31	34
88	90	Other operating expenses	95	87
472	**493**	**Total other operating expenses**	**515**	**493**

Remuneration paid to auditors is included in other operating expenses and is specified as follows:

PARENT BANK			GROUP	
2023	2024	NOK THOUSAND	2024	2023
1 047	1 849	Ordinary audit fees	2 718	1 579
317	2	Tax advice	71	317
1 218	1 696	Other attestation services	1 898	1 412
2 876	227	Fees from other services	227	2 887
5 459	**3 774**	**Total remuneration of elected auditor (incl. VAT)**	**4 914**	**6 196**

PARENT BANK		GROUP
2024	NOK THOUSAND	2024
	Spesification of fees from other services	
108	Assessment of controls SWFT CSP framework	108
119	Other	119
227	**Total fees from other services**	**227**

19. Tax

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
		Tax cost for the year		
382	365	Tax payable on net income	490	478
8	-5	Recognised deferred tax	-26	-15
-1	4	Excess provision previous years	5	-9
388	**365**	**Tax cost for the year**	**468**	**454**
		Explanation of why the effective tax rate does not amount to 25% of profit before tax *		
522	572	25 % of profit before tax	614	557
9	8	Expensed wealth tax	8	9
-25	-32	Share of profit from associated company	-32	-25
-63	-84	Dividends received (tax exemption)	-6	-
-1	-12	Non-taxable income	-12	-1
4	11	Non-deductible expenses	11	4
-57	-104	Adopted customer dividends	-104	-57
-1	4	Correction of previous years' tax assessment	5	-9
		Effect of paid group contributions and other group adjustments recasting IFRS	-2	-12
		Different tax rate in subsidiaries ((22%/25%)	-14	-12
388	**365**	**Tax cost for the year**	**468**	**454**
18.6 %	**15.9 %**	**Effective tax rate %**	**19.0 %**	**20.4 %**
		Change in deferred tax		
0	0	Deferred tax recognised in the total result comprehensive income	-14	-26
8	-5	Deferred tax recognised in the profit for the year	-26	-15
8	**-5**	**Total change in deferred tax**	**-40**	**-42**
		Deferred tax		
50	49	Fixed assets	51	53
-14	-17	Securities	-22	-14
-41	-48	Loans	-48	-41
-2	-1	Pension commitments	-1	-2
27	19	Bonds loans	-630	-239
19	22	Derivatives	651	268
0	1	Subordinated loan capital	1	0
-1	16	Senior non-preferred debt	16	-1
2	-4	Other accounting provisions	-34	-2
40	**35**	**Total deferred tax**	**-18**	**23**

* Estimated tax amounts to 25% of total values.

A tax rate of 25 percent has been used when preparing the quarterly accounts for the parent bank and the subsidiary Sørlandets Forsikringssenter AS. For other subsidiaries, a 22 percent tax rate is applied.

20. Financial instruments by category

Amortised cost

Debt instruments whose sole purpose is to hold the instrument in order to collect contractual cash flows are recognised at amortised cost.

Fair value through profit or loss

All derivatives must be measured at fair value with the changes in value recognised through profit or loss.

Sparebanken Sør has also chosen to recognise holdings of interest-bearing bonds, certificates and shares at fair value through profit and loss. These are assets and liabilities that are managed, measured and reported to management at fair value.

Fixed-interest loans can be redeemed before maturity against payment for premiums or discounts arising as a result of movements in the interbank interest rate. Sparebanken Sør hedges the interest risk for this balance sheet item by entering derivatives recognised at fair value. As changes in the value of the derivatives are recognised in the income statement, recognition of fixed-interest loans at amortised cost will lead to significant fluctuations in profit. Recognition at fair value through profit or loss will therefore lead to a more harmonised comparison of the profit or loss on the derivative and changes in value of fixed-interest loans.

Fair value through other comprehensive income (OCI)

Loans to retail customers secured by residential will be classified in the Parent Bank at fair value through other comprehensive income under IFRS 9. This is a consequence of the fact that the loans can be sold at a later date to the Bank's wholly owned mortgage companies. The purpose is therefore not solely to receive contractual cash flows but also resale.

Hedge accounting

Sparebanken Sør uses hedge accounting with regard to the Bank's fixed-interest bond debt, senior non-preferred and subordinated loan capital in Norwegian kroner and foreign currencies. The hedging covers the interest rate risk and foreign exchange risk associated with the bonds. For further information about hedge accounting, see Note 1.

Classification 31.12.2024

					GROUP 31.12.2024
NOK MILLION	Fair value	Fair value through OCI	Hedge accounting	Amortised cost	Total
Cash and receivables from central banks				492	492
Loans to and receivables from credit institutions				4 602	4 602
Net loans to customers	4 976			128 466	133 441
Bonds and certificates	31 042				31 042
Shares	264				264
Financial derivatives *	917		2 872		3 789
Ownership in associated companies				2 000	2 000
Total financial assets	**37 199**	**-**	**2 872**	**135 560**	**175 632**
Debts to credit institution				5 584	5 584
Deposits from customers				74 216	74 216
Debt incurred due to issue of securities			31 680	34 660	66 340
Financial derivatives *	758		161		919
Senior non-preferred			3 297	4 821	8 118
Subordinated loan capital			199	1 921	2 120
Total financial liabilities	**758**	**-**	**35 337**	**121 202**	**157 298**

* accrued interest on derivatives is fully classified under fair value.

NOM MILLION	Fair value	Fair value through OCI	Hedge accounting	Amortised cost	PARENT BANK 31.12.2024 Total
Cash and receivables from central banks				492	492
Loans to and receivables from credit institutions				8 352	8 352
Net loans to customers	4 976	17 276		50 647	72 899
Bonds and certificates	25 687				25 687
Shares	260				260
Financial derivatives *	1 035		2		1 037
Ownership in group companies				4 240	4 240
Ownership in associated companies				2 000	2 000
Total financial assets	**31 958**	**17 276**	**2**	**65 732**	**114 968**
Debts to credit institution				6 116	6 116
Deposits from customers				74 248	74 248
Debt incurred due to issue of securities			2 809	4 211	7 021
Financial derivatives *	770		150		919
Senior non-preferred			3 297	4 821	8 118
Subordinated loan capital			199	1 921	2 120
Total financial liabilities	**770**	**-**	**6 455**	**91 318**	**98 543**

* accrued interest on derivatives is fully classified under fair value.

Classification 31.12.2023

NOK MILLION	Fair value	Fair value through OCI	Hedge accounting	Amortised cost	GROUP 31.12.2023 Total
Cash and receivables from central banks				604	604
Loans to and receivables from credit institutions				468	468
Net loans to customers	4 217			123 315	127 532
Bonds and certificates	24 156				24 156
Shares	235				235
Financial derivatives *	837		1 165		2 002
Ownership in group companies					0
Ownership in associated companies				1 537	1 537
Total financial assets	**29 445**	**-**	**1 165**	**125 923**	**156 534**
Debts to credit institution				3 530	3 530
Deposits from customers				69 272	69 272
Debt incurred due to issue of securities			31 475	25 249	56 724
Financial derivatives *	691		231		922
Senior non-preferred			2 911	4 266	7 177
Subordinated loan capital			203	1 560	1 763
Total financial liabilities	**691**	**-**	**34 820**	**103 877**	**139 388**

* accrued interest on derivatives is fully classified under fair value.

NOK MILLION	Fair value	Fair value through OCI	Hedge accounting	Amortised cost	PARENT BANK 31.12.2023 Total
Cash and receivables from central banks				604	604
Loans to and receivables from credit institutions				5 012	5 012
Net loans to customers	4 217	18 570		49 028	71 815
Bonds and certificates	21 998				21 998
Shares	235				235
Financial derivatives *	900		31		931
Ownership in group companies				2 823	2 823
Ownership in associated companies				1 537	1 537
Total financial assets	**27 349**	**18 570**	**31**	**59 003**	**104 954**
Debts to credit institution				3 643	3 643
Deposits from customers				69 289	69 289
Debt incurred due to issue of securities			4 483	2 508	6 991
Financial derivatives *	641		143		783
Senior non-preferred			2 911	4 266	7 177
Subordinated loan capital			203	1 560	1 763
Total financial liabilities	**641**	**-**	**7 739**	**81 266**	**89 646**

* accrued interest on derivatives is fully classified under fair value.

21. Fair value of financial instruments

Methods for determine fair value

General

For financial instruments, whose carrying amount is a reasonable approximation of fair value, valuation methods are not used to calculate fair value. This applies principally to assets and liabilities with short maturities (3 months) or where interest is due for payment or adjustment within a short period of time (3 months).

Loans and receivables from credit institutions

Mainly consists of short-term receivables. This means that the fair value is virtually the same as the amortised cost on the balance sheet date.

Interest rate swaps and currency swaps

The fair value of interest rate swaps is determined using valuation techniques in which the expected future cash flows are discounted to present value. The calculation of expected cash flows and the discounting of these is based on the observed market rates for different currencies and observed exchange rates. Estimated present values are checked against the corresponding estimates from the counterparties in the contracts.

Certificates and bonds

The valuation of certificates and bonds is based on future cash flows and credit risk, assessed on the balance sheet date. The valuation is based on observable market rates. The Bank’s assessment of credit risk is based on market information from a reputable provider.

Lending

Fixed-interest loans recognised at fair value are valued using valuation methods in which the anticipated future cash flows are discounted to present value. A risk-free interest rate is regarded as the interest rate on loans between particularly creditworthy banks. A premium for credit risk and margins is added on the basis of the original supplement for credit risk and margin and is adjusted in line with changes in the market's pricing of risk, the borrower's creditworthiness and margin changes in the market.

Fair value is considered to be equal to the carrying value for loans with a variable interest rate.

Borrowings

Borrowings recognised at fair value are valued at quoted prices, where available, and the securities will be traded in a liquid market. Other securities are valued using valuation techniques and the discounting of expected future cashflows. A risk-free interest rate is regarded as the interest rate on loans between particularly creditworthy banks. A premium for credit risk is added on the basis of other market players' assessments of the Bank's creditworthiness.

Deposits

For deposits at fair value are valued using valuation techniques in which the expected future cash flows are discounted to present value. A risk-free interest rate is regarded as the interest rate on loans between particularly creditworthy banks. A premium for credit risk is added on the basis of other market players' assessments of the Bank's creditworthiness. Margin premiums are added on the basis of the initial margin, but with subsequent adjustment of the margin in line with margin changes in the markets.

For floating-rate deposits, fair value is considered to equal nominal value.

Shares

Shares are valued at quoted prices where available. Other shares are valued using valuation techniques.

In some cases, shares in local companies will mostly represent support for positive action in the local community. For such shares, fair value is set to the share's cost price or nominal value. Fair value may also be written down to NOK 1 where it is evident that the shares have no commercial value.

Debt to credit institutions

Debt to credit institutions is measured in the same manner as due from credit institutions. For these instruments with short term to maturity fair value is assessed to equal amortised cost.

Classification of financial instruments

Financial instruments are classified at different levels.

Level 1:

Comprises financial assets and liabilities valued using unadjusted, observable market values. This comprises listed shares, derivatives traded on active markets and other securities with quoted market values.

Level 2:

Instruments valued using valuation techniques in which all assumptions (all input) are based on directly or indirectly observable market data. Values can be obtained from external market players or reconciled with the external market players offering these types of services.

Level 3:

Instruments valued using valuation techniques in which at least one material assumption cannot be supported by means of observable market rates. This category includes investments in unlisted companies and fixed-interest loans where the necessary market information does not exist.

PARENT BANK				31.12.2024	GROUP			
	Fair value					Fair value		
Recognised value	Level 1	Level 2	Level 3	NOK MILLION	Recognised value	Level 1	Level 2	Level 3
				Assets recognised at amortised cost				
492		492		Cash and receivables from central banks	492		492	
8 352		8 352		Loans to credit institutions	4 602		4 602	
50 647			50 647	Net loans to customers (floating interest rate)	128 466			128 466
				Assets recognised at fair value				
4 976			4 976	Net loans to customers (fixed interest rate)	4 976			4 976
17 276			17 276	Net loans to customers (mortgages)				
25 687		25 687		Bonds and certificates	31 042		31 042	
260	33		227	Shares	264	33		231
1 037		1 037		Financial derivatives	3 789		3 789	
108 727	**33**	**35 568**	**73 126**	**Total financial assets**	**173 631**	**33**	**39 926**	**133 672**
				Liabilities recognised at amortised cost				
6 116		6 116		Liabilities to credit institutions	5 584		5 584	
74 248			74 248	Deposits from customers	74 216			74 216
7 021		7 067		Liabilities from issue of securities	66 340		66 338	
8 118		8 207		Senior non-preferred	8 118		8 207	
2 120		2 150		Subordinated loan capital	2 120		2 150	
				Liabilities recognised at fair value				
919		919		Financial derivatives	919		919	
98 543	**-**	**24 459**	**74 248**	**Total financial liabilities**	**157 298**	**-**	**83 198**	**74 216**

PARENT BANK				31.12.2023	GROUP			
	Fair value					Fair value		
Recognised value	Level 1	Level 2	Level 3	NOK MILLION	Recognised value	Level 1	Level 2	Level 3
				Assets recognised at amortised cost				
604		604		Cash and receivables from central banks	604		604	
5 012		5 012		Loans to credit institutions	468		468	
49 028			49 028	Net loans to customers (floating interest rate)	123 315			123 315
				Assets recognised at fair value				
4 217			4 217	Net loans to customers (fixed interest rate)	4 217			4 217
18 570			18 570	Net loans to customers (mortgages)	-			
21 998		21 998		Bonds and certificates	24 156		24 156	
235	33		201	Shares	235	33		201
931		931		Financial derivatives	2 002		2 002	
100 594	**33**	**28 544**	**72 016**	**Total financial assets**	**154 996**	**33**	**27 230**	**127 733**
				Liabilities recognised at amortised cost				
3 643		3 643		Liabilities to credit institutions	3 530		3 530	
69 289			69 289	Deposits from customers	69 272			69 272
6 991		7 031		Liabilities from issue of securities	56 724		56 712	
7 177		7 204		Senior non-preferred	7 177		7 204	
1 763		1 776		Subordinated loan capital	1 763		1 776	
				Liabilities recognised at fair value				
783		783		Financial derivatives	922		922	
89 646	**-**	**20 437**	**69 289**	**Total financial liabilities**	**139 387**	**-**	**70 143**	**69 272**

There were no movements between levels 1 and 2 in 2023 or 2024.

Movements in value recognised at fair value classified at level 3

			GROUP
NOK MILLION	Net loans to customers	Of which credit risk	Shares
Recognised value as at 01.01.2023	**4 535**	**3**	**197**
Acquisitions Q1-Q4	564	-	12
Change in value recognised during the period	31	-5	-8
Disposals Q1-Q4	-913	-	-0
Recognised value as at 31.12.2023	**4 217**	**-2**	**201**
Acquisitions Q1-Q4	1 631		49
Change in value recognised during the period	-29	-11	-14
Disposals Q1-Q4	-842		-5
Recognised value as at 31.12.2024	**4 976**	**-14**	**231**

			PARENT BANK
NOK MILLION	Net loans to customers	Of which credit risk	Shares
Recognised value as at 01.01.2023	**20 081**	**3**	**197**
Acquisitions Q1-Q4	3 589	-	12
Change in value recognised during the period	31	-5	-8
Disposals Q1-Q4	-914	-	-0
Recognised value as at 31.12.2023	**22 787**	**-2**	**201**
Acquisitions Q1-Q4	1 631		49
Change in value recognised during the period	-29	-11	-18
Disposals Q1-Q4	-2 136		-5
Recognised value as at 31.12.2024	**22 252**	**-14**	**227**

Disposals includes the net transfer of loans to the subsidiary Sparebanken Sør Boligkreditt AS.

Changes in value recognised in the year apply mainly to financial instruments recognised in the balance sheet as at 31 December.

Loans to and receivables from customers

Loans to and receivables from customers at fair value, classified at level 3, consist of fixed-interest loans and mortgages in the Parent Bank that can be transferred to the mortgage company. In the Group exclusively fixed-interest loans.

When valuing fixed-interest loans, the Bank uses three categories: retail market (RM), large commercial commitments and other business commitments. Regarding the retail market, credit spreads have been recognised according to current market prices for fixed-interest loans. For large commercial commitments (50 largest), the customers and spreads are individually assessed on the basis of what each customer would have received in terms of spread/margin at 31 December. For other commercial loans, the value is calculated with a spread that represents an average of what the smaller fixed-interest loans to corporate customers would be at 31 December. For variable-rate mortgages, fair value is recognised as equal to carrying value.

Shares

Concerning shares and investments in companies where there is little, or no turnover and discretion has to be exercised in the valuation. Multiples are mostly used and earnings-based methods to a lesser extent in connection with valuation. Valuation is affected by discretionary assessments.

Sensitivity analysis level 3

The sensitivity of fixed-interest loans is estimated by changing the margin requirement by 10 basis points. The valuation of fixed-interest loans to private customers is based on available market rates. For the corporate market, there is a greater degree of discretion in determining the market spread/margin as of 31 December.

	GROUP / PARENT BANK	
NOK million	**31.12.2024**	**31.12.2023**
Loans to customers	**18**	**16**
- of which loans to corporate market (CM)	0	1
- of which loans to retail market (RM)	17	15

Hedging accounting

The Bank uses hedge accounting for debt issued at fixed interest rates and in foreign currencies. Financial derivatives used as hedging instruments are recognised at fair value. Bond loans included as hedged objects are recognised at cost price and are continuously adjusted for changes in fair value for the risks that are hedged. The hedging covers the interest rate risk in issued fixed-rate bonds, as well as the foreign exchange risk for bonds issued in foreign currencies. Hedge accounting requires the Bank to maintain a system for measuring and documenting hedge effectiveness.

All bond loans issued at a fixed interest rate or in a foreign currency are included in hedge accounting. Sparebanken Sør uses fair value hedging. The dollar-offset method is used to measure the effectiveness of hedging.

Hedge accounting is according to IFRS 9. There must be an economic relationship between the hedging instrument and the hedged element, and the effect of credit risk must not dominate changes in value in the hedging relationship. Under IFRS 9 a prospective (future-oriented) effectiveness test is sufficient. Ineffectiveness in hedging, defined as the difference between changes in the value of hedging instruments and in the value of the hedged object, is recognised in the income statement as it arises. The exception is that portion of the change in value that is due to a change in basis spread linked to the hedging instruments.

Hedge accounting in the balance sheet

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Hedging instruments / financial derivatives		
31	2	Interest rate swaps NOK	2	31
		Interest rate swaps EUR	2 870	1 134
31	**2**	**Total financial assets**	**2 872**	**1 165**
		Hedged items		
7 600	6 350	Nominal debt NOK	6 850	8 100
		Nominal debt EUR *	25 347	25 347
-103	-142	Adjustment of hedged items NOK - interest risk	-153	-104
		Adjustment of hedged items EUR - interest- and currency risk	2 959	1 075
		Hedging instruments / financial derivatives		
143	150	Interest rate swaps NOK	161	144
		Interest rate swaps EUR	0	87
7 640	**6 357**	**Total financial liabilities**	**35 164**	**34 649**

* Converted to NOK at exchange rate in effect at the time of issuance.

The hedging instrument is recognised under financial derivatives. Nominal value and adjustment of hedging objects is recognised under debt incurred on issuance of securities.

Result of hedge accounting

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Result / ineffectiveness in hedge acconting		
-3	3	Income effect hedge interest rate risk (NOK)	3	-2
-	-	Of this income effect as a result of repurchases	-	-
-	-	Income effect hedge interest- and currency risk (EUR)	3	15
-3	**3**	**Total**	**6**	**13**
		Other comprehensive income (OCI)		
-	**-**	**Change in results from change in value of currency basis**	**-64**	**-119**

22. Loans and debt to credit institutions

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
		Loans to credit institutions		
4 865	4 080	Without agreed maturity	331	321
147	4 271	With agreed maturity	4 271	147
5 012	**8 352**	**Total loans to credit institutions**	**4 602**	**468**
		Debts to credit institutions		
1 320	3 776	Without agreed maturity	803	665
2 317	2 335	With agreed maturity	4 776	2 859
5	5	Accrued interest	5	5
3 643	**6 116**	**Total debts to credit institutions**	**5 584**	**3 530**

						GROUP
NOK MILLION	31.12.2023	Net issued debt	Change Collateral*	Change Repo	Net change credits	31.12.2024
Loan to credit institutions	468	-	81	4 081	-28	4 602
Debt to credit institutions	3 530	-	2 030	-	25	5 584
Total net assets/debt to credit institutionsner	**-3 062**	**-**	**-1 948**	**4 081**	**-53**	**-982**

						GROUP
NOK MILLION	31.12.2022	Net issued debt	Change Collateral*	Change Repo	Net change credits	31.12.2023
Loan to credit institutions	6 198	-	52	-5 972	190	468
Debt to credit institutions	3 507	-750	771	-	1	3 530
Total net assets/debt to credit institutionsner	**2 691**	**750**	**-720**	**-5 972**	**189**	**-3 062**

						PARENT BANK
NOK MILLION	31.12.2023	Net issued debt	Change Collateral*	Change Repo	Net change credits	31.12.2024
Loan to credit institutions	5 012	-	81	4 081	-823	8 352
Debt to credit institutions	3 643	-	2 030	-	444	6 116
Total net assets/debt to credit institutionsner	**1 369**	**-**	**-1 948**	**4 081**	**-1 267**	**2 235**

						PARENT BANK
NOK MILLION	31.12.2022	Net issued debt	Change Collateral*	Change Repo	Net change credits	31.12.2023
Loan to credit institutions	10 211	-	31	-5 972	742	5 012
Debt to credit institutions	3 584	-750	771	-	38	3 643
Total net assets/debt to credit institutionsner	**6 628**	**750**	**-740**	**-5 972**	**704**	**1 369**

23. Bonds and certificates

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Short-term investments designed at fair value through profit and loss		
8 296	9 029	Certificates and bonds issued by public sector	10 737	9 124
13 702	16 407	Certificates and bonds issued by others	20 304	15 032
0	252	Certificated and bonds issued by subsidiaries	0	0
21 998	**25 687**	**Total short-term investment designed at fair value through profit and loss**	**31 042**	**24 156**
21 998	**25 687**	**Investment in securities**	**31 042**	**24 156**
20 370	23 228	Bonds pledged for drawing-rights in Norges Bank	23 228	20 370

Classification of financial investments

Bonds and certificates are rated by external parties. If the securities have an official rating, this rating will be applied. However, in cases where no official rating exists, a credit assessment by an external broker will be used as the basis for risk classification.

The Bank's risk category	Rating
Lowest risk	AAA, AA+, AA and AA-
Low risk	A+, A and A-
Medium risk	BBB+, BBB and BBB-
High risk	BB+, BB and BB-
Highest risk	B+ and lower

Bonds and certificates

PARENT BANK			GROUP	
31.12.2023	**31.12.2024**	**NOK MILLION**	**31.12.2024**	**31.12.2023**
		Certificates and bonds		
21 848	24 571	Lowest risk	29 893	23 990
0	916	Low risk	916	0
0	0	Medium risk	0	0
0	0	High risk	0	0
0	0	Highest risk	0	0
150	200	Accrued interest	233	167
21 998	**25 687**	**Total certificates and bonds**	**31 042**	**24 156**

24. Shares

All shares and ownership interests are classified at fair value through profit or loss.

NOK THOUSAND	Reg.nr.	Type of business	Equity stake	Book value	GROUP 31.12.2024 Acquisition cost
Shares classified at fair value through profit and loss					
Eksportfinans ASA	816 521 432	Finance	1.5 %	69 300	66 454
B&R Holding AS	926 848 089	Investment activity	5.0 %	35 186	35 186
Norgesinvestor Proto AS	812 746 162	Investment activity	17.6 %	33 561	15 600
Bien Sparebank ASA	991 853 995	Banking	4.8 %	33 261	25 000
NORNE SECURITIES AS	992 881 828	Securities brokerage	15.1 %	22 836	11 116
Skagerak Capital IV AS	924 820 454	Investment activity	4.3 %	12 917	10 286
Skagerak Capital III AS	918 019 669	Investment activity	5.7 %	11 414	13 204
VN Norge AS	821 083 052	Investment activity	2.3 %	11 129	0
Skagerak Venture Capital I AS	926 178 172	Investment activity	13.7 %	5 750	3 402
Agder Seed AS	928 329 178	Investment activity	24.9 %	5 219	7 500
Other companies (33 pcs)				23 724	22 844
Total shares valued at fair value through profit and loss				**264 296**	**210 592**

NOK THOUSAND	Reg.nr.	Type of business	Equity stake	Book value	GROUP 31.12.2023 Acquisition cost
Shares classified at fair value through profit and loss					
Eksportfinans ASA	816 521 432	Finansieringsvirksomhet	1.5 %	83 300	66 454
Norgesinvestor Proto AS	812 746 162	Investeringsvirksomhet	17.6 %	32 557	15 600
Bien Sparebank ASA	991 853 995	Bankvirksomhet	4.8 %	23 610	25 000
NORNE SECURITIES AS	992 881 828	Verdipapirmegling	15.1 %	22 836	11 116
VN Norge AS	821 083 052	Investeringsvirksomhet	2.3 %	18 050	0
Skagerak Capital III AS	918 019 669	Investeringsvirksomhet	7.1 %	12 750	12 454
Sparebanken Vest Grunnfondsbevis	832 554 332	Bankvirksomhet	0.5 %	9 779	2 735
Skagerak Capital IV AS	924 820 454	Investeringsvirksomhet	4.3 %	9 450	9 450
Skagerak Venture Capital I AS	926 178 172	Investeringsvirksomhet	13.7 %	5 750	3 402
Agder Seed AS	928 329 178	Investeringsvirksomhet	18.2 %	5 500	5 500
Other companies (33 pcs)				11 075	36 567
Total shares valued at fair value through profit and loss				**234 657**	**188 278**

Those of Sparebanken Sør's subsidiaries which are included in the consolidated financial statements have no significant investments in shares at 31 December. The overview above is therefore identical for the Parent Bank and the Group.

The Group has committed to additional payments linked to the investment in seed- and venture companies. At 31 December 2024, uncalled capital totalled NOK 43.7 million (NOK 50,3 million at 31 December 2023).

25. Ownership of group companies

NOK THOUSAND	Type of business	Registered office	Ownership	Share capital	PARENT BANK 31.12.2024 Book value
Sparebanken Sør Boligkreditt AS	Mortage company	Kristiansand	100.0 %	3 475 000	4 195 695
Sørmegleren Holding AS	Real estate business	Kristiansand	90.1 %	25 774	25 045
Sørlandets Forsikringssenter AS	Ensurance	Kristiansand	100.0 %	45	6 981
Prosjektutvikling AS	Property management	Arendal	100.0 %	2 500	2 400
Transitt Eiendom AS	Property management	Kristiansand	100.0 %	100	10 374
Sum					**4 240 495**

NOK THOUSAND	Type of business	Registered office	Ownership	Share capital	PARENT BANK 31.12.2023 Book value
Sparebanken Sør Boligkreditt AS	Mortage company	Kristiansand	100.0 %	2 075 000	2 795 695
Sørmegleren Holding AS	Real estate business	Kristiansand	90.1 %	10 739	11 499
Sørlandets Forsikringssenter AS	Ensurance	Kristiansand	100.0 %	45	6 981
Prosjektutvikling AS	Property management	Arendal	100.0 %	2 500	2 400
Transitt Eiendom AS	Property management	Kristiansand	100.0 %	100	6 474
Sum					**2 823 049**

Shareholdings correspond to the percentage of voting capital.

See also Note 32; 'Disclosures on related parties' for additional disclosures regarding transactions with subsidiaries.

26. Associated companies

NOK THOUSAND	Type of business	Registered office	Ownership	PARENT BANK/ GROUP 31.12.2024 Book value
Frende Holding AS	Ensurance	Bergen	22.5 %	611 901
Frende Kapitalforvaltning AS	Investment	Bergen	35.0 %	104 472
Brage Finans AS	Finance	Bergen	26.8 %	1 050 113
Balder Betaling AS	Finance	Bergen	26.8 %	232 297
Åseral Næringshus AS	Property management	Åseral	30.0 %	450
Søndeled Bygg AS	Property management	Arendal	29.0 %	1 125
Total				**2 000 358**

NOK THOUSAND	Type of business	Registered office	Ownership	PARENT BANK/ GROUP 31.12.2023 Bokført verdi
Frende Holding AS	Ensurance	Bergen	19.9 %	466 681
Brage Finans AS	Finance	Bergen	24.9 %	836 508
Balder Betaling AS	Finance	Bergen	23.0 %	232 297
Åseral Næringshus AS	Property management	Åseral	30.0 %	450
Søndeled Bygg AS	Property management	Arendal	29.0 %	1 125
Total				**1 537 061**

See Note 32; 'Disclosures on related parties' for additional disclosures regarding transactions with associated companies.

27. Tangible assets and leasehold premises

GROUP	Machinery, inventory and transport equipments		Real estate		Leasehold premises, IFRS 16		Total real estate, inventory and leasehold premises	
NOK MILLION	2024	2023	2024	2023	2024	2023	2024	2023
Acquisition cost 01.01	**140**	**138**	**612**	**523**	**97**	**68**	**849**	**729**
Additions during the year *	11	9	5	106	2	32	19	147
Disposals during the year	-18	-7	-14	-19	0	-3	-32	-29
Other changes	0	0	0	2	0	0	-1	2
Acquisition cost 31.12	**133**	**140**	**604**	**612**	**99**	**97**	**836**	**849**
Accumulated depreciations and writedowns 31.12 *	81	83	206	169	49	37	337	289
Other changes	0	3	7	30	0	0	7	33
Book value as at 31.12	**51**	**53**	**391**	**413**	**50**	**60**	**493**	**527**
Ordinary depreciation	12	14	10	10	13	12	35	35
Impairments	0	0	6	0	0	0	6	0
Gains/losses on sale	1	0	9	5	0	0	9	6

* Incl. Arendal Brygge AS and St. Ybes AS, consolidated in the Group accounts as of 31 December 2023.

GROUP	Intangible assets	
NOK MILLION	2024	2023
Acquisition cost 01.01	**291**	**273**
Additions during the year	14	46
Disposals during the year	-19	-28
Acquisition cost 31.12	**285**	**291**
Accumulated depreciations and write-downs 31.12	166	177
Book value as at 31.12	**119**	**114**
Ordinary depreciation	5	6
Impairments	12	6

Assumed useful economic life harmonises with the depreciation period for the individual groups of fixed assets. Fixed assets are depreciated on a straight-line basis. The Group's buildings are located in the Bank's own district and are mainly used by the Bank itself.

The rate of depreciation for buildings is in the range 2–5 percent, and the depreciation rate for machinery, equipment, vehicles and intangible assets is in the range 10–33 percent.

This year's impairment of intangible assets is mainly related to the IRB project, which was completed in the autumn of 2024.

PARENT BANK NOK MILLION	Machinery, inventory and transport equipments 2024	2023	Real estate 2024	2023	Leasehold premises, IFRS 16 2024	2023	Total real estate, inventory and leasehold premises 2024	2023
Acquisition cost 01.01	**126**	**126**	**507**	**501**	**97**	**68**	**730**	**695**
Additions during the year	11	7	5	23	2	32	19	62
Disposals during the year	-18	-7	-14	-19	0	-3	-32	-29
Other changes	0	0	0	2	0	0	-1	2
Acquisition cost 31.12	**119**	**126**	**499**	**507**	**99**	**97**	**717**	**730**
Accumulated depreciations and writedowns 31.12	70	75	169	167	49	37	288	279
Other changes	0	0	0	0	0		0	0
Book value as at 31.12	**49**	**51**	**330**	**340**	**50**	**60**	**429**	**451**
Ordinary depreciation	12	13	8	8	13	12	32	32
Impairments	0	0	3	0	0	0	3	0
Gains/losses on sale	1	0	9	5	1	0	10	6

PARENT BANK NOK MILLION	Intangible assets 2024	2023
Acquisition cost 01.01	**169**	**160**
Additions during the year	14	38
Disposals during the year	-19	-28
Acquisition cost 31.12	**163**	**169**
Accumulated depreciations and write-downs 31.12	55	67
Book value as at 31.12	**108**	**102**
Ordinary depreciation	5	6
Impairments	12	0

Assumed useful economic life harmonises with the depreciation period for the individual groups of fixed assets. Fixed assets are depreciated on a straight-line basis. The Group’s buildings are located in the Bank’s own district and are mainly used by the Bank itself.

The rate of depreciation for buildings is in the range 2–5 percent, and the depreciation rate for machinery, equipment, vehicles and intangible assets is in the range 10–33 percent.

28. Deposits from customers

Deposits from customers by sector and industry

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
33 024	34 932	Retail customers	34 934	33 027
13 058	16 070	Public administration	16 071	13 060
1 118	1 178	Primary industry	1 178	1 118
1 972	1 593	Manufacturing industry	1 593	1 972
709	633	Real estate development	633	709
1 877	1 960	Building and construction industry	1 960	1 877
3 173	2 966	Property management	2 931	3 149
665	662	Transport	662	665
1 590	1 375	Retail trade	1 375	1 591
249	274	Hotel and restaurant	274	249
176	186	Housing cooperatives	186	176
4 796	5 000	Financial/commercial services	5 000	4 797
6 745	7 229	Social services	7 229	6 746
136	191	Accrued interests	191	136
69 289	**74 248**	**Total deposits from customers**	**74 216**	**69 272**

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
56 798	61 508	Deposits from costumers with no fixed maturity	61 476	56 781
12 354	12 549	Deposits from costumers with fixed maturity	12 549	12 354
69 152	**74 057**	**Total deposits from costumers**	**74 026**	**69 136**
136	191	Accrued interest	191	136
69 289	**74 248**	**Total deposits from costumers incl. accrued interest**	**74 216**	**69 272**

29. Bond debt and subordinated loans

Debt securities - Group

NOK MILLION	31.12.2024	31.12.2023
Bonds, nominal value	67 285	58 320
Value adjustments	-1 189	-1 784
Accrued interest	244	188
Debt incurred due to issuance of securities	**66 340**	**56 724**

Change in debt securities - Group

NOK MILLION	31.12.2023	Issued	Matured/ Reedemed	Other changes during the period	31.12.2024
Bonds, nominal value	58 320	14 000	-6 300	1 265	67 285
Value adjustments	-1 784			595	-1 189
Accrued interest	188			56	244
Debt incurred due to issuance of securities	**56 724**	**14 000**	**-6 300**	**1 916**	**66 340**

NOK MILLION	31.12.2022	Issued	Matured/ Reedemed	Other changes during the period	31.12.2023
Bonds, nominal value	65 287	-	-8 420	1 453	58 320
Value adjustments	-2 736			952	-1 784
Accrued interest	207			-19	188
Total debt due to issue of securities	**62 758**	**-**	**-8 420**	**2 386**	**56 724**

Change in subordinated loan capital – Parent bank and Group

NOK MILLION	31.12.2023	Issued	Matured/ Reedemed	Other changes during the period	31.12.2024
Subrdinated loans	1 750	850	-500		2 100
Value adjustments	0			-4	-4
Accrued interest	12			11	24
Total subordinated loan capital	**1 763**	**850**	**-500**	**7**	**2 120**

NOK MILLION	31.12.2022	Issued	Matured/ Reedemed	Other changes during the period	31.12.2023
Subrdinated loans	1 650	700	-600		1 750
Value adjustments	3			-3	0
Accrued interest	9			3	12
Total subordinated loan capital	**1 662**	**700**	**-600**	**1**	**1 763**

Debt securities – Parent bank

NOK MILLION	31.12.2024	31.12.2023
Bonds, nominal value	7 050	7 050
Value adjustments	-80	-111
Accrued interest	51	52
Debt incurred due to issuance of securities	**7 021**	**6 991**

Change debt securities – Parent bank

NOK MILLION	31.12.2023	Issued	Matured/ Reedemed	Other changes during the period	31.12.2024
Bonds, nominal value	7 050	2 000	-2 000	-	7 050
Value adjustments	-111			30	-80
Accrued interest	52			-1	51
Debt incurred due to issuance of securities	**6 991**	**2 000**	**-2 000**	**30**	**7 021**

NOK MILLION	31.12.2022	Issued	Matured/ Reedemed	Other changes during the period	31.12.2023
Bonds, nominal value	9 550	-	-2 500	-	7 050
Value adjustments	-132			22	-111
Accrued interest	59			-8	52
Debt incurred due to issuance of securities	**9 477**	**-**	**-2 500**	**14**	**6 991**

Change senior non-preferred – Group and Parent bank

NOK MILLION	31.12.2023	Issued	Matured/ Reedemed	Other changes during the period	31.12.2024
Subordinated loans	7 100	1 000	-	-	8 100
Value adjustments	2			-69	-67
Accrued interest	75			10	85
Total subordinated loan capital	**7 177**	**1 000**	**-**	**-59**	**8 118**

NOK MILLION	31.12.2022	Issued	Matured/ Reedemed	Other changes during the period	31.12.2023
Non-preferred senior debt	4 500	2 600	-	-	7 100
Value adjustments	-31			33	2
Accured interest	22			53	75
Total non-preferred senior debt	**4 491**	**2 600**	**-**	**86**	**7 177**

30. Other liabilities

PARENT BANK			GROUP	
31.12.2023	31.12.2024	NOK MILLION	31.12.2024	31.12.2023
58	42	Trade creditors	54	76
22	21	Tax withholdings	29	30
34	27	Clearing accounts	27	34
50	57	Accrued holiday pay	70	63
1 192	1 273	Allocated dividends, gifts and other distributions	-	-
185	221	Other liabilities	222	309
94	103	Other incurred costs	124	98
1 635	**1 743**	**Total other liabilities**	**526**	**610**

Accured dividends and gifts are classified as liabilities in the Parent bank and as equity in the Group at 31 Desember.

31. Financial derivatives

Sparebanken Sør and Sparebanken Sør Boligkreditt AS have agreements that regulate counterparty risk and netting of derivatives.

ISDA agreements have been concluded with financial counterparties where a supplementary agreement has been signed with regard to collateral (CSA). Through the agreements, the Group have the right to offset balances if certain events occur. The amounts are not offset in the balance sheet due to the fact that the transactions are normally a gross settlement. Sparebanken Sør (Parent bank) has also entered into an agreement on clearing derivatives where the counterparty risk is transferred to a central counterparty (clearing house) that calculates the need of collateral. The assets and liabilities are presented in the table below.

31.12.2024						GROUP
				Related amounts not presented net		
NOK million	Gross carrying amount	Amounts offset in the balance sheet* (net presented)	Net financial assets in the balance sheet	Financial instruments (net settlements)	Other collateral, received/ pledged	Net amount
Derivatived - assets	3 789	-	3 789	284	3 368	138
Derivatived - liabilities	-919	-	-919	-284	13	-648
Net	**2 870**	**-**	**2 870**	**-**	**3 381**	**-510**

31.12.2023						GROUP
				Related amounts not presented net		
NOK million	Gross carrying amount	Amounts offset in the balance sheet* (net presented)	Net financial assets in the balance sheet	Financial instruments (net settlements)	Other collateral, received/ pledged	Net amount
Derivatived - assets	2 002	-	2 002	303	1 375	323
Derivatived - liabilities	-922	-	-922	-303	8	-626
Net	**1 080**	**-**	**1 080**	**-**	**1 383**	**-303**

31.12.2024						PARENT BANK
				Related amounts not presented net		
NOK million	Gross carrying amount	Amounts offset in the balance sheet* (net presented)	Net financial assets in the balance sheet	Financial instruments (net settlements)	Other collateral, received/ pledged	Net amount
Derivatived - assets	1 037	-	1 037	284	591	162
Derivatived - liabilities	-919	-	-919	-284	13	-648
Net	**117**	**-**	**117**	**-**	**604**	**-487**

31.12.2023						PARENT BANK
				Related amounts not presented net		
NOK million	Gross carrying amount	Amounts offset in the balance sheet* (net presented)	Net financial assets in the balance sheet	Financial instruments (net settlements)	Other collateral, received/ pledged	Net amount
Derivatived - assets	931	-	931	234	515	181
Derivatived - liabilities	-783	-	-783	-234	8	-557
Net	**147**	**-**	**147**	**-**	**523**	**-375**

Received collateral is presented as debt to credit institutions and paid collateral area is presented as deposits from credit institutions.

* Netting agreements are not offset in the balance sheet because the transactions are normally not settled on a net basis.

32. Disclosures on related parties

Sparebanken Sør has entered into transactions with related parties as described in this note. Transactions with subsidiaries have been eliminated from the consolidated financial statements.

With the exception of loans granted on special terms to employees, all transactions with related parties are entered into on market terms. In addition to the transactions identified in this note and report on remuneration to leading persons, as well as eliminated transactions within the Sparebanken Sør group, there are no transactions or outstanding matters with related parties.

NOK THOUSAND	Group management	Board of Directors	Chairman of the General Meeting
Loans as at 31.12	59 729	11 233	0
Interest income	2 608	576	0
Deposits as at 31.12	11 587	4 253	1 132
Interest costs	511	180	24
Customer dividend	145	47	4

NOK THOUSAND Subsidiaries	Loans and other assets	Covered bonds	Interest income	Deposits and other liabilities	Interest cost	Manager fee	Dividend received*	Other expenses(+)/ Income(-)
Sørlandets Forsikringssenter AS			23	4 324	118			20 027
Prosjektutvikling AS	16 251		1 424	107	10			2 456
Transitt Eiendom AS	45 868		5 244	17 715	483			0
Sørmegleren Holding AS	20 350		773	19 000	2 000		0	-5 129
Sparebanken Sør - Boligkreditt AS	3 749 376	251 987	266 994	3 308 675	22 095	109 832	310 000	0
Total	**3 831 845**	**251 987**	**274 458**	**3 349 821**	**24 705**	**109 832**	**310 000**	**17 354**

*Sparebanken Sør has chosen to recognise the proposed dividend in SSBK as of December 31, 2024, in the provision year 2024. For the parent company, dividends and gifts can be recognised in the year that forms the basis for the distribution, provided that there is a significant likelihood of such distribution. This therefore differs from note 24 in the annual report for SSBK regarding dividends.

NOK THOUSAND Associated companies	Loans and other assets	Covered bonds	Interest income	Deposits and other liabilities	Interest cost	Commission income	Commission costs	Personnel insurance
Balder Betaling AS							691	
Brage Finans AS		919 299	3 267			6 714		
Frende Holding AS						67 772		7 161
Åseral Næringshus AS	3 136		272	318	5			
Total	**3 136**	**919 299**	**3 539**	**318**	**5**	**74 486**	**691**	**7 161**

Sparebanken Sør has derecognised loans transferred to Sparebanken Sør Boligkreditt AS. The agreements have been formulated such that the loans qualify for derecognition. The total balance of these loans is stated below.

NOK MILLION	31.12.2024	31.12.2023
Sparebanken Sør Boligkreditt AS	60 625	55 808

Sparebanken Sør Boligkreditt AS purchases the majority of services from the Bank. All transactions between the companies are entered into on market terms. As of 31 December 2024, Sparebanken Sør Boligkreditt AS has an overdraft facility of NOK 6 000 million in Sparebanken Sør.

Information in accordance with CRD IV and the Financial Institutions Regulations §11-10 for companies that have ownership in companies that issue covered bonds.

NOK MILLION	Nominal value 31.12.2024	31.12.2023
Loans secured by mortgages on residential properties	60 527	55 707
Deductions on ineligible loans*	-173	-248
Pool of eligible loans	**60 354**	**55 459**
Certificates and bonds	4 500	990
Total cover pool	**64 854**	**56 449**
Debt incurred due to issuance of securities	**56 347**	**48 397**
Collateralisation ratio (OC)	15.1 %	16.6 %
Average loan-to-value	53.5 %	53.9 %
Average loan-to-value - Group	55.0 %	55.0 %
Loans secured by mortgages on residential properties - Group	81 422	79 723
Transferred til Sparebanken Sør Boligkreditt AS in %	74%	70%

33. Equity certificates, equity capital and proposed dividend

The 20 largest equity certificate owners on 31.12.2024

	NAME	NUMBER OF ECC	SHARE OF EC-CAP. %
1.	Sparebankstiftelsen Sparebanken Sør	10 849 009	26.01
2.	Sparebankstiftelsen Sparebanken Vest	2 400 000	5.75
3.	J.P. Morgan Securities LLC	2 337 641	5.61
4.	Geveran Trading Company LTd	1 940 000	4.65
5.	Spesialfondet Borea Utbytte	1 725 809	4.14
6.	EIKA utbytte VPF c/o Eika kapitalforv.	1 391 826	3.34
7.	KLP Gjensidige Forsikring	1 127 403	2.70
8.	Skandinaviska Enskilda Banken AB	1 113 994	2.67
9.	Pershing LLC	1 020 000	2.45
10.	J.P. Morgan SE	763 795	1.83
11.	J.P. Morgan SE	445 979	1.07
12.	AF Capital AS	400 200	0.96
13.	Vpf Fondsfinans Utbytte	398 248	0.95
14.	U.S. Bank National Association	324 600	0.78
15.	Verdipapirfondet Fondsfinans Norge	299 585	0.72
16.	Bergen Kom. Pensjonskasse	277 365	0.67
17.	State Street Bank and Trust Comp	266 695	0.64
18.	J.P. Morgan SE	246 663	0.59
19.	Hjellegjerde Invest AS	243 507	0.58
20.	Verdipapirfondet Klp Aksjenorge	241 446	0.58
Total - 20 largest certificate holders		**27 813 765**	**66.69**

As of 31 December 2024, Sparebanken Sør owned 18 921 of its own equity certificates (132 548 ECC on 31 December 2023).

As of 31 December, the Bank had a total of 41 703 057 outstanding equity certificates, with a nominal value of NOK 50 (41 703 057 ECC on 31 December 2023, with a nominal value of NOK 50).

Proposed, not approved dividend

Parent Bank	2024	2023
Number of equity shares	41 703 057	41 703 057
Total proposed dividend	NOK 509.2 mill	NOK 417 mill
Proposed dividend per equity certificate	NOK 12.21 per. EC	NOK 10.0 per. EC

Dividend for the financial year is classified as equity on 31 December 2024 (Group) and liability (Parent Bank).

Equity capital and earnings per equity certificate

NOK MILLION	31.12.2024	31.12.2023
Number of equity certificates	41 703 057	41 703 057
Own equity certificates	18 921	132 548
Nominal value	50	50
Equity certificate capital	2 084	2 079
Premium fund	2 068	2 068
Dividend equalisation fund	1 259	1 032
Total equity share capital (A)	**5 412**	**5 179**
Total equity share capital (Parent bank)	15 114	14 032
- hybrid capital	-1 585	-1 085
- other equity	-	-
Equity share capital excl. Hybrid capital and other equity share capital (B)	**13 529**	**12 947**
Ownership ratio after allocation (A/B)	**40.0 %**	**40.0 %**
Ownership ratio, weighted average (1)	**40.0 %**	**40.0 %**

NOK MILLION	31.12.2024	31.12.2023
Profit for the year, parent bank	1 925	1 701
- interest on hybrid capital	-116	-82
+ tax on interest of hybrid capital	29	20
Dividend basis, parent bank	**1 838**	**1 640**
Profit for the year per EC, Parent Bank	17.6	15.7
Profit for the year, Group	1 988	1 773
- interest on hybrid capital	-116	-82
+ tax on interest of hybrid capital	29	20
Dividend basis, the Group	**1 901**	**1 711**
Profit for the year per EC, Group	18.2	16.4

Earnings per equity certificate are calculated as the ratio between profit for the year attributable to the owners of equity certificates according to the equity capital certificate ratio in the parent company and the number of equity certificates issued.

Equity certificates owned by the CEO, senior management, members of the Board of Directors, members of the General Meeting and their personal related parties as in section § 7–26 of the Norwegian Accounting Act and section § 8-20 of its supplementary regulations are disclosed in chapter 7.3 and 7.4.

34. Business combinations

During the fiscal year, there have been no business transfers, either acquisitions or sales of businesses, that have had a material impact on the company's financial position or results.

35. Events after the balance sheet date and contingencies

No events of material significance to the financial statements have occurred since the balance sheet date.

Declaration from the Board of Directors and CEO

Declaration in accordance with section 5-5 of the Securities Trading Act

The Board of Directors and Sparebanken Sør's CEO hereby confirm that the Bank and the Group's 2024 financial statements have been prepared in accordance with currently valid accounting standards and that the information provided in the financial statements presents a true and fair view of the Bank's assets, liabilities, financial position and overall results.

In addition, we confirm that the Board of Directors report give a true and fair view of the development, results and financial position of the Bank and the Group, together with a description of the most central risk factors and uncertainties facing the Bank and the Group.

Kristiansand, 31st December 2024 / 4th of March 2025

Knut Ruhaven Sæthre Chair	Mette Ramfjord Harv Deputy chair	Merete Steinvåg Østby	Erik Edvard Tønnesen
Trond Randøy	Eli Giske	Hans Arthur Frigstad	Tina Maria Kvale
			Geir Bergskaug CEO

Calculations

NOK MILLION	31.12.2024	31.12.2023
Return on equity adjusted for hybrid capital		
Profit after tax	1 988	1 773
Interest on hybrid capital	-116	-82
Tax on hybrid capital	29	20
Profit after tax. incl. Interest on hybrid capital	**1 901**	**1 711**
Average equity	17 306	16 266
Average equity excl. Hybrid capital	**15 763**	**15 181**
Return on equity	11.5 %	10.9 %
Return on equity. excl. hybrid capital	**12.1 %**	**11.3 %**
Net interest income. incl. interest on hybrid capital		
Net interest income. incl. interest on hybrid capital	3 315	3 043
Interest on hybrid capital	-87	-61
Net interest income. incl. interest on hybrid capital	**3 227**	**2 982**
Average total assets	168 000	159 000
As percentage of total assets	1.92 %	1.88 %
Profit from ordinary operations (adjusted earnings)		
Net interest income. incl. Interest on hybrid capital	3 227	2 982
Net commission income	424	400
Share of profit from associated companies	128	99
Other operating income	9	9
Operating expenses	1 351	1 276
Profit from ordinary operations (adjusted earnings). before tax	**2 437**	**2 214**
Losses on loans. guarantees and undrawn credits	75	49
Profit excl. finance and adjusted for non-recurring items	**2 361**	**2 164**
Tax (25 %) adjusted for tax. share of profit associated companies	449	440
Ordinary operations /adjusted earnings after losses and tax	**1 912**	**1 725**
Average equity. excl. hybrid capital	15 763	15 181
Return on equity. profit excl. finance and adjusted for non-recurring items	**12.1 %**	**11.4 %**

The Board of Directors' report and some accounting presentations refer to adjusted results that are not defined in IFRS (Alternative Performance Measures (APM)).

Alternative performance measures

Sparebanken Sør presents alternative performance measures (APMs) which provide useful information to supplement the financial statements. These performance measures are not defined in IFRS Accounting Standards and by necessity are not directly comparable with the performance measures of other companies. Alternative performance measures are not intended to replace or overshadow accounting figures under IFRS, but are included in our reports to better highlight the underlying operation.

Key figures regulated in IFRS, or other legislation are not regarded as alternative performance measures. The same applies to non-financial information. Sparebanken Sør's alternative performance measures are presented in the overviews of key figures, calculations and the Board of Directors' report. All APMs are presented with comparative figures. The APMs mentioned below have been used consistently over time, except for a minor adjustment in 2024 for the calculation of average equity.

Sparebanken Sør's alternative performance measures and definitions:

Measure	Definition
Return on equity (ROE)	ROE provides relevant information on Sparebanken Sør's profitability by measuring the ability to generate profits from the shareholders' investments. ROE is one of the Group's most important financial APMs and and is calculated as follows: Profit after tax for the period (adjusted for interest on hybrid capital) divided by average equity (adjusted for hybrid capital). Average equity is calculated during quarters as (opening balance - closing balance)/2. At year-end, average equity is calculated as the average of the previous quarter's average equity.
Total assets	Total assets are an industry-specific designation for the sum of all assets.
Average assets	The average sum of total assets for the year, calculated as a monthly average. The key figure is used in the calculation of percentage ratios for the profit and loss items.
Book equity per equity certificate (including dividend)	This key figure provides information on the value of book equity per equity certificate. This enables the reader to assess the reasonableness of the market price of the equity certificate. Book equity per equity certificate is calculated as the equity certificate holders' share of the equity (excluding hybrid capital) at the end of the period divided by the total number of outstanding certificates.
Profit / diluted earnings per equity certificate	This key figure provides information on the profit/diluted earnings per equity certificate in the period. Profit per equity certificate is calculated by multiplying profit after tax by the equity certificate ratio, divided by the number of equity certificates issued. Diluted earnings per equity certificate are calculated by multiplying majority interests by the equity certificate ratio, divided by the number of equity certificates issued.
Profit after tax, incl. interest on hybrid capital	The key figure shows what the result after tax would have been if the interest expenses on the hybrid capital had been recognised in the income statement. Hybrid capital is in accordance with IFRS classified as equity and interest expenses on the hybrid capital are therefore recorded as an equity transaction.
Deposit to loan ratio	The deposit-to-loan ratio provides important information about how Sparebanken Sør finances its operations. Receivables from customers represent an important share of the financing of the Banks' lending, and this key figure provides important information about the dependence on market funding. The key figure is calculated as, deposit from customers as a percentage of gross loans to and receivables from customers.
Growth in loans as %, last 12 months	Growth in lending over the last 12 months is a performance measure that provides information on the level of activity and growth in the Bank's lending business. The Bank uses Sparebanken Sør Boligkreditt (SSBK) as a source of funding, and this key figure includes loans transferred to SSBK since this better reflects the relevant comparable level of growth. Lending growth is calculated as gross loans incl. loans transferred to SSBK at period-end minus gross loans incl. loans transferred to SSBK as at the same date in the previous year, divided by gross loans incl. loans transferred to SSBK as at the same date.
Growth in deposits as %, last 12 months	Growth in deposits over the last 12 months provides information on the level of activity and growth in the Bank's financing of lending activities that is not established in the financial market. Deposit growth is calculated as total deposits at period-end minus total deposits at the same date in the previous year, divided by total deposits at the same date in the previous year.
Deposit as % of net loans	These measures give relevant information on Sparebanken Sør's liquidity position. The APM is calculated as: Customer deposits divided by net loans to customers at the end of the period.

Measure	Definition
Cost/income ratio (Expenses as % of income)	This ratio is included to provide information on the correlation between income and expenses and is considered to be one of Sparebanken Sør's most important performance measures. It is calculated as total operating expenses divided by total income.
Price/book equity per equity certificate	This measure is used to compare the company's current market price to its book value. It is requently used to compare banks and is calculated as Sparebanken Sør's closing equity certificate price at the end of the period divided by the book value per equity certificate.
Losses on loans as % of net loans (annualised)	This key figure indicates losses on loans as a percentage of net loans. It is calculated as losses on loans (including losses on loans transferred to SSBK) divided by net loans (including loans transferred to SSBK) at period end. Where information is disclosed on loan-loss ratios for periods shorter than one year, the ratios are annualised.
Non-performing loans in % of gross loans	This ratio is presented because it provides relevant information on the Bank's credit exposure. It is calculated as non-performing loans divided by total loans incl. loans sold to Sparebanken Sør Boligkreditt at period-end.
Lending margin (CM and RM)	Measures the Group's average margin on loans, calculated as an average lending rate in the period less average 3-month NIBOR for the period. The average lending rate is calculated as interest income from loans to customers divided by average loans to customers in the period.
Deposit margin (CM and RM)	Measures the Group's average margin on deposits, calculated as the average 3-month NIBOR in the period less average deposit rate in the period. The average deposit rate is calculated as an interest expense on customer deposits divided by average deposits from customers in the period.
Average lending rate	See Lending margin (CM and RM) above.
Average deposit rate	See Deposit margin (CM and RM) above.
Provisioning non-performing loans	The key figure provides information about the Bank's credit risk and provides useful additional information beyond what is contained in other accounting notes. Calculated as impairment losses in stage 3 divided by total non-performing loans (stage 3).
Total non-performing loans in % of gross loans	The key figure provides information about the Bank's credit risk and provides useful additional information beyond what is contained in other accounting notes. Calculated as total non-performing loans in stage 3 divided by gross loans.
Impairments in % of gross loans	The key figure provides information on the Bank's credit risk and provides useful additional information regarding the ratio of loss. Calculated as impairment losses on lending divided by total gross loans. Calculated both collectively and distributed among the various stages in accordance with IFRS 9.
Impairments in % of commitments	The key figure provides information on the Bank's credit risk and provides useful additional information regarding the ratio of loss. Calculated as impairment losses on commitments divided by total commitments. Calculated both collectively and distributed among the various stages in accordance with IFRS 9.
LTV (Loan to Value)	The key figure provides information on the loan-to-value ratio in the loan portfolio and is relevant for assessing risk of loss. Calculated as the loans to customers divided by the market value of secured assets.

SPAREBANKEN SØR

7 CORPORATE GOVERNANCE

Chapter 7 – Corporate Governance

Sparebanken Sør's principles and policies for corporate governance are based on the prevailing recommendations of the Norwegian Corporate Governance Board (NUES) at any given time. The Financial Supervisory Authority of Norway's framework for assessing overall management and control, which reflects principles from the European Banking Authority (EBA), is applied to the extent that it is relevant for the Group.

Sparebanken Sør's principles and policies ensure that the Bank's corporate governance is aligned with generally accepted standards, best practices, as well as applicable laws and regulations. Furthermore, the Bank's corporate governance framework is designed to foster effective interaction among the Bank's various stakeholders, including equity certificate holders, lenders, customers, employees, governing bodies, management, and the broader community. The Board of Directors considers the Bank's corporate governance to be satisfactory and in compliance with the established principles and policies. Please refer to the full corporate governance report attached to the annual report.

Liability insurance has been taken out for the general manager and board members. The insurance coverage is NOK 100 million per claim and total per year for all insured. The insurance has full retroactive effect and covers Sparebanken Sør and its subsidiaries

7.1 Corporate Governance Report

7.1.1 Introduction

Background

Through its corporate governance framework, Sparebanken Sør aims to ensure sound management practices and provide greater assurance that stated goals and strategies are achieved. A good corporate governance in Sparebanken Sør includes the values, goals and overarching principles by which the company is governed and are controlled to safeguard the interests of the business' various stakeholders. The management structure is a prerequisite for creating long-term value for owners, customers and employees. It must also ensure that Sparebanken Sør is sustainable over time.

Purpose

The company's intention with the policy of corporate governance policy is:

- Clarify the division of roles between the Bank's governing bodies and executive management
- Ensure equal and secure access to reliable and timely information about the company's operations
- Ensure equal treatment of equity certificate holders
- To optimise the company's value from a long-term perspective

Target group

The policy has been made for the parent company Sparebanken Sør. Guidelines and principles in the document also apply to subsidiaries as far as it is appropriate and shall be implemented in relevant management documents.

Document management

The Board of directors have overall responsibility for corporate governance in Sparebanken Sør. This policy document is managed by the Group staff division, appointed by group management and decided by the Board of directors. The document is reviewed annually.

7.1.2 Framework conditions

External framework conditions

The formal requirements for this report follow CSRD (Corporate Sustainability Reporting Directive) and Oslo Stock exchanges' requirements to comply or explain deviations from the Norwegian Recommendation for corporate governance.

Internal framework conditions

The Bank's strategy documents specify the overall plans for the Group and to complement the totality of the Group's policy documents, there should be a close correlation between the overall strategy documents and the complementary and more detailed governance documents.

The corporate governance principles have been specified in various policy documents for Sparebanken Sør's operations. This includes the Bank's articles of association, strategies, Board instructions, instructions for the CEO, framework for management and control, governance document for sustainability and procedures for own-account trading.

For some policy documents there are, in addition, supplementary documents adopted by the administration. To ensure that the various policy documents correspond to the Group's objectives, the policy documents must be revised and maintained regularly. An audit is normally carried out within a period of 12 months with a decision by a relevant authority.

For operationalisation of the Bank's strategic objectives, detailed annual action plans.

The document owner is responsible for ongoing maintenance, including presenting proposals for changes and ensuring that these are treated in accordance with the Bank's procedures. The document owner is responsible for implementing the governing documents in the organisation.

For a comprehensive overview of the various management documents, see the document “Organisation of risk management in Sparebanken Sør”.

7.1.3 Organisation

About Sparebanken Sør

Sparebanken Sør is an independent financial services group whose principal activities are in banking, securities and real estate in Agder, Vestfold, Telemark and Rogaland.

					PARENT BANK 31.12.2024
NOK THOUSAND	Type of business	Registered office	Ownership	Share capital	Book value
Sparebanken Sør Boligkreditt AS	Mortage company	Kristiansand	100.0 %	3 475 000	4 195 695
Sørmegleren Holding AS	Real estate business	Kristiansand	90.1 %	25 774	25 045
Sørlandets Forsikringssenter AS	Ensurance	Kristiansand	100.0 %	45	6 981
Prosjektutvikling AS	Property management	Arendal	100.0 %	2 500	2 400
Transitt Eiendom AS	Property management	Kristiansand	100.0 %	100	10 374
Sum					**4 240 495**

Associated companies

				PARENT BANK/ GROUP 31.12.2024
NOK THOUSAND	Type of business	Registered office	Ownership	Book value
Frende Holding AS	Ensurance	Bergen	22.5 %	611 901
Frende Kapitalforvaltning AS	Investment	Bergen	35.0 %	104 472
Brage Finans AS	Finance	Bergen	26.8 %	1 050 113
Balder Betaling AS	Finance	Bergen	26.8 %	232 297
Åseral Næringshus AS	Property management	Åseral	30.0 %	450
Søndeled Bygg AS	Property management	Arendal	29.0 %	1 125
Total				**2 000 358**

The headquarters and registered address of the Bank are in Kristiansand. The head office of the retail banking division and some of the corporate functions are located in Arendal. The Bank's organisation number is 937 894 538.

Objective

The Bank's objective is to generate growth and development in the region in a long-term, responsible and sustainable manner.

Main strategies

To generate growth and development in the region, Sparebanken Sør has a strategy for high value creation. The Bank's strategic objective will be achieved through proximity to the market, customer focus, building of relations, expertise, local decision-making power, competitive products, motivated employees and cost-effective processes. By doing this, the Bank's reputation is enhanced, customer loyalty is built up and the Bank's profitability is safeguarded.

Sparebanken Sør have their main market areas in Agder, Vestfold, Telemark and Rogaland. In addition, the Bank aims to strengthen its position in the KNIF segment, in both the retail and corporate markets. Expansion in the KNIF segment will provide growth potential and diversification of risk. Growth will be controlled and based on profitability and low risk.

The Board directs the Bank's operations, and the work of the Board follows an established annual plan and Board instructions. The Board adopts the Bank's strategy from a three to five-year perspective. The strategic plan is evaluated on a rolling basis over the strategic period. The Board establishes goals and a risk profile for the business annually.

As a traditional savings bank dating back to 1824, Sparebanken Sør is run in accordance with the statutory rules that apply at any particular time to savings bank. The Bank conducts all regular banking operations, and offers bank and investment services in accordance with the regulations applicable at any given time.

See the articles of association on the Bank's website www.sor.no.

Social responsibility

Social responsibility is integral to Sparebanken Sør's business. Sparebanken Sør's corporate social responsibility is expressed in the Bank's business concept of contributing to growth and development in the region, and the goal of its social responsibility activities is to help achieve this in a responsible and sustainable way. Work on social responsibility helps to strengthen the Bank's competitiveness, reduce risk, and attract good customers, investors and skilled employees.

Sparebanken Sør is committed to taking considerations of the climate, the environment, social conditions and good corporate governance in all its activities, including the development of products and services, advisory and sales activities, investment and credit decisions, and in its production and operations. Sparebanken Sør shall not contribute to the infringement of human and workers' rights, corruption, serious environmental damage and other acts, which may be regarded as unethical.

By being a community building company, Sparebanken Sør contributes toward sustainable industrial and social development through creating values for the region. The Bank also supports projects in culture, sport and other areas that make a positive contribution to the region. In addition to traditional sponsorship of teams and clubs, the Bank carries on the strong tradition of making donations for the public good in its capacity as an independent savings bank.

Measures against money laundering and the financing of terrorism

Sparebanken Sør must comply with the authorities' anti-money laundering regulations whose purpose is to combat money laundering and the financing of terrorism. This includes both an automatic notification system for suspicious transactions and responsibility for each individual employee to report individual cases or, if appropriate, to carry out intensified customer checks. The Bank has specific procedures for this and provides continuous training for employees, especially those who are in direct contact with customers.

Environmental matters

Sparebanken Sør takes account of climate issues. Environmental protection is becoming increasingly more important, and the Bank would like to do its part to contribute. Sparebanken Sør has defined work on internal environmental efficiency as a priority area in the Bank's response to climate change.

Deviations from the recommendation: None

7.1.4 Equity and dividends

Equity

Sparebanken Sør's equity is complex for several reasons. The most important of these are the size of the Group, a stable market for long-term funding and the Bank's objectives in a long-term, strategic perspective. Through annual evaluation of management and control, including the Internal Capital Adequacy Assessment Process (ICAPP), the Group has a strong focus on ensuring that its equity is tailored to its goals, strategies and risk profile. The capital situation is monitored closely throughout the year with internal calculations and reports.

Dividend

Through solid, stable and profitable operations, Sparebanken Sør will ensure that its equity certificate holders achieve a competitive return in the form of dividends and increase in the value of their equity certificates.

Profit will be distributed between equity certificate capital (equity certificate owners) and primary capital based on their share of the equity.

The target is to distribute around 50 percent of the Group's profit after tax as dividends. Dividends are distributed through cash dividends to the owners of equity certificates, customer dividends to the Bank's customers and gifts in the regions where the primary capital is built up. When determining the dividends, potential for profitable growth, expected profit development in a normalised market situation, external framework conditions, future need for Common Equity Tier 1 and bank's strategic plans will be taken into consideration.

Board authorisations

The Bank's articles of association do not contain any provisions on the purchase of own equity certificates. Decisions on this issue must be discussed and adopted by the General Meeting, which can authorise the Board of Directors. Such decisions/authorisations to increase equity are otherwise based on the Financial Institutions Act and the principles set out in the Public Limited Companies Act.

Deviations from the recommendation: None

7.1.5 Equal treatment of shareholders and transactions with related parties

The Bank will place strong emphasis on transparency in relation to those who provide the Bank with equity and funding, and those who have relations with the Bank in other ways.

Sparebanken Sør has one equity certificate class, and all equity certificate holders are treated equally. The Bank follows the provisions of the Financial Institutions Act on restrictions in ownership and voting rights insofar as the provisions apply to savings bank with listed equity certificates. Existing equity certificates have preference in the event of increases in capital, unless special circumstances dictate that this rule be waived. The waiver in such a case will be reasoned, and the reasons will be published in a stock exchange report.

In cases where the Bank has transactions in its own equity certificates, these are done on the stock exchange.

The Bank is obliged by the Stock Exchange's rules on reporting financial and other information to the market.

Deviations from the recommendation: None

7.1.6 Equity certificates and negotiability

Sparebanken Sør's equity certificates are listed on Oslo Stock Exchange and are freely negotiable.

The only restriction is statutory requirements which at present stipulate that acquisition of a qualified share of the equity capital, at 10 percent or more, requires consent from the Ministry of Finance.

Listing on the stock exchange ensures that the Bank abides by the terms and conditions which apply at any time in the equity market.

Deviations from the recommendation: None

7.1.7 General meetings

A savings bank is, in essence, a self-owned institution, and the management structure and composition of its governing bodies differs from those of limited liability companies with respect to the governing bodies a savings bank shall have. The Bank's governing structure and the composition of its governing bodies are deemed to comply with the wording of the recommendation "to the extent appropriate to savings banks with listed equity certificates".

The Bank's highest authority is the General Meeting, which must ensure that the Bank acts in line with its purpose and in accordance with laws, articles of association and the General Meetings' own resolutions.

The General Meeting consists of 28 members, of whom 7 represent customers, 3 represent the general public, 11 represent equity certificate holders and 7 represent the Bank's employees. Mechanisms have been adopted that ensure geographical spread in the representation of the Bank's market areas.

The notice of the General Meetings gatherings will be sent with at least 21 days' notice. General Meetings does not make decisions in other cases than those specified in the notice of the meeting.

The Board of Directors determines the meeting format and is responsible for ensuring the proper execution of the general meeting. Physical and electronic general meetings are considered equivalent.

The Board of Directors and auditor attend meetings of the General Meeting.

Deviations from the recommendation: None

7.1.8 Nominating committees

Under the Bank's articles of association, 3 nominating committees are elected:

- The General Meeting Election Committee shall prepare the elections for the General Meetings. A committee with 8 members is elected from among the members of the General Meeting and shall have representatives from all groups represented in the General Meetings
- The Depositor Nomination Committee shall prepare the election of depositors to the General Meetings. One nominating committee with 4 members is elected from among the depositor-elected members of the General Meeting
- Nomination Committee for the equity certificate holders shall prepare the election of representatives of the equity owners to the General Meeting. One nominating committee with 4 members is elected from among the equity certificate holders'-elected members of the General Meeting

The employees of Sparebanken Sør are entitled to vote in the election of employee representatives and deputy representatives to the General Meeting. Employee elections to the General Meeting and the Board of Directors are conducted in accordance with the prevailing rules and instructions for employee elections in Sparebanken Sør.

The work of the nomination committees

The General Meeting' nominating committee prepares election of the Chairman and Deputy Chairman of the General Meeting, the Chairman and Deputy Chairman of the Board of Directors, and other members and deputy members of the Board of Directors, excluding the employees' representatives. Likewise for elections of the Chairman, members and deputy members of the Nominating Committee.

The recommendations of the General Meeting, the depositor-elected, equity certificate-elected and employees' nominating committees shall be justified.

Deviations from the recommendation: None

7.1.9 The Board of Directors, composition and independence

The composition of the Board of Directors is stated in Article 4-1 of the articles of association.

The Board of Directors shall consist of 7-8 members and 3 deputy members, of which at least 4 are from Agder and at least 1 member from Vestfold and Telemark. Among these, 2 members and 2 personal deputy members are elected from the employees. The other members of the Board of Directors elect a permanent attending deputy member with a right to speak. Members of the Board of Directors are elected for two years.

The composition of the Board is based on expertise, capacity and diversity, and in compliance with the Bank's articles of association with regard to geographical distribution.

The Board of Directors independence

None of the Bank's day-to-day management is a member of the Board of Directors.

The Board members independence

All members of the Board of Directors are independent of executive personnel. The members of the Board of Directors are also independent of significant business connections.

Deviations from the recommendation: None

7.1.10 The work of the Board of Directors

The Board of Directors is responsible for the funds at the Bank's disposal being managed in a secure and appropriate manner. The Board of Directors must ensure the satisfactory organisation of the Bank's operations, keep itself informed of the Bank's financial position and ensure that its operations, accounting and asset management are subject to satisfactory control. The Board of Directors shall supervise day-to-day management and the Bank's operations in general.

The Board of Directors shall ensure that the Bank has good management and control systems in order to meet the statutory provisions applicable to the business.

The Board of Directors conducts an annual self-assessment.

The audit committee

The Audit Committee have separate instructions adopted by the Board of Directors. The committee is a preparatory and advisory committee for the Board of Directors, whose purpose is to strengthen work on financial reporting and internal control. At least one of the committee members must be independent of the business and have qualifications (formal or experience-based competence) in accounting and auditing.

The Audit Committee prepares the Board of Directors' follow-up of the financial reporting process, monitors internal control and risk management systems, has ongoing contact with the Bank's chosen auditor, and assesses and monitors the auditor's independence.

The Board of Directors elects 3 members to the committee from among its members.

In accordance with the NUES (Norwegian Code of Practice for Corporate Governance) recommendation, the majority of the members in the Audit Committee, are independent of the business.

The risk committee

The Risk Committee has separate instructions adopted by the Board of Directors. The Risk Committee is a preparatory and advisory committee to the Board of Directors and shall ensure that risk and capital management in the Group, supports the Group's strategic development and achievement of objectives while ensuring financial stability and prudent asset management. The Risk Committee shall monitor the overall risk, and assess whether the Group's management and control systems have been adjusted to the risk level and the scope of the business.

The Board of Directors elects 3 to 4 members to the committee from among its members.

The majority of the committee is, in accordance with NUES' recommendation, independent of the business.

The remuneration committee

The Remuneration Committee has separate instructions adopted by the Board of Directors. The Remuneration Committee will help to ensure that there is consistency between the Bank's remuneration arrangements, the overall objectives, risk tolerance and long-term interests.

The committee prepares all matters relating to remuneration schemes for the Board of Directors. The committee must support the work of the Board of Directors to determine and ensure that the Bank at all times has and practices guidelines and frameworks for remuneration arrangements.

The Bank has established a Remuneration Committee consisting of 3 members of the Board of Directors, of whom 1 member is an employee representative.

The majority of the committee is, in accordance with NUES' recommendation, independent of the business.

Technology committee

The Technology Committee has its own instructions adopted by the Board of Directors. The committee shall have a special responsibility for being informed about financial technology and preparing all matters concerning strategic choices within the technology area for the Board.

The Bank has established a Technology Committee consisting of 3 members of the Board of Directors.

Deviations from the recommendation: None

7.1.11 Risk management and internal control

The Bank has established a separate risk management and control division. There is a clear division of responsibility between the various governing bodies in the Bank in accordance with laws and regulations, as well as internally adopted management, control and reporting procedures. Key bodies are the General Meeting, the Board of Directors, external auditing, internal auditing and Group management.

Internal audit

The Bank's internal audit is managed by EY, which reports to the Board of Directors and submits an annual report to the Board of Directors on completed audit projects. On behalf of the Board of Directors, the internal auditor must ensure that adequate and efficient internal control and risk management procedures have been established and implemented. Separate instruction has been prepared for the internal auditor. Each year, the Board of Directors approves the annual internal auditing plan and resource requirements. The internal auditor may participate as an observer at the Board of Directors meetings.

Internal control

The Bank has established guidelines and procedures for the implementation of internal controls based on the COSO model. This model has an international standard for comprehensive risk management and is widely used within the financial sector. Responsibility for the framework and facilitation of the Group's internal control processes is allocated to the Risk Management Division, organised independently of the business units.

Compliance

The Bank focuses on having good processes to ensure compliance with applicable laws and regulations, and has established a separate compliance function, organised independently of the business units.

Risk management and capital adequacy

A good risk and capital management is a significant part of Sparebanken Sør's long-term value creation. The Bank's overall objectives are given by the strategic business concept. The targeted return is decisive for the Bank's activities and specification of targets. Focus is to ensure the Bank's short and long-term competitive power. Sparebanken Sør's market and business objectives are balanced against the Bank's risk capacity and willingness. Risk and capital assessments are an integral part of the Bank's strategic and business processes.

The Board of Directors has adopted guidelines for the Bank's capital assessment. A process related to the Bank's risk and capital adequacy assessment (ICAAP) is carried out annually. The Board of Directors ensures that the Bank has sufficient capital relatively to the desired risk and the Bank's operations and ensures that the Bank is adequately capitalised in respect of regulatory requirements. The ICAAP - process is based on requirements set out by the authorities in addition to the Bank's own assessments.

Consideration of external factors in value creation

As a basis for its operations, the Bank must set strict requirements for honesty and good business ethics. The Bank therefore expects employees and elected representatives to have a high level of integrity and attitudes in accordance with the Bank's code of conduct. These provide guidance on customer care, donations, confidentiality, participation in other commercial activities and transactions with related parties. The code's guidelines also require employees to report any breaches of internal guidelines, laws and regulations. The procedure for how such information/notification shall be provided is further described in the Bank's notifications procedures.

Deviations from the recommendation: None

7.1.12 Remuneration of the Board of Directors

Directors' fees are determined by the General Meeting following a recommendation from the Nominating Committee. The size of the fees reflects the Board of Directors' responsibilities, expertise, time and the complexity of the business. The members of the board's sub-committee receive special compensation.

Deviations from the recommendation: None

7.1.13 Salary and remuneration of executive persons

The General Meeting adopts its guidelines for remuneration to executives' employees. These guidelines are published on the Bank's website and attached to the annual statement. Remuneration to the CEO is determined by the board, following a proposal from the Remuneration Committee.

Remuneration with members of the Group management is determined by the CEO in consultation with the Remuneration Committee. None of the directors has performance-based remuneration, other than participating in the Bank's ordinary bonus program, which includes all employees in the Bank.

The Board annually submits a report on salary and other remuneration to executive employees for General Meeting.

Deviations from the recommendation: None

7.1.14 Information and communication

The Bank is committed to maintaining an open and active dialogue with all stakeholders. It is the Bank`s intention that customers, equity certificate holders, lenders (financial market participants) and public authorities should have simultaneous access to accurate, clear, relevant and comprehensive information on the Bank's strategies and financial objectives, development and financial situation.

Market information is communicated through quarterly stock exchange and press releases, a dedicated Investor Relations section on the Bank's website and financial reports.

Deviations from the recommendation: None

7.1.15 Company acqustion

Sparebanken Sør is a self-owned institution that cannot be taken over by others through acquisition. The ownership structure is regulated by law, and no party may own more than 10 percent of the Bank's equity. Acquisition exceeding this limit must be approved by the Financial Supervisory Authority of Norway.

The savings bank foundation, Sparebankstiftelsen Sparebanken Sør, owns a large share of the equity certificates in the Bank. Statutory limits on ownership are assumed to be within the wording of the recommendation "to the extent appropriate to savings banks with listed equity certificates".

Deviations from the recommendation: None

7.1.16 External auditor

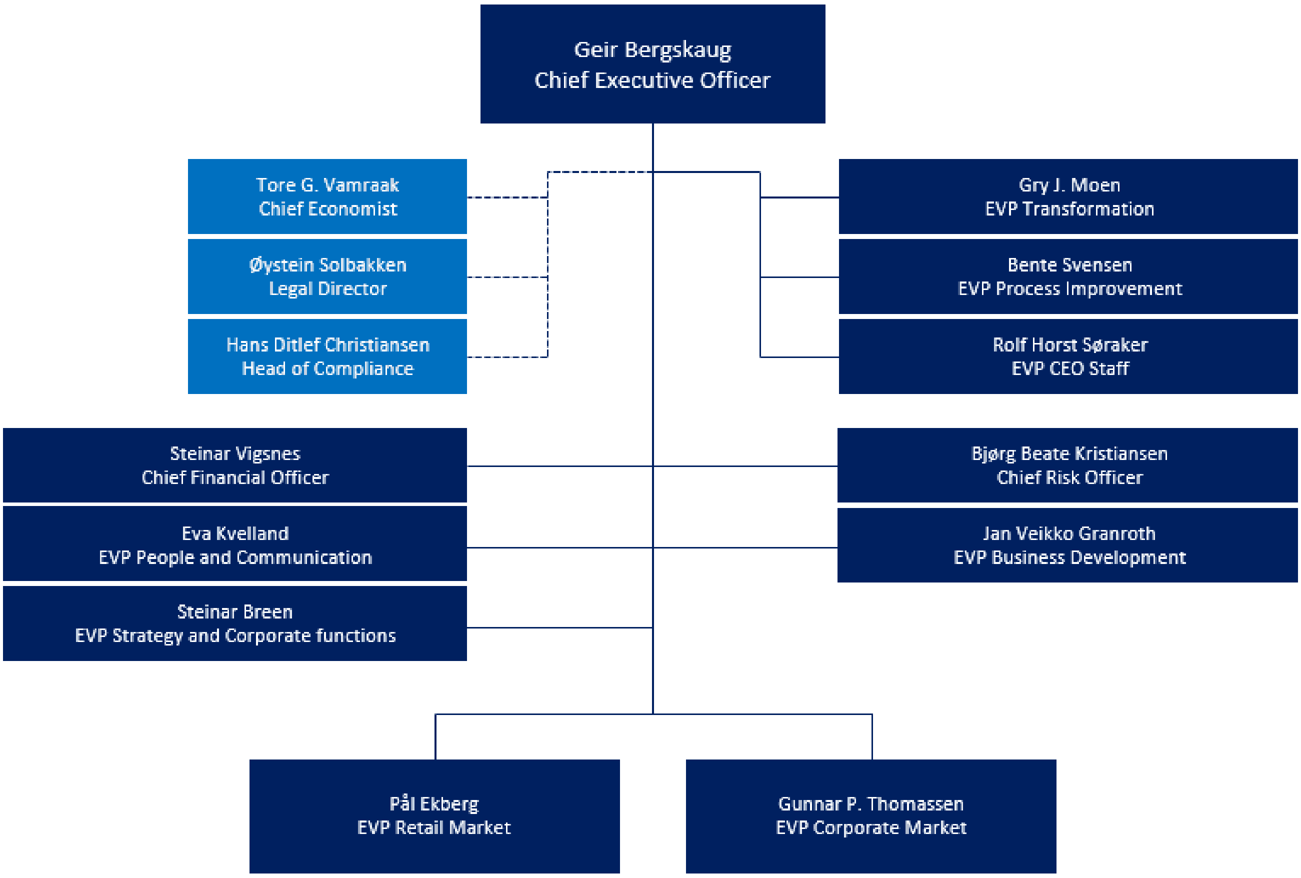
An external auditor is selected by the General Meeting and submits an annual auditor's report concerning the annual financial statements. The external auditor attends the meeting of the Board of Directors at which the annual financial statements are discussed. The external auditor also attends meetings of the Audit Committee and has an annual meeting with the Board of Directors without members of administration being present. The external auditor's fees are considered by the General Meeting when the annual financial statements are discussed. The relationship with the external auditor is also governed by a separate letter of engagement which, among other things, includes the parties responsibilities.

The Audit Committee monitors the auditor's independence, including what other services that are provided by the auditor.

Deviations from the recommendation: None

7.2 Organisation

The Bank's highest governing body is the general meeting. The company's group management reports to the Bank's board of directors. The company's group management is organised as follows:



7.3 The Group management

Geir Bergskaug (1960) / Chief Executive Officer (CEO)

CEO from 1 November 2010. Worked in Gjensidige as Director and Executive Vice President (1999–2010), chairman of the board of Gjensidige Bank (2008–2010), General Manager / Director of DnB NOR (1988–1999). Master of Business and Economics from the Norwegian School of Economics and Business Administration. Additional education from Harvard Business School in Boston – GMP, INSEAD, Fontainebleau in France – MBA.

Chair of the board in the Norwegian Savings Banks Association, Sparebanken Sør Boligkreditt, and Balder Betaling; Deputy Chair of the board in Frende Holding and Frende Skadeforsikring; Board member of Finance Norway and the University of Agder.

Number of equity certificates: 89 773.

Gunnar P. Thomassen (1965) / EVP Corporate Market

Executive vice president (EVP) Corporate market from 1. april 2023. Former EVP Retail Market in Sparebanken Sør, regional director and bank manager. Also has experience from Ernst & Young Management Consulting and the Industrial Fund/SND. Graduate engineer in Industrial Economics from the Norwegian University of Science and Technology.

Chair of the board at Sørmegleren, Deputy Chair of the board at Brage Finans, Board member at Sørlandets Forsikringssenter and Norne Securities.

Number of equity certificates: 6 088.

Pål Ekberg (1975) / EVP Retail Market

Executive vice president (EVP) Retail market from 1 September 2023. Has previously had various management roles in Nordea for the past 12 years, most recently as director of the retail market. Experience from the board of Nordea Eiendomskreditt, as well as previous roles in Orkla (2006- 2010) and Nordea from 2000-2006. Graduated in civil economics from the University of Agder. Strategic leadership from London Business School (2016).

Chair of the board at Sørlandets Forsikringssenter and Board member at Sørmegleren.

Number of equity certificates: 3 714.

Gry Moen (1963) / EVP Transformation

Executive Vice President for Transformation since October 24, 2024. Previously served as Executive Vice President for Business Development (2011–2024), CEO of ABCenter Holding (2009–2010), and Marketing Director at Sparebanken Sør (2006–2009). Has prior experience from companies such as Statoil, Telenor, and LOS / Agder Energi.

Education from Trondheim Business College / Ecôle Superiéure de Commerce Grenobles/Nantes. Master of Management BI. Board member of Bits and deputy member of the board of Balder Betaling and Innoventus Sør.

Number of equity certificates: 732.

Steinar H. Vigsnes (1980) / Chief Financial Officer (CFO)

CFO from 1. June 2022. Joined the Bank in 2009 and previously held the position as Controller (2009-2013) and Head of Finance and Reporting (2014-2022). Vigsnes also has experience as an authorised auditor. Master of Business and Administration from the University of Agder.

Board member of Sparebanken Sør Boligkreditt AS

Number of equity certificates: 10 432.

Bjørg Beate Kristiansen (1980) / Chief Risk Officer (CRO)

Executive vice president (EVP)/ CRO from 1 July 2024. Employed in the Bank since 2010. Has held various roles, including Authorised Financial Advisor for the Retail Market, Internal Auditor, and Head of Internal Audit. Previous experience as an external auditor. Holds a degree in Business Administration and Auditing from the University of Agder and is a Certified Internal Auditor from BI (2018).

Board member of Borea Assets Management AS

Number of equity certificates: 827.

Eva Kvelland (1980) / EVP People and Communication

Executive Vice President (EVP) for People and Communication since August 16, 2021. Brings 20 years of experience from politics and public life, including roles as Head of Marketing and Communication at Stine Sofie's Foundation, Communication Advisor at Ordkraft, and Political Advisor to Minister Lars Sponheim. Education: master’s degree in public policy and management, UiA and bachelor’s degree in political science, UiA.

Currently serves as Chair of the Board for Sør-Fondet and the Sparebanken Sør Instrument Fund Foundation, as well as a Board Member for Sørmegleren and the Polaris Media Foundation.

Number of equity certificates: 2 542.

Steinar Breen (1976) / EVP Strategy and Corporate functions

Executive Vice President (EVP) for Strategy and Corporate Functions since October 15, 2024. Previously served as Executive Vice President for Strategy at Sparebanken Sør. Formerly an associate partner in EY's consulting business for banking and finance. Also has experience from Accenture. Has a master's degree in economics, cand. Oecon. and authorised financial analyst from NHH - Norwegian School of Economics.

Currently serves as an alternate board member for Sparebanken Sør Boligkreditt

Number of equity certificates: 3 948.

Rolf H. Søraker (1960) / EVP CEO Staff

Executive Vice President for the CEO's Staff since October 24, 2024. Has worked at Sparebanken Sør in various roles since 1986, including Director of Corporate Staff/Executive Vice President of Staff (2006–2024). Previous experience includes positions in the education sector and the military. Holds educational qualifications from the Armed Forces, Telemark University College, and BI Norwegian Business School, with a Master of Management degree.

Currently serves as a board member for Sør-Fondet and the Sparebanken Sør Instrument Fund Foundation.

Number of equity certificates: 5 314.

Bente Svensen (1979) / EVP Process Improvement

Executive vice president (EVP) of process improvement from 1 September 2023. Employed in the Bank since 2006. Has held various roles, including financial advisor retail market, system responsible professional system, project manager, department head retail market and head of Sales Center Personal market. Graduated nurse from UIA, bachelor in management from BI, Master of Management from BI (2023).

Currently serves as an alternate board member for Borea Asset Management.

Number of equity certificates: 1 682.

Jan Veikko Granroth (1973) / EVP Business Development

Executive Vice President (EVP) for Business Development since October 24, 2024. Employed at the Bank since 2020 as IT Director. Previously held various leadership roles at Nordea, Atea, and Telia. Holds a Master of Science (M.Sc.) degree in Engineering from the University of Agder.

Number of equity certificates: 970.

7.4 The Board

Knut Ruhaven Sæthre (1964) / Chair of the Board

Chair of the Board since 2022 and a member since 2020. Previously served as a regular alternate member from 2018. Member of the Risk Committee.

Background: Holds a degree in Economics from Fribourg, Switzerland, and a Master's in Strategic Management from the Norwegian School of Economics (NHH). Currently serves as CFO of BW Energy Limited. Former CFO of BW Offshore Limited and APL ASA.

Has substantial training and experience in the ESG field, including responsibility for ESG reporting as CFO in a publicly listed company.

Other key roles: Chair of the Board at BW Energy Norway Management AS.

Number of equity certificates: 4 280.

Mette Harv (1968) / Deputy Chair of the Board

Deputy Chair since 2022 and a board member since 2018. Chair of the Risk Committee.

Background: Holds a degree in Economics from the Norwegian School of Economics (NHH). Currently serves as Executive Vice President for Renewables at Nekkar ASA. Previously held roles as Executive Vice President for TTS Energy at TTS Group ASA and Vice President for Global Supply Chain & Logistics at National Oilwell Varco, Rig Systems.

Responsible for sustainability in her current role, including reporting within the Group.

Other key roles: Chair of the Board at Intellilift AS and Board Member at Kongstein AS.

Number of equity certificates: 420.

Erik E. Tønnesen (1958) / Board Member

Board member since 2020. Chair of the Audit Committee and member of the Technology Committee.

Background: Holds a degree in Economics from BI Norwegian Business School. Currently Managing Partner at Skagerak Maturo AS. Previously served as Executive Vice President at Gjensidige, Regional Director at Acta Kapitalforvaltning, and Bank Manager at Sparebanken Sør.

Other key roles: Chair of the Board at Skagerak Capital AS, Lord 1 AS, Tønnesen 1937 AS, Helmax AS, Solborg Eiendom AS, Knoll og Tott AS, and Mandal Utvikling AS. Board member at Skagerak Venture Capital AS, Mandal Brygge AS, and Innoventus Sør AS.

Number of equity certificates, incl. related parties: 6 201.

Merete Steinvåg Østby (1980) / Board Member

Board member since 2020. Chair of the Compensation Committee and the Technology Committee.

Background: Holds a Master of Science degree from the University of Tromsø. Currently serves as Digital Manager at Yara Porsgrunn. Previously worked as Business Development Manager at Yara Porsgrunn and Section Manager for Financial Services at EVRY.

Other key roles: Board member at Grenland Havn IKS, Bypost Norge AS, Bypost AS, and Frier Vest Holding IKS.

Number of equity certificates: 0.

Eli Giske (1964) / Board member

Board member since 2022. Chair of the Compensation Committee and the Technology Committee.

Background: Holds a Master of Science degree from the University of Tromsø. Currently serves as Digital Manager at Yara Porsgrunn. Previously worked as Business Development Manager at Yara Porsgrunn and Section Manager for Financial Services at EVRY.

Other key roles: Chair of the Board at Sykehuset Innlandet HF, Deputy Chair of the Board at Oslobygg KF and Nye Veier AS, Chair of the Nomination Committee at Itera ASA, Board Member at Bane NOR SF and Iteam AS.

Number of equity certificates: 640.

Trond Randøy (1962) / Board Member

Board member since 2022, previously a regular alternate member since 2020. Member of the Compensation Committee and the Audit Committee.

Background: Holds a Dr. oecon degree from the Norwegian School of Economics (NHH). Currently a Professor at Copenhagen Business School (since 2021) and at the University of Agder. Teaches sustainability at CBS.

Other key roles: Chair of the Board at AATT Holding AS and Agder Aviation Tech Team AS, Kristiansand. Board member at MTI Investment SE, Stockholm.

Number of equity certificates: 672.

Tina Maria Kvale (1980) / Board Member

Employee representative since March 22, 2024.

Background: Works as a Cash Management Advisor in the Bank's corporate market division. Employed at Sparebanken Sør since 2019, with a background in IT/technology. Serves as Deputy Chair and Union Representative for the Finance Sector Union at Sparebanken Sør.

Other key roles: None

Number of equity certificates: 321.

Hans Arthur Frigstad (1968) / Board Member

Employee representative since March 22, 2024.

Background: Holds a Master of Business Administration (Siviløkonom) from BI with a specialisation in entrepreneurship. Chief Employee Representative at Sparebanken Sør. Former CFO at Tandberg Television ASA, Loctite Norge AS, and Normisjon. General Manager at Bok & Media Mandal AS. Chair of the Board at KNIF. Business Advisor at Sparebanken Sør.

Other key roles: None.

Number of equity certificates: 635.

To the General Meeting of Sparebanken Sør

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sparebanken Sør, which comprise:

- the financial statements of the parent company Sparebanken Sør (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Sparebanken Sør and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Sparebanken Sør for 11 years from the election by the general meeting of the shareholders on 27 March 2014 for the accounting year 2014, with a renewed election on the 31 March 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The business activities of the Company and the Group are largely unchanged compared to the previous year. We have not identified regulatory changes, transactions or other events that classify as new Key Audit Matters. Valuation of loans to customers has the same characteristics and risks as in the previous year and has been an important focus area also in 2024.

Key Audit Matters	How our audit addressed the Key Audit Matter

Valuation of loans to customers

We focused on valuation of loans to customers because loans represent a significant portion of totals assets and because valuation of loans involves significant judgement and large quantities of data which makes calculation of impairment of loans to customers complex.

Impairment of loans to customers is performed in accordance with IFRS 9. For loans to customers where objective indicators of impairment exist, impairment is determined individually for each loan. For other loans to customers, impairment is calculated collectively based on a model. Both methods involve judgement that may impact financial results for the period and compliance with solvency regulations due to the risk classification of loans.

For loans to customers where objective indicators of impairment exist, we focused specifically on management's process for identification of loans to customers where objective indicators of impairment exist, management's follow-up of such loans and the assumptions used by management to calculate the impairment loss.

For other loans to customers where impairment loss is calculated collectively based on a model we focused specifically on:

- Risk classification of loans to customers.
- Calculation of probability of default.
- Identification of significant change in credit risk.
- How loans are allocated to different stages.

As part of our audit of impairment provisions, we assessed design and tested operating effectiveness of selected controls implemented by management related to identification and follow-up of loans to customers where indicators of impairment exist. We determined that we could rely on these controls for the purpose of our audit. Further, we performed detailed testing both where impairment was recognised based on a model and where impairment was recognised individually based on objective indicators of impairment.

For loans where objective impairment indicators existed and the impairment amount was estimated individually, we tested a sample of such loans. We assessed the recoverable amount and cash flows prepared by management to support the valuation. We challenged management's assessments by interviewing client account managers and management. We compared the recoverable amount to external evidence where available. Our testing showed that the assumptions used by management when calculating individual impairment losses were reasonable.

The effects of climate change, including the impact on model-based impairment provisions, was discussed with management. Further, we discussed the effect increased interest rates and inflation has on the bank's impairment provisions.

Where impairment is calculated collectively based on a model, we gained a detailed understanding of the process and performed tests of details to assess the following:

- Calculations and methods used.
- Whether the model used was in accordance with the applicable framework and operated as intended.
- Reliability and accuracy of key parameters and data used in the model.
- Accurate and complete transfer of data from the model to the accounting system.

Our testing gave no indications of material misstatement.

Our work also included tests addressing the bank's reporting systems relevant to financial reporting. The bank

- Determination of significant model parameters.
- Calculation of expected credit loss.

We refer to notes 5 through 8 and note 10 to the financial statements for a description of the group's impairment model, credit risk and impairment of loans to customers.

uses external service organisations to operate certain key IT systems. The auditor of the respective service organisations has been used to evaluate design, effectiveness and test controls addressing integrity of the IT systems that are relevant to financial reporting. The auditor has issued a report on the audit of reports and application controls. The auditor tested that key calculations produced by the core IT systems were performed in line with expectations, including interest calculations and amortizations. Moreover, the testing covered integrity of data, and changes and access to the IT systems. To assess if we could rely on the information included in the auditor's reports, we satisfied ourselves regarding the auditor's competence, capacity and objectivity and examined the reports received and we assessed potential weaknesses and remediation initiatives implemented. We also performed testing ourselves of access controls related to the bank's IT systems and segregation of duties where this was considered necessary to our audit.

Our assessments and tests showed that we could rely on the data managed by and the calculations produced by the bank's IT systems relevant to financial reporting to be reliable.

We read the relevant notes to the financial statements and found the information to be sufficient and appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Sparebanken Sør, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Sparebanken Sør Årsrapport 2024, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Kristiansand, 4 March 2025
PricewaterhouseCoopers AS

Fredrik Botha
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.