

Q4 2024

Unaudited



SPAREBANKEN
SØR



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Key figures Group

| NOK million | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 |
|---|------------|------------|----------------|----------------|
| Income statement | | | | |
| Net interest income | 829 | 815 | 3 315 | 3 043 |
| Net commission income | 118 | 105 | 424 | 400 |
| Net income from financial instruments | -41 | -13 | 28 | 3 |
| Income from associated companies | 36 | 33 | 128 | 99 |
| Other operating income | 11 | 3 | 18 | 29 |
| Total net income | 953 | 943 | 3 913 | 3 573 |
| Total operating expenses before losses | 368 | 370 | 1 380 | 1 297 |
| Operating profit before losses | 585 | 573 | 2 532 | 2 276 |
| Losses on loans, guarantees and unused credit | 33 | 31 | 75 | 49 |
| Profit before taxes | 552 | 543 | 2 457 | 2 227 |
| Tax expenses | 127 | 116 | 468 | 454 |
| Profit for the period | 425 | 426 | 1 989 | 1 773 |
| Key figures, income statement | | | | |
| Return on equity after tax (adjusted for hybrid capital) | 9.8 % | 10.5 % | 12.1 % | 11.3 % |
| Costs as % of income | 38.6 % | 39.2 % | 35.3 % | 36.3 % |
| Costs as % of income, excl. net income from financial instruments | 37.0 % | 38.7 % | 35.5 % | 36.3 % |
| Net interest income as % of average assets | 1.87 % | 2.03 % | 1.97 % | 1.91 % |
| Key figures, balance sheet | | | | |
| Total assets | 176 509 | 157 407 | 176 509 | 157 407 |
| Average total assets | 176 000 | 159 000 | 168 000 | 159 000 |
| Net loans to customers | | | 133 441 | 127 532 |
| Growth in loans as % last 12 mths. | | | 4.6 % | 3.0 % |
| Customer deposits | | | 74 216 | 69 272 |
| Growth in loans as % last 12 mths. | | | 7.1 % | 5.6 % |
| Deposits as % of net loans | | | 55.6 % | 54.3 % |
| Equity (incl. hybrid capital) | | | 18 040 | 16 752 |
| Losses on loans as % of net loans. Annualised | | | 0.06 % | 0.04 % |
| Other key figures | | | | |
| Liquidity reserve (LCR) Group | | | 199 % | 156 % |
| Liquidity reserve (LCR) Group- Euro | | | 471 % | 310 % |
| Liquidity reserve (LCR) Parent Bank | | | 162 % | 146 % |
| Common equity tier 1 capital ratio | | | 16.4 % | 16.8 % |
| Tier 1 capital ratio | | | 18.3 % | 18.1 % |
| Total capital ratio | | | 20.7 % | 20.3 % |
| Total common equity tier 1 capital ratio | | | 14 739 | 14 178 |
| Tier 1 capital ratio | | | 16 447 | 15 346 |
| Net subordinated capital | | | 18 674 | 17 193 |
| Leverage ratio | | | 9.1 % | 9.0 % |
| Number of branches | | | 30 | 31 |
| Number of FTEs in banking operations | | | 535 | 505 |
| Key figures, equity certificates | | | | |
| Equity certificate ratio, weighted average over the period | | | 40.0 % | 40.0 % |
| Number of equity certificates issued | | | 41 703 057 | 41 703 057 |
| Profit/diluted earnings per equity certificate (Parent bank) | 5.9 | 5.7 | 8.2 | 15.7 |
| Profit/diluted earnings per equity certificate (Group) | 3.8 | 3.9 | 18.2 | 16.4 |
| Proposed dividend last year per equity certificate | | | 12.2 | 10.0 |
| Paid out dividend last year per equity certificate | | | 10.0 | 6.0 |
| Book equity per equity certificate | | | 157.8 | 149.9 |
| Price/book equity per equity certificate | | | 1.25 | 0.96 |
| Listed price on Oslo Stock Exchange at end of period | | | 197.9 | 144.0 |

Board of Director's report

General

Sparebanken Sør is an independent financial institution engaged in banking, securities trading and real estate brokerage in Agder, Rogaland, Telemark and Vestfold.

The real estate brokerage activities are conducted through the subsidiary, Sørmeqleren. General and personal insurance products are provided through Frende, an insurance company partly 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.

Highlights in Q4 2024

- Solid net interest income
- Good profit contribution from associated companies
- Low cost-income ratio
- Continued low losses on loans
- Return on equity after tax for the quarter at 9.8 percent.
- Profit per equity certificate at NOK 3.8
- Solid common equity tier 1 (CET1) ratio at 16.4 percent and a leverage ratio at 9.1 percent



Return on equity
9.8 %
Q4 2024



Cost-income ratio
38.6 %
Q4 2024



Net interest income
829
NOK million

Highlights 31.12.2024

- Very good growth in net interest income
- Good profit contribution from associated companies
- Positive result from financial assets
- Very low cost-income ratio
- Low losses on loans
- Return on equity at 12.1 percent.
- Profit per equity certificate at NOK 18.2 NOK

- Growth in loans last 12 months at 4.6 percent
- Growth in deposits last 12 months at 7.1 percent
- The Board will propose distributing a dividend of NOK 12.21 per equity certificates, NOK 416 million in customer dividends and NOK 348 million in gifts



Return on equity
12.1 %
 31.12.2024



Cost-income ratio
35.3 %
 31.12.2024



Net interest income
3 315
 NOK million

Financial framework conditions

Norwegian Economy

The year 2024 has been marked by consistently high interest rates, a historically weak Norwegian krone, and strong wage growth, but also by inflation coming down towards the target rate. The global turmoil caused by the aftermath of the pandemic and Russia's aggressive warfare is gradually being brought under control. In most countries, key interest rates have been lowered multiple times in 2024. Norway, however, stands out as an exception, with rates still at their peak.

The key reasons for this include strong wage growth (5.2 percent in both 2023 and 2024), significant currency depreciation, high activity in the petroleum sector driven by the oil tax package introduced during the pandemic, and robust public sector activity supported by spending from the Government Pension Fund Global.

Housing prices increased nominally by 6.4 percent nationwide in 2024, with similar trends observed in the bank's primary market areas (6.6 percent in Agder and 6.3 percent in Telemark). The bank assesses the housing market in its key regions as relatively stable and balanced.

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

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

Regulatory Framework Conditions

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

However, the committee has disregarded this objective and instead focused on addressing issues that do not exist. It has recommended measures such as weakening the position of community capital (the primary capital), simplifying the process of converting savings banks into commercial banks, and removing customers' ability to receive customer dividends. Collectively, these are intrusive and unnecessary actions that, if implemented, would dismantle the 200-year-old distinctiveness of savings banks. The way in which the government and Parliament choose to follow up on the committee's report will be crucial.

Sustainability (ESG)

Sparebanken Sør has a long tradition as a responsible social actor. Sustainability is embedded and integrated in the Bank's strategy. Sparebanken Sør aims to integrate sustainability in all its operations and in all its business areas and contribute to solutions to the sustainability challenges that society is confronting. This means that the Bank supports the Paris Agreement and other relevant global and national initiatives and contributes in various ways to ensure regional development and our collective social responsibility as a responsible bank.

In 2018, Sparebanken Sør was the first Norwegian bank to be certified in gender equality and diversity. The Bank has been re-certified every three years, with the latest re-certification completed in June 2024. In January 2019, Sparebanken Sør was one of the first banks in Norway to establish a framework for issuing green bonds. The Group issued its first green bonds in November the same year. Frameworks for green, social, and sustainable products were established in the summer of 2021. The Bank updated its bond framework in 2024 to ensure that financing under the framework is channeled to sustainable activities in accordance with the EU taxonomy.

The Bank offers green mortgages, and ESG risk is integrated in the Bank's credit processes. By offering sustainable products, digital services and consultancy for customers, the Bank contributes positively to social development through reduced greenhouse gas emissions. The Bank is rated by the renowned Sustainalytics and have a score of 10.8 (low risk). This positions Sparebanken Sør as one of the top-rated banks evaluated by Sustainalytics.

For more comprehensive information about the bank's sustainability efforts, please refer to the dedicated sustainability report for 2023, published on www.sor.no. Starting with the 2024 annual financial statements, sustainability will be an integrated part of the financial reporting.

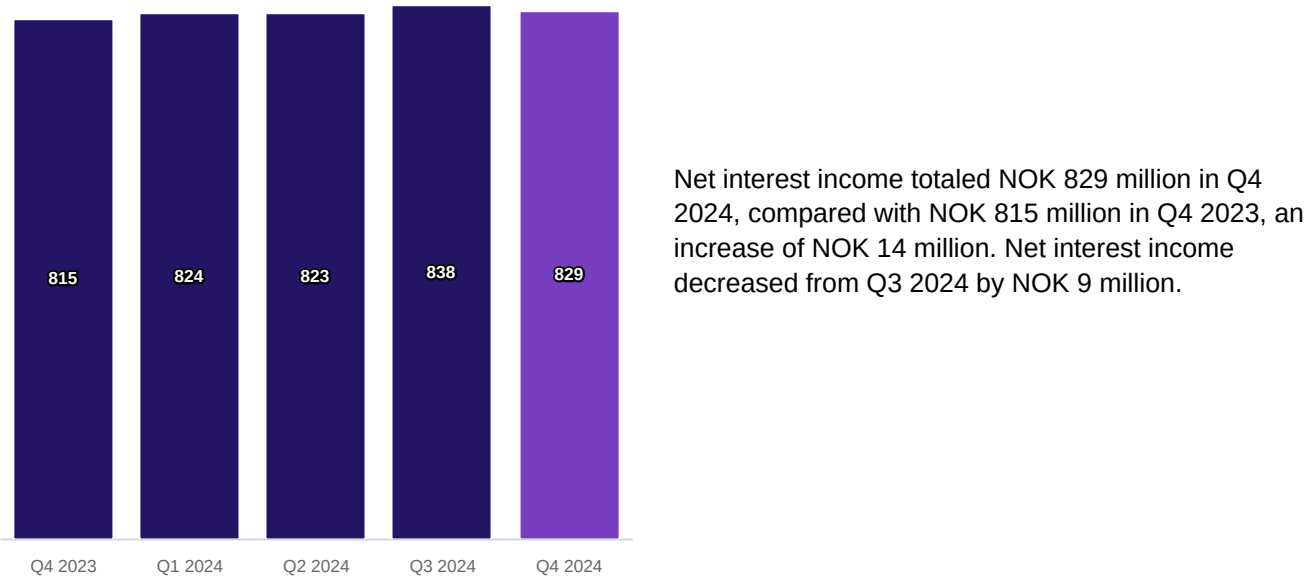
Earnings

Profit before tax amounted to NOK 552 million in Q4 2024, compared with NOK 543 million in the same period in 2023. Return on equity after tax amounted to 9.8 percent in Q4 2024, compared with 10.5 percent in the same period in 2023.

In 2024, profit before tax amounted to NOK 2 457 million compared with NOK 2 227 million in 2023. Return on equity after tax amounted to 12.1 percent at 31.12.2024, compared with 11.3 percent in 2023.

Net Interest Income

Quarterly net interest income (NOK million)

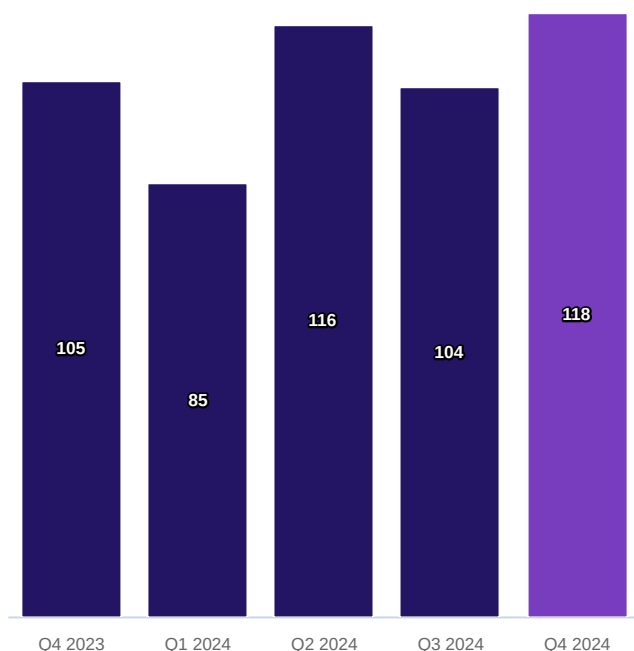


In 2024, net interest income totaled NOK 3 315 million compared with NOK 3 043 million in 2023. The main reason for the increase is related to the interest rate adjustments implemented by the Bank in line with Norges Bank's key policy rate adjustments, as well as growth in lending and deposits during the period.

The key policy rate remained stable in 2024, and the Bank's most recent interest rate increase, reflecting changes from Norges Bank, had full effect from 21 February 2024. Strong competition for mortgage and deposit customers has led to pressure on margins during the quarter. Meanwhile there has been limited growth in the corporate customer portfolio over the past six months. However, strong lending growth in the retail market segment for the period has partially offset this. The Bank anticipates continued margin pressure alongside solid growth in the future. The outlook is expected to remain relatively stable, leading to a flattening of net interest income in the coming quarters.

Commission Income

Quarterly net commission income (NOK million)



Net commission income totaled NOK 118 million in Q4 2024, compared with NOK 105 million in Q4 2023, an increase of NOK 13 million.

Net commission income totaled NOK 424 mill. kroner in 2024, compared with 400 mill. kroner in 2023.

Gross commission income in Q4 2024 totaled NOK 154 million, compared with NOK 138 million in Q4 2023.

| Commission income | Q4 2024 | Q4 2023 | Change | 31.12 2024 | 31.12 2023 | Change |
|--------------------------------|------------|------------|-----------|------------|------------|-----------|
| Payment services | 70 | 62 | 8 | 238 | 215 | 23 |
| Real estate brokerage | 38 | 33 | 5 | 160 | 153 | 7 |
| Mutual fund | 9 | 9 | -0 | 36 | 37 | -0 |
| Insurance | 22 | 14 | 8 | 68 | 53 | 15 |
| Credit procurement and leasing | 2 | 9 | -7 | 7 | 14 | -7 |
| Other commission income | 13 | 11 | 2 | 40 | 38 | 2 |
| Total | 154 | 138 | 16 | 549 | 509 | 40 |

There has been a positive development in commission income from both payment services, insurance (Frende) and real estate brokerage (Sørmegleren). Credit brokerage (Brage) decreased in 2024 due to a reduction in bonus commissions of 7.4 million NOK compared to the previous year. The Bank's annual portfolio growth commission from Frende amounted to 6 million NOK in 2024, compared to 0 million NOK in 2023. Mutual funds (Norne) and other products remained at the same level as the previous year.

In June 2024, Sparebanken Sør, together with Sparebanken Vest (as part of the Frende banks), entered into an agreement to acquire 70 percent of the asset management company Borea Asset Management. In connection with the acquisition, Frende Kapitalforvaltning AS was established in the third quarter. The issuance and acquisition of Borea Asset Management were completed in the fourth quarter. The primary purpose of the transaction is to strengthen the focus on funds, in collaboration with other Frende banks, to offer a broader range of high-quality products to the Bank's customers.

Financial instruments

Net income from financial instruments totaled minus NOK 41 million in Q4 2024, compared with minus NOK 13 million in Q4 2023.

The largest movements in Q4 2024 are related to value changes in the liquidity portfolio, driven by increased credit spreads. The liquidity portfolio totaled NOK 31.0 billion as of December 31, 2024, and consists of highly liquid covered bonds and certificates issued by the government and municipalities. However, there was a net positive contribution from investments in shares, both in Q4 2024 and as of December 31, 2024.

| Net income from financial instruments | Q4 2024 | Q4 2023 | Change | 31.12 2024 | 31.12 2023 | Change |
|---------------------------------------|------------|------------|------------|---------------|---------------|-----------|
| Bonds and certificates | -64 | 3 | -67 | -32 | -19 | -14 |
| Shares incl. dividends | 13 | -10 | 23 | 25 | -13 | 38 |
| Fixed rate loans | 3 | -14 | 17 | -3 | -12 | 9 |
| Securities issued - hedge accounting | 1 | 1 | 0 | 1 | 11 | -10 |
| Repurchase of issued bonds | 1 | -2 | 3 | -4 | -2 | -2 |
| Payment services (agio) | 7 | 7 | 0 | 30 | 31 | -1 |
| Other financial instruments | -3 | 0 | -3 | 11 | 5 | 5 |
| Total | -41 | -13 | -28 | 28 | 3 | 25 |

The result effects related to hedge accounting mainly apply to value changes related to basis swaps. Basis swaps are used as instruments for interest and currency hedging of fixed-rate debt issued in euros. The value of basis swaps fluctuates due to market changes and is recognized continuously. These are hedging instruments, and over the instrument's maturity, market value changes are zero, assuming the bonds are held until maturity.

Income from associated companies

Sparebanken Sør has significant shareholdings in Frende Holding AS, Brage Finans AS, Balder Betaling AS and from Q4 2024 Frende Kapitalforvaltning. These investments are part of the bank's strategic focus aimed at offering more relevant, integrated, and better solutions to our customers. It has also been important for diversifying the Group's sources of income.

| Associated companies | | Q4 2024 | Q4 2023 | Change | 31.12 2024 | 31.12 2023 | Change |
|-------------------------------------|-----------------|------------|------------|----------|---------------|---------------|-----------|
| Frende Holding AS - 22,5 % | Share of profit | 21 | 16 | 5 | 68 | 27 | 41 |
| | Amortisation | -7 | -6 | -1 | -24 | -22 | -2 |
| Brage Finans - 26,8 % | Share of profit | 23 | 22 | 1 | 86 | 83 | 3 |
| Balder Betaling - 26,8 % | Share of profit | 0 | 0 | 0 | 0 | 11 | -11 |
| Frende Kapitalforvaltning AS - 35 % | Share of profit | -2 | | -2 | -2 | | -2 |
| Total | | 36 | 33 | 2 | 128 | 99 | 29 |

Sparebanken Sør has in 2024 increased its ownership stakes in Frende Holding AS, Brage Finans AS and Balder Betaling AS by 2.6 percentage points, 1.9 percentage points and 3.8 percentage points, respectively. In Q4 2024, the Bank sold 0.82 percent of the shares in Brage Finans AS to Rogaland Sparebank.

In 2024, Sparebanken Sør became owner of a newly established holding company, Frende Kapitalforvaltning AS, which holds a 70 percent ownership stake in the asset management company Borea Asset Management. This new investment and the increase in ownership are a result of the strategic focus in this area. The share

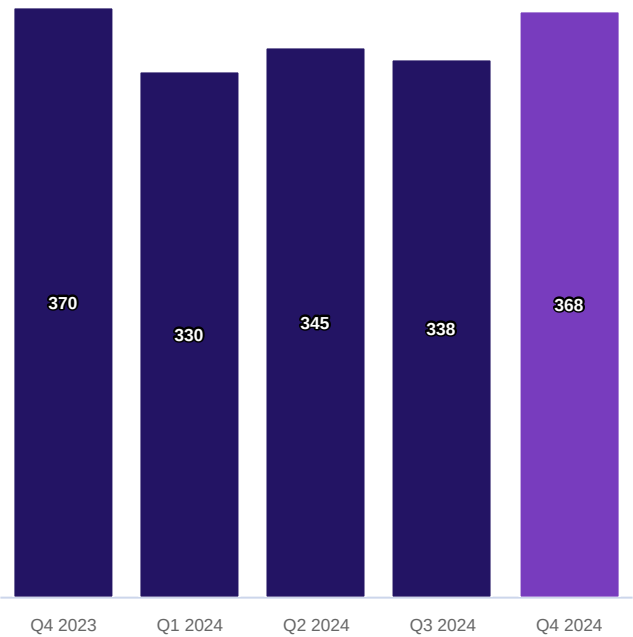
of results from Frende Kapitalforvaltning in Q4 2024 corresponds to the Bank's proportion of the company's startup costs.

The share of results from Frende in Q4 2024 has remained at approximately the same level as the previous quarter and an increase compared to the same period in 2023. In connection with the gradual acquisition of shares in Frende Holding AS, goodwill has been identified and is being amortized over the expected lifetime as shown in the table above.

The share of results from Brage Finans in Q4 2024 shows a growth in portfolio and income. However, Q1 2024 was strongly impacted by an impairment loss related to a single engagement. Otherwise, the company can point to strong growth, both in revenue and portfolio at December 31, 2024.

Operating expenses

Quarterly operating expenses (NOK million)



Operating expenses totaled NOK 368 million in Q4 2024, compared with NOK 370 million in Q4 2023, a decrease of NOK 2 million.

| Operating expenses | Q4 2024 | Q4 2023 | Change | 31.12 2024 | 31.12 2023 | Change |
|--|------------|------------|------------|---------------|---------------|-----------|
| Wages and fees | 151 | 145 | 6 | 588 | 552 | 36 |
| Payroll tax | 25 | 25 | 0 | 95 | 89 | 6 |
| Financial tax | 7 | 7 | 0 | 29 | 25 | 4 |
| Pension costs | 17 | 12 | 5 | 63 | 49 | 14 |
| Other personnel costs | 12 | 21 | -9 | 34 | 42 | -8 |
| Total personnel costs | 211 | 210 | 1 | 809 | 757 | 52 |
| Depreciation, amortization and impairment of non-current assets | 28 | 17 | 11 | 57 | 47 | 10 |
| Marketing | 8 | 10 | -2 | 46 | 45 | 1 |
| IT costs | 67 | 77 | -10 | 273 | 268 | 5 |
| Operating cost - real estate | 7 | 9 | -2 | 30 | 29 | 1 |
| External fees | 14 | 11 | 3 | 39 | 30 | 9 |
| Wealth tax | 7 | 11 | -4 | 31 | 34 | -3 |
| Other operating expenses | 25 | 25 | 0 | 95 | 87 | 8 |
| Total other operating expenses | 128 | 143 | -15 | 515 | 493 | 22 |
| Total Operating expenses | 368 | 370 | -2 | 1 380 | 1 297 | 83 |

Personnel costs have increased over the past year. This is mainly due to higher wage growth, as well as the bank having increased the number of employees in the last 12 months by 30 FTEs. The bank has significantly strengthened its capabilities in analysis, risk management (IRB), compliance, and IT (business development), while also expanding its corporate customer service center. In connection with the announcement of the upcoming merger, hiring in staff and support functions has been slowed down, while the Bank continues to maintain a strong focus on sustaining activity in customer-facing operations regardless of the merger.

Other operating expenses are increasing as a result of general price inflation in the market and are in line with the expectations for the period. As of 31.12.2024, a total of NOK 14.3 million has been recognized as an expense in connection with the merger with Sparebanken Vest. In Q4 2024, the project related to establishing a framework and application for IRB approval was completed. In this context, impairments of intangible assets amounting to NOK 11.8 million have been made.

In Q4 2024, costs as a percentage of income were 38.6 percent (39.2 percent). Costs as a percentage of income, excluding financial instruments, were 37.0 percent (38.7 percent).

Losses on non-performing loans

Net losses on loans amounted to NOK 33 million in Q4 2024, compared to a net loss of NOK 31 million in Q4 2023.

At the end of 2024, there have been positive changes in macroeconomic conditions affecting the framework for both corporate and retail customers. Many countries have started lowering their key policy rates, and the first rate adjustment in Norway is expected during the first quarter of 2025. In 2024 there have been a decline in new home sales and a continued reduction in construction activity. However, there has been positive price development in the housing market in the bank's main market area during the same period. Housing prices in the Group's main markets are in line with the national average in 2024.

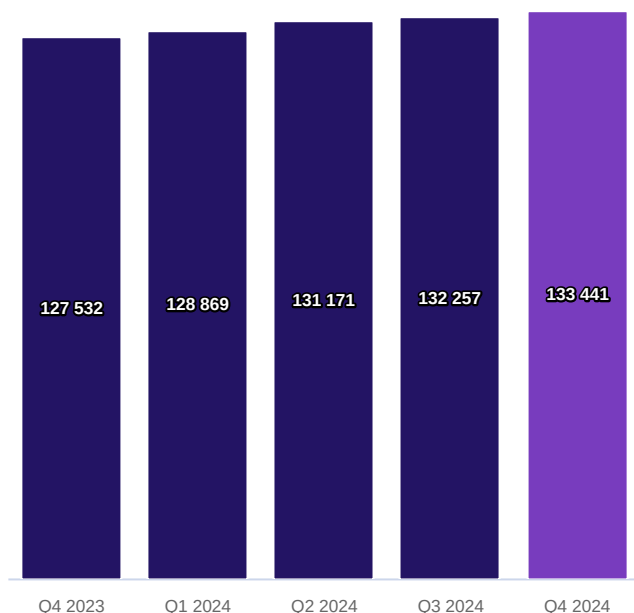
The loss expenses in the fourth quarter is negatively impacted by a confirmed loss on a single commitment due to bankruptcy. Other than that, there have been no significant events leading to increased loss provisions.

Total impairments for the Group amounted to NOK 484 million at the end of the fourth quarter of 2024, representing 0.36 percent of gross loans. The corresponding figures in the fourth quarter of 2023 were NOK 470 million and 0.37 percent of gross loans.

Non-performing commitments were at NOK 1 397 million at the end of the fourth quarter of 2024, up from NOK 1 071 million the previous year. The increase in non-performing loans from the previous quarter is largely related to a single engagement. Non-performing loans have remained stable over an extended period but increased slightly in the fourth quarter of 2024. The level of non-performing commitments remains low. Non-performing commitments accounted for 1.04 percent of gross loans (0.84 percent in the same period in 2023).

Loans

Loans in NOK million



Over the past 12 months net loans increased by NOK 5.9 billion to a total of NOK 133.4 billion, representing a growth of 4.6 percent. Growth in lending in Q4 2024 was NOK 1.2 billion, representing an annualized growth of 3.6 percent. The bank is well-positioned for further profitable growth.

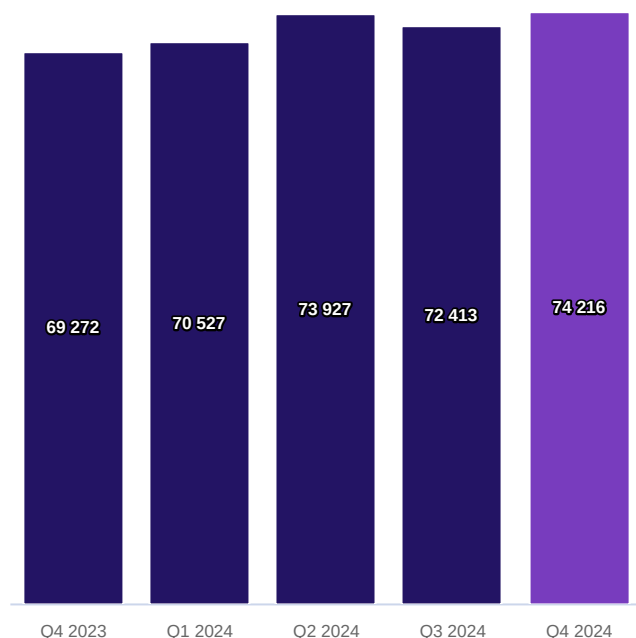
Gross loans for retail customers have increased by NOK 4.0 billion in the last twelve months to NOK 86.4 billion, a growth of 4.9 percent. The annualized lending growth in the fourth quarter of 2024 was 5.9 percent. The bank has an ambition to increase market share in the retail market and has a stated goal of achieving loan growth equivalent to credit growth in the region, plus 1 percentage point.

Gross loans to corporate customers have increased by NOK 1.9 billion over the past twelve months to NOK 47.4 billion, representing a growth of 4.2 percent. The annualized lending growth in the fourth quarter of 2024 was -0.8 percent. Growth within the corporate market is focused on profitability and will vary somewhat throughout the year. In the second half of 2024, retail customer growth was prioritized over corporate customer growth.

Loans to retail customers accounted for 64.6 percent (64.4 percent) of total lending at the end of the fourth quarter of 2024.

Deposits

Deposits in NOK million



Over the past 12 months, customer deposits including accrued interest have increased by NOK 4.9 billion to NOK 74.2 billion, a growth of 7.1 percent. Annualized deposit growth in Q4 2024 amounted to 10.0 percent.

Deposits from retail customers (excluding accrued interest) has increased by NOK 1.9 billion to NOK 34.9 billion in the last twelve months, representing a growth of 5.8 percent.

Deposits from corporate customers (excluding accrued interest) has increased by NOK 3.0 billion to NOK 39.1 billion in the last twelve months, representing a growth of 8.3 percent.

The deposit coverage ratio in Sparebanken Sør was 55.6 percent at the end of the fourth quarter of 2024, up from 54.3 percent at the same time in 2023.

Wholesale funding and liquidity portfolio

The Group has a good liquidity position. The liquidity buffers are reassuring, and the maturity structure of the borrowings is well suited to the business. New long-term liquidity borrowings are taken up through the issuance of covered bonds (OMF), senior debt, and subordinated senior debt. The Group has facilitated long-term funding in the international market through established EMTN programs.

The Group's bond debt (debt incurred through the issuance of securities) amounted to NOK 66.3 billion at the end of the fourth quarter of 2024, of which 89 percent was in the form of OMF. Long-term financing (maturity over 1 year) had an average maturity of 3.1 years at the end of the quarter.

The year 2024 was less challenging in the capital markets compared to the previous two years, in terms of credit spread developments and market access. Credit spreads decreased throughout the year for the types of bond financing utilized by Sparebanken Sør. During the year, the Group issued NOK 800 million in hybrid capital bonds (Additional Tier-1), NOK 850 million in subordinated loans, NOK 1 billion in senior non-preferred

bonds, NOK 2 billion in senior preferred bonds, and NOK 12.25 million in covered bonds (OMF). All issuances were carried out in the Norwegian market.

The Group's holdings of interest-bearing securities amounted to NOK 31.0 billion as of December 31, 2024. The Group's LCR (Liquidity Coverage Ratio) was 199 percent as of December 31, 2024 (162 percent in parent bank). The Group has a high proportion of long-term financing, and the NSFR (Net Stable Funding Ratio) at the end of the quarter was 122.7 percent for the Group (120.2 percent in parent bank), confirming a good liquidity position.

Rating

To be able to take advantage of financing opportunities, both internationally and from various investors, the bank has an international rating from Moody's, which is one of the world's most renowned rating agencies. In addition to the rating result itself having value for the bank, the Board considers that the rating process and the maintenance of the rating also provide value in the form of quality improvements to various processes and procedures.

At the end of 2024, Sparebanken Sør has a long-term rating of A1. In September 2024, Moody's stated its A1 rating and changed the rating outlook from "Stable Outlook" to "Positive Outlook" based on the planned merger.

Covered bonds issued by Sparebanken Sør Boligkreditt AS in NOK and EUR, have been given an Aaa rating by Moody's. Sparebanken Sør Boligkreditt AS has as of June 2023 been assigned an A1/Prime-1 issuer rating by Moody's, in line with ratings assigned on the parent bank. Sparebanken Sør Boligkreditt AS has an A1 rating, and the same rating outlook as the parent bank at the end of 2024.

Subordinated capital and capital adequacy

At the end of Q4 2024, net subordinated capital totaled at NOK 18.7 billion. Total tier 1 capital totaled at NOK 16.4 billion and common tier 1 capital totaled at NOK 14.7 billion. The total capital ratio for the Sparebanken Sør Group was 20.7 percent, the tier 1 capital ratio was 18.3 percent, and the common equity tier 1 (CET) capital ratio was 16.4 percent. The calculations are based on the standard method in the Basel II regulations. Brage Finans AS is proportionally consolidated in accordance with the rules on cooperative groups.

The parent bank had a (total) capital ratio of 25.3 percent, a tier 1 capital ratio of 22.2 percent and a CET1 capital ratio of 19.8 percent at the end of Q4 2024.

In 2024, the Bank received a new Pillar 2 requirement and capital requirement margin expectation (P2G), effective from 31 May 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 effective since 30 April 2022. Finanstilsynet's (FSA) expectation for the Bank's capital requirement margin remains unchanged at 1.0 percent, as previously communicated. The capital requirement margin must be maintained in the form of Common Equity Tier 1 capital in addition to the total requirements for Common Equity Tier 1 capital, Tier 1 capital, and total capital adequacy. The composition requirements for Pillar 2 capital follow the Capital Requirements Directive. This implies that the Common Equity Tier 1 capital requirement to cover the Pillar 2 requirement amounts to 0.9 percent.

The Group's internal target for common equity tier 1 capital ratio is now 16.2 percent.

The countercyclical capital buffer requirement amounted to 2.5 percent as of December 31, 2024, as Norges Bank decided in November 2024 to maintain this requirement. The purpose of the countercyclical capital buffer is to strengthen banks and prevent their credit practices from exacerbating an economic downturn.

An important part of the Group's key objectives is to keep the CET1 capital ratio at the same level as that of comparable banks. Sparebanken Sør is the only major regional bank that uses the standard method to calculate capital adequacy, and the Bank currently has a higher leverage ratio than the other regional banks. Sparebanken Sør also has an ambition to maintain a quality of risk management that is on par with comparable banks.

Sparebanken Sør has made significant progress in developing the Bank's risk management framework and model portfolio and initially aimed to apply to the Financial Supervisory Authority of Norway for approval of internal models for capital calculation during the second half of 2024. This ambition was adjusted following the announcement of the planned merger with Sparebanken Vest, where the Bank now aims to achieve IRB approval for Sparebanken Sør's portfolio by leveraging Sparebanken Vest's IRB models.

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

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

The new standardized approach also entails reduced risk weights for commercial real estate loans overall, where loans with low loan-to-value ratios are subject to lower capital requirements, while loans with higher loan-to-value ratios face somewhat higher requirements compared to the current framework. Consistent with the Financial Supervisory Authority's proposals, the Ministry of Finance has set higher capital requirements for commercial real estate loans than the CRR3 minimum.

CRR3 will be implemented in Norwegian law through amendments to the CRR/CRD Regulation. However, the amendments cannot take effect until CRR3 is incorporated into and enforced under the EEA Agreement. CRR3 will come into force under the EEA Agreement once any constitutional reservations in Liechtenstein and Iceland are lifted. The Ministry of Finance is working to ensure that CRR3 can come into effect in Norway as quickly as possible, with expectations set for the first half of 2025.

Based on the composition of the Group's loan portfolio, it is expected that the new standard framework for credit risk will have a very positive impact for the Group.

The Group's leverage ratio was 9.1 percent at the end of the fourth quarter of 2024, compared to 9.0 percent at the end of the fourth quarter of 2023. The bank's solvency is considered very satisfactory.

As a result of the Bank Recovery and Resolution Directive (BRRD), minimum requirements for the sum of subordinated capital and Minimum Requirement for own funds and Eligible Liabilities (MREL) have been introduced. This entails requirements for convertible and non-preferred debt for Sparebanken Sør. These requirements are determined by Finanstilsynet based on capital requirements and calculated from the currently applicable adjusted calculation basis. Based on capital requirements and adjusted calculation basis

as of December 31, 2024, the subordinated MREL requirement has been set at 35.7 percent and amounted to NOK 23.1 billion. The subordinated MREL requirement has been set at 28.7 percent and amounted to NOK 18.6 billion. By the end of the fourth quarter in 2024, the bank had issued a total of NOK 8.1 billion in senior non-preferred bonds (Tier 3).

The bank's equity certificates

As of December 31, 2024, the bank had issued 41 703 057 equity certificates.

The result (Group) per equity certificate amounted to NOK 3.8 per certificate in the fourth quarter of 2024, compared to NOK 3.9 per certificate in the same period in 2023.

The ownership ratio was 40.0 percent at the end of the quarter and is to be maintained at 40.0 percent going forward. Hybrid capital (subordinated bonds), classified as equity, is excluded from the calculation of the ownership ratio.

Dividend policy

Sparebanken Sør aims to ensure that its equity certificate holders achieve competitive returns through solid, stable, and profitable operations, in the form of dividends and capital appreciation on their equity certificates.

The profits will be distributed equally between equity capital holders (equity certificate holders) and primary capital in proportion to their share of equity. The ownership ratio will be maintained at 40 percent going forward.

It is the goal that approximately 50 percent of the Group's net profit after tax will be distributed as dividends. Dividends will be distributed through cash dividends to equity certificate holders, customer dividends to the bank's customers, and gifts in the regions where primary capital has been built up. When determining dividends, consideration will be given to the potential for profitable growth, expected results in a normalized market situation, external conditions, future need for Common Equity Tier 1, and the bank's strategic plans.

The board will propose to the General Meeting to distribute a dividend for 2024 of NOK 12.21 per equity certificate, a total of NOK 509 million. Proposed dividend amounts to 67 percent of the group's result per equity certificate. The stock price on 31.12.2024 was NOK 197.9 and measured against this, the proposed dividend gives a direct return of 6.2 percent. In addition, it is proposed to set aside NOK 416 million for customer dividends and NOK 348 million for the gift fund.

Subsidiaries and associated companies

The Bank's wholly owned subsidiary, **Sparebanken Sør Boligkreditt AS**, is licensed to issue covered bonds (OMF) and are used as an instrument in the Bank's long-term funding strategy. As of December 31, 2024, the Bank had transferred NOK 60.6 billion to Sparebanken Sør Boligkreditt AS, equivalent to 70.1 percent of all loans to the retail market.

The Bank's own real estate business, **Sørmegleren**, is the absolute leader in Southern Norway. At the end of December 31, 2024, the company had 92 employees in 17 locations. Sørmegleren has had a challenging start in 2024. The total market declined significantly towards the end of 2023, and this trend continued into 2024. The market improved from the second quarter of 2024, and Sørmegleren has seen a significant

improvement in results and delivers a strong result for the year as a whole. Sørmeegleren has maintained its market share throughout 2024 and is still considered the region's leading real estate agent.

The profit before tax for the fourth quarter of 2024 was positive at NOK 1.4 million, compared to NOK -10.2 million in the same periode 2023. As of 31.12.2024, the result was NOK 9.7 million compared to NOK -0.3 million in 2023. The increase in results is primarily due to a revenue shortfall in 2023 caused by reduced activity in the total market where the broker operates its core business. Additionally, cost-saving measures implemented in 2024 have had a positive impact throughout the year, along with an improvement in commercial results in the fourth quarter.

Sørlandet Forsikringscenter AS is a wholly owned subsidiary of the bank. The company represents a significant part of the sales force in insurance and is important for the Group's focus in this area.

Transitt Eiendom AS is a real estate company, where the bank owns 100 percent of the shares. The company is the parent company of Arendal Brygge AS and the subsidiary St. Ybes AS. Arendal Brygge AS became a wholly owned company on December 31, 2023, and are fully consolidated from 2024. The companies own property in the city center of Arendal.

Frende Holding AS (ownership stake 22.5 percent) is the parent company of Frende Skadeforsikring AS and Frende Livsforsikring AS. Frende Holding is owned by 20 independent savings banks, in addition to three Varig companies. The insurance businesses offer a complete range of products to both the corporate and retail markets.

In the fourth quarter of 2024, Frende Holding AS reported a pre-tax profit of NOK 118 million, up from NOK 104 million in the previous year. As of December 31, 2024, the company had a pre-tax profit of NOK 384 million, up from NOK 146 million in 2023.

The financial markets showed weak performance toward the end of the year, and the financial result for the fourth quarter of 2024 amounted to NOK 39 million, including interest expenses related to subordinated loans, compared to NOK 118 million in the same period of 2023.

The financial return on actively invested funds as of 31 December 2024 was NOK 364 million, compared to NOK 235 million as of 31 December 2023, corresponding to a return of 6.24 percent. 2024 thus became the best year in financial performance in Frende's history.

Frende Skadeforsikring reported a profit before tax of NOK 147 million in the fourth quarter, up from NOK 108 million in the same period the previous year. Profit before tax, as of December 31, 2024, was NOK 264 million, up from NOK 168 million in 2023. The company has a total portfolio premium of NOK 2 988 million (NOK 2 577 million), distributed across more than 174 000 customers. The national market share at the end of the fourth quarter of 2024 is 3.4 percent (3.3 percent).

In the fourth quarter of 2024, the loss ratio was 64.8 percent (78.3 percent), and the combined ratio was 82.6 percent (94.4 percent). The loss ratio in the fourth quarter of 2024 is the best in two years and contributed significantly to the improved result. However, the challenging start to the year continues to impact the overall result for 2024, with the loss ratio exceeding expectations for the year. As of 31 December 2024, the loss ratio was 79.2 percent (81.4 percent), and the combined ratio was 97.1 percent (98.8 percent).

Frende Livsforsikring reported a profit before tax of NOK -32 million in the fourth quarter of 2024, compared to NOK -2 million in the same period in 2023. Profit before tax as of December 31, 2024, was NOK 127 million, compared to NOK 8 million in 2023. The risk result for the life insurance company was below expectations,

but overall, for the year significantly better than in 2023. The weaker risk result is primarily due to the performance of the disability product in the second half of the year. The life risk product contributes positively to the risk performance.

The portfolio premium for Frende Liv as of December 31, 2024, was NOK 754 million, compared to NOK 668 million in 2023.

Brage Finans AS (ownership interest 26.8 percent) is a nationwide financial services group that offers leasing and vendor's lien to the corporate and consumer markets. The company operates from its headquarters in Bergen. Distribution of the company's products is done through owner banks, capital goods dealers, and its own sales force.

The fourth quarter of 2024 was a strong quarter for Brage Finans, with strong growth in both portfolio and income. Business activity in Brage Finans' market areas has been strong despite a persistently high interest rate and cost level, which impacts several of the industries covered by the Group.

Profit before tax for the fourth quarter of 2024 amounted to NOK 126.9 million, compared to NOK 127.1 million in the same quarter of the previous year. The result yielded a return on equity (RoE) of 9.3 percent for the quarter, compared to 11.0 percent for the fourth quarter of 2023. Net interest income amounted to NOK 229.3 million for the quarter, compared to NOK 212.0 million in the fourth quarter of 2023, an increase of 8 percent. The increase is primarily a result of portfolio growth.

As of December 31, 2024, Brage Finans had a gross loan portfolio of NOK 26.5 billion. This is an increase of NOK 2.8 billion (12 percent) compared to December 31, 2023. Balance sheet provisions amounted to NOK 213.4 million as of December 31, 2024, which was equivalent to 0.81 percent of the gross loan portfolio.

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.

As of December 31, 2024, Norne had a profit before tax of NOK 18 million, compared to NOK 3 million in 2023. Revenue as of 31 December 2024 amounted to NOK 151 million, up from NOK 117 million last year. The annual result is the second-best since the company was founded.

The company experienced a strong volume of assignments and several completed transactions within Investment Banking in 2024, particularly in the strategically important savings bank sector, where Norne served as arranger and advisor on several issuance and merger assignments. Customer activity among retail clients in equity and mutual fund trading continues to grow. This segment now accounts for over 48 percent of the company's revenue, with particularly strong growth in the sales of Norne's own fund-of-funds products. In the retail market for equity and mutual fund trading, the company develops its services in close collaboration with its owner banks as distribution partners.

Norne Securities is well-positioned for further growth and maintains high ambitions. 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 (ownership stake 26.8 percent) is owned by Sparebanken Sør along with 18 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 (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.

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 pent-up 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 cost-effectively 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.

Events after the reporting period

There have been no significant events after December 31, 2024, that affect the quarterly accounts.

Kristiansand, 6 February 2025



Knut Ruhaven Sæthre
Chairman



Mette Ramfjord Harv
Deputy Chairman



Merete Steinvåg Østby



Erik Edvard Tønnesen



Trond Randøy



Eli Giske



Hans Arthur Frigstad



Tina Maria Kvale



Geir Bergskaug
CEO



Income statement

| PARENT BANK | | | | NOK million | | GROUP | | | |
|----------------|----------------|--------------|--------------|---|----------|------------|------------|----------------|----------------|
| 31.12. 2023 | 31.12. 2024 | Q4 2023 | Q4 2024 | | Notes | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 |
| 4 406 | 5 114 | 1 243 | 1 304 | Interest income effective interest method | <u>4</u> | 2 107 | 1 969 | 8 223 | 6 913 |
| 1 008 | 1 406 | 318 | 365 | Other interest income | <u>4</u> | 441 | 351 | 1 594 | 1 178 |
| 2 843 | 3 818 | 867 | 1 002 | Interest expenses | <u>4</u> | 1 719 | 1 504 | 6 502 | 5 048 |
| 2 572 | 2 702 | 695 | 668 | Net interest income | <u>4</u> | 829 | 815 | 3 315 | 3 043 |
| 459 | 498 | 129 | 143 | Commission income | | 154 | 138 | 549 | 509 |
| 123 | 143 | 35 | 41 | Commission expenses | | 36 | 33 | 125 | 109 |
| 336 | 355 | 95 | 103 | Net commission income | | 118 | 105 | 424 | 400 |
| 252 | 346 | 250 | 320 | Dividend | | 10 | 0 | 36 | 2 |
| -7 | 20 | -9 | -36 | Net income from other financial instruments | | -52 | -13 | -8 | 0 |
| 245 | 366 | 241 | 284 | Net income from financial instruments | | -41 | -13 | 28 | 3 |
| 99 | 128 | 33 | 36 | Income from associated companies | | 36 | 33 | 128 | 99 |
| 14 | 17 | 3 | 11 | Other operating income | | 11 | 3 | 18 | 29 |
| 113 | 145 | 36 | 46 | Total other income | | 47 | 36 | 146 | 128 |
| 694 | 866 | 372 | 433 | Total net other income | | 124 | 128 | 598 | 530 |
| 3 266 | 3 569 | 1 067 | 1 100 | Total net income | | 953 | 943 | 3 913 | 3 573 |
| 613 | 661 | 169 | 170 | Wages and other personnel expenses | | 211 | 210 | 809 | 757 |
| 38 | 52 | 9 | 25 | Depreciation, amortization and impairment of non-current assets | | 28 | 17 | 57 | 47 |
| 472 | 493 | 137 | 126 | Other operating expenses | | 128 | 143 | 515 | 493 |
| 1 123 | 1 206 | 316 | 321 | Total operation expenses before losses | | 368 | 370 | 1 380 | 1 297 |
| 2 143 | 2 362 | 752 | 779 | Operating profit before losses | | 585 | 573 | 2 532 | 2 276 |
| 53 | 73 | 32 | 30 | Losses on loans, guarantees and undrawn credit | <u>5</u> | 33 | 31 | 75 | 49 |
| 2 089 | 2 290 | 720 | 749 | Profit before taxes | <u>2</u> | 552 | 543 | 2 457 | 2 227 |
| 388 | 365 | 112 | 106 | Tax expenses | | 127 | 116 | 468 | 454 |
| 1 701 | 1 925 | 608 | 643 | Profit for the period | | 425 | 426 | 1 989 | 1 773 |
| - | - | - | - | Minority interests | | 0 | -0 | 1 | 1 |
| 1 701 | 1 925 | 608 | 643 | Majority interests | | 425 | 427 | 1 988 | 1 772 |
| 61 | 87 | 16 | 24 | Attributable to additional Tier 1 capital holders | | 24 | 16 | 87 | 61 |
| 1 640 | 1 838 | 591 | 619 | Attributable to ECC-holders and to the primary capital | | 401 | 410 | 1 901 | 1 711 |
| 1 701 | 1 925 | 608 | 643 | Profit for the period | | 425 | 427 | 1 988 | 1 772 |
| 15.7 | 8.2 | 5.7 | 5.9 | Profit/diluted earnings per equity certificate (in whole NOK) | | 3.8 | 3.9 | 18.2 | 16.4 |

Statement of comprehensive income

| PARENT BANK | | | | NOK million | | GROUP | | | |
|----------------|----------------|------------|------------|--|-------|------------|------------|----------------|----------------|
| 31.12. 2023 | 31.12. 2024 | Q4 2023 | Q4 2024 | | Notes | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 |
| 1 701 | 1 925 | 608 | 643 | Profit for the period | | 425 | 427 | 1 988 | 1 772 |
| | | | | Change in value, basis swaps | | -10 | -61 | -64 | -119 |
| -0 | 1 | 2 | 0 | Change in the value of residential mortgages | | | | | |
| - | -0 | -0 | -0 | Tax effect | | 2 | 13 | 14 | 26 |
| -0 | 0 | 1 | 0 | Total other comprehensive income | | -8 | -47 | -50 | -93 |
| 1 701 | 1 925 | 609 | 643 | Comprehensive income for the period | | 417 | 379 | 1 939 | 1 680 |
| | | | | Minority interests | | 0 | -0 | 1 | 1 |
| | | | | Majority interests | | 417 | 379 | 1 938 | 1 679 |
| 15.7 | 17.6 | 5.7 | 5.9 | Comprehensive income/diluted earnings per equity certificate | | 3.8 | 3.5 | 17.8 | 15.5 |

Balance sheet

| 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 | 11 | 492 | 604 |
| 5 012 | 8 352 | Loans to credit institutions | 11 | 4 602 | 468 |
| 71 815 | 72 899 | Net loans to customers | 2,6,7,8,10,11 | 133 441 | 127 532 |
| 21 998 | 25 687 | Bonds and certificates | 11 | 31 042 | 24 156 |
| 235 | 260 | Shares | 11 | 264 | 235 |
| 931 | 1 037 | Financial derivatives | 11,12 | 3 789 | 2 002 |
| 2 823 | 4 240 | Shareholding in group companies | | -0 | 0 |
| 1 537 | 2 000 | Shareholding in associated companies | | 2 000 | 1 537 |
| - | - | Deferred tax assets | | 18 | - |
| 102 | 108 | Intangible assets | | 119 | 114 |
| 451 | 429 | Property, plant and equipment | | 493 | 527 |
| 375 | 452 | Other assets | | 248 | 233 |
| 105 882 | 115 956 | TOTAL ASSETS | 2,11 | 176 509 | 157 407 |
| LIABILITIES AND EQUITY CAPITAL | | | | | |
| 3 643 | 6 116 | Liabilities to credit institutions | 11 | 5 584 | 3 530 |
| 69 289 | 74 248 | Deposits from customers | 2,9,11 | 74 216 | 69 272 |
| 6 991 | 7 021 | Liabilities related to issue of securities | 11,13 | 66 340 | 56 724 |
| 783 | 919 | Financial derivatives | 11,12 | 919 | 922 |
| 391 | 368 | Payable taxes | | 491 | 496 |
| 1 635 | 1 743 | Other liabilities | | 526 | 610 |
| 138 | 154 | Provisions for commitments | | 154 | 138 |
| 40 | 35 | Deferred tax | | - | 23 |
| 7 177 | 8 118 | Senior non-preferred | 11,13 | 8 118 | 7 177 |
| 1 763 | 2 120 | Subordinated loan capital | 11,13 | 2 120 | 1 763 |
| 91 850 | 100 843 | Total liabilities | | 158 469 | 140 655 |
| 5 179 | 5 412 | Equity certificate capital | 14 | 5 921 | 5 596 |
| 1 085 | 1 585 | Hybrid capital | | 1 585 | 1 085 |
| 7 768 | 8 117 | Other equity | | 10 535 | 10 071 |
| 14 032 | 15 114 | Total equity | 3,14 | 18 040 | 16 752 |
| 105 882 | 115 956 | TOTAL LIABILITIES AND EQUITY | 2,11 | 176 509 | 157 407 |

Kristiansand, 6 February 2025



Knut Ruhaven Sæthre
Chairman



Mette Ramfjord Harv
Deputy Chairman



Merete Steinvåg Østby



Erik Edvard Tønnesen



Trond Randøy



Eli Giske



Hans Arthur Frigstad



Tina Maria Kvale



Geir Bergskaug
CEO

Cash flow statement

| PARENT BANK | | NOK million | GROUP | |
|----------------|----------------|---|----------------|----------------|
| 31.12. 2023 | 31.12. 2024 | | 31.12. 2024 | 31.12. 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 |
| -4 372 | -1 185 | Change in loans to customers | -6 013 | -3 527 |
| 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 institutions | -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 | Payments received of own equity certificates | 16 | - |
| -14 | - | Payments 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 | 603 |

Statement of change in equity

| GROUP | | | | | | | | | |
|--|------------------------|-----------------|-------------------------------|-------------------|--------------------|--------------|-----------------|-----------------------|---------------|
| NOK million | Equity certificates | Premium Fund | Dividend equalization-fund | Hybrid capital | Primary capital | Gift fund | Other equity | Minority interests | TOTAL |
| Balance 31.12.2022 | 2 084 | 2 068 | 1 043 | 1 085 | 7 417 | 415 | 1 663 | 4 | 15 779 |
| Dividend distributed for 2022 | | | -250 | | | | | | -250 |
| 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 |
| Allocated gift fund | | | | | | -152 | | | -152 |
| Distributed 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 |
| Dividend distributed | | | -417 | | | | | | -417 |
| Profit Ytd 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 |
| 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 equalization-fund | Hybrid capital | Primary capital | Gift fund | Other equity | 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 Ytd 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 |
| Balance 31.12.2024 | 2 084 | 2 068 | 1 259 | 1 585 | 8 117 | | -0 | | 15 113 |

* 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.

** Cash dividends to the owners of equity certificates are entered in the equalization-fund, and customer dividends are entered in the primary capital.

Notes

1. Accounting policies

The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS), including IAS 34. The accounting principles are the same as those applied in the annual financial statements for 2023 unless otherwise specified. There are no new standards applicable for 2024 that have had a significant impact on financial statements.

A tax rate of 25 percent has been applied in preparing the quarterly financial statements for the parent bank and the subsidiary Sørlandets Forsikringssenter AS. For other subsidiaries, a tax rate of 22 percent has been applied.

Discretionary assessments, estimates and assumptions

The preparation of the quarterly financial statements involves management making estimates and exercising judgments and assumptions that affect the application of accounting principles, and thus the recorded amounts. For a detailed description, see the 2023 annual financial statements, note 2.

The determination of impairment losses is subject to a significant degree of judgment. The global turmoil caused by the aftermath of the pandemic and Russia's aggressive warfare is gradually coming under control. In most countries, central bank interest rates were reduced several times in 2024. Norway stands out as an exception, with interest rates still at their peak. By the end of Q4 2024, these factors have been considered in the assessment of the macroeconomic parameters used as inputs in the impairment evaluations.

Housing prices in the Group's main markets have shown a positive but moderate development over several years. As of the fourth quarter of 2024, statistics indicated developments in the bank's primary region that were approximately in line with the national average over the past 12 months.

The model for calculating losses includes data on macroeconomic conditions and is forward-looking, taking into account future market effects. Should there be changes in economic conditions or macroeconomic factors, the relevant parameters in the model must be adjusted accordingly.

The macroeconomic parameters and figures used as input in the loss model are presented in Note 5.

2. Segment reporting

| Report per segment | BANKING BUSINESS | | | | | 31.12.2024 |
|---|------------------|---------------|------------------------|------------------------|-------------|----------------|
| Income statement (NOK million) | RM | CM | Undistrib. and elimin. | Total banking business | Sørmegleren | Total |
| Net interest and commission 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 |
|---|------------------|---------------|------------------------|------------------------|-------------|----------------|
| Income statement (NOK million) | RM | CM | Undistrib. and elimin. | Total banking business | Sørmegleren | Totalt |
| Net interest and commission 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 |

3. Subordinated capital and capital adequacy

| 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 | Equity not eligible as common equity tier 1 capital | -1 708 | -1 168 |
| 0 | - | Share of profit not eligible as common equity tier 1 capital | -1 273 | -1 079 |
| -102 | -108 | Deductions for intangible assets and deferred tax assets | -130 | -113 |
| -47 | -33 | Deductions for additional value adjustments | -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 | 1 708 | 1 168 |
| 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 | 2 227 | 1 847 |
| 1 750 | 2 100 | Total additional capital | 2 227 | 1 847 |
| 15 396 | 16 838 | Net subordinated capital | 18 674 | 17 193 |
| | | Minimum requirement for subordinated capital Basel II calculated 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 |
| 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 % |

| 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. Interest income and interest expenses

| PARENT BANK | | | | NOK million | GROUP | | | | |
|---|----------------|------------|------------|--|------------|------------|----------------|----------------|--|
| 31.12. 2023 | 31.12. 2024 | Q4 2023 | Q4 2024 | | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 | |
| Interest income | | | | | | | | | |
| Interest income from financial instruments at amortised cost: | | | | | | | | | |
| 268 | 393 | 60 | 120 | Interest on receivables from credit institutions | 55 | 23 | 127 | 137 | |
| 3 206 | 3 709 | 946 | 942 | Interest on loans given to customers | 2 052 | 1 946 | 8 096 | 6 776 | |
| 3 474 | 4 102 | 1 006 | 1 063 | Total interest from financial instruments at amortised cost | 2 107 | 1 969 | 8 223 | 6 913 | |
| Interest income from financial instruments at fair value through OCI: | | | | | | | | | |
| 933 | 1 012 | 238 | 241 | Interest on loans given to customers (mortgages) | - | - | - | - | |
| 933 | 1 012 | 238 | 241 | Total interest from financial instruments at fair value through OCI | - | - | - | - | |
| 4 406 | 5 114 | 1 243 | 1 304 | Total interest income effective interest method | 2 107 | 1 969 | 8 223 | 6 913 | |
| Interest income from financial instruments at fair value: | | | | | | | | | |
| 130 | 147 | 33 | 45 | Interest on loans given to customers (fixed rate loans) | 45 | 33 | 147 | 130 | |
| 878 | 1 260 | 286 | 320 | Interest on certificates and bonds | 396 | 318 | 1 447 | 1 048 | |
| 1 008 | 1 406 | 318 | 365 | Total interest from financial instruments at fair value through profit or loss | 441 | 351 | 1 594 | 1 178 | |
| 1 008 | 1 406 | 318 | 365 | Total other interest income | 441 | 351 | 1 594 | 1 178 | |
| 5 414 | 6 520 | 1 562 | 1 669 | Total interest income | 2 548 | 2 319 | 9 817 | 8 091 | |

| PARENT BANK | | | | NOK million | GROUP | | | | |
|---|----------------|------------|------------|--|------------|------------|----------------|----------------|--|
| 31.12. 2023 | 31.12. 2024 | Q4 2023 | Q4 2024 | | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 | |
| Interest expenses | | | | | | | | | |
| Interest expenses from financial instruments at amortised cost: | | | | | | | | | |
| 157 | 230 | 56 | 59 | Interest on liabilities to credit institutions | 54 | 55 | 208 | 154 | |
| 1 795 | 2 559 | 551 | 662 | Interest on customer deposits | 661 | 551 | 2 558 | 1 795 | |
| 428 | 410 | 110 | 112 | Interest on issued securities | 831 | 746 | 3 106 | 2 626 | |
| 104 | 135 | 29 | 40 | Interest on subordinated loans | 40 | 29 | 135 | 104 | |
| 304 | 433 | 106 | 117 | Interest on senior non-perferred loans | 117 | 106 | 433 | 304 | |
| 55 | 51 | 14 | 12 | Fees to the Norwegian Banks Guarantee Fund and other interest expenses | 15 | 17 | 62 | 65 | |
| 2 843 | 3 818 | 867 | 1 002 | Interest expenses from financial instruments at amortised cost | 1 719 | 1 504 | 6 502 | 5 048 | |
| 2 843 | 3 818 | 867 | 1 002 | Total interest expenses | 1 719 | 1 504 | 6 502 | 5 048 | |

5. Losses on loans, guarantees and undrawn credits

Provisions for loss allowances and loss expenses for the period are calculated according to the accounting standard IFRS 9 and are based on expected credit loss (ECL) using the 3-stage model described in Note 7 of the 2023 financial statements.

The macro view in recent years has undergone significant changes. The fluctuations have been greater and more frequently, with the corona pandemic followed by a more uncertain macro view due to increased geopolitical tensions, high inflation, and rising interest rates. The Group's provision for losses on loans in the fourth quarter of 2024 is based on new assumptions as of December 31, 2024.

Model-based losses on loans are based on the Bank's IFRS 9 model. Among others, this model includes variables in a macro model. The macro model looks at the current PD level and shows the expected development.

Throughout 2024, there has been a positive change in macroeconomic conditions, which has implications for the conditions affecting both corporate customers and retail customers. Loan rates appear to have stagnated, and inflation has declined. This year has also seen a continued decline in new home sales, as well as a continued reduction in construction activities. However, there has been a positive price development in the housing market in the Bank's primary market area during the same period. Housing prices in the group's primary markets have been in line with the national average in 2024.

The following macro variables have been used when calculating impairment losses, as of December 31, 2024:

| | 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 |
| Oil prices, USD | 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 |
| CPI | 3.2 | 2.6 | 2.8 | 2.4 | 2.4 |
| Other collateral | 0 | 0 | 0 | 0 | 0 |

The determination of macro variables is mainly based on figures from the Monetary Policy Report from Norges Bank and figures from Statistics Norway. Sparebanken Sør has to a large extent collateralized mortgages on real estate and the determination of these parameters for housing prices (including real estate) are considered to be the parameters that have the most significant effect on LGD (Loss Given Default).

Sensitivity analyses related to the parameters that the Group considers to be most significant in today's situation are reproduced in the table below.

| GROUP | | | | 31.12.2024 |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 10 percent reduction in collateral | 20 percent reduction in collateral | 30 percent reduction in collateral | 1 percent increase in unemployment |
| Loan loss provisions NOK million | | | | |
| Loan loss provisions, CM | 78 | 174 | 241 | -4 |
| Loan loss provisions, RM | 21 | 49 | 76 | 2 |
| Total | 99 | 223 | 317 | -2 |

| PARENT BANK | | | | 31.12.2024 |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Loan loss provisions NOK million | | | | 1 percent increase in unemployment |
| | 10 percent reduction in collateral | 20 percent reduction in collateral | 30 percent reduction in collateral | |
| Loan loss provisions, CM | 77 | 172 | 239 | -4 |
| Loan loss provisions, RM | 8 | 19 | 27 | 1 |
| Total | 86 | 191 | 265 | -3 |

The bank's loss expenses are presented in the table below.

| PARENT BANK | | | | NOK million | GROUP | | | |
|-------------|-------------|-----------|-----------|---|-----------|-----------|-------------|-------------|
| 31.12. 2023 | 31.12. 2024 | Q4 2023 | Q4 2024 | Loss expense on loans during the period | Q4 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 |
| 19 | -27 | 1 | -1 | Period's change in write-downs stage 1 | 1 | 1 | -27 | 16 |
| 22 | -12 | 20 | -27 | +Period's change in write-downs stage 2 | -26 | 21 | -10 | 21 |
| -3 | 66 | -4 | 15 | +Period's change in write-downs stage 3 | 15 | -7 | 65 | -4 |
| 6 | 50 | 5 | 47 | + Period's confirmed loss | 47 | 5 | 50 | 6 |
| 14 | -1 | 14 | -3 | + Periodic amortization expense | -3 | 14 | -1 | 14 |
| | | | | - Period's recoveries relating to previous losses | 2 | 4 | 7 | 10 |
| 10 | 7 | 4 | 2 | | | | | |
| 5 | 4 | 1 | 1 | + Losses from fraud cases | 1 | 1 | 4 | 5 |
| 53 | 73 | 32 | 30 | Loss expenses during the period | 33 | 31 | 75 | 49 |

| GROUP | Stage 1 | Stage 2 | Stage 3 | |
|---|---------------------------------------|---------------------------------|---------------------------------|------------|
| NOK million | Expected losses in the next 12 months | Lifetime expected credit losses | Lifetime expected credit losses | Total |
| Provisions for loan losses as at 01.01.2024 | 124 | 221 | 124 | 470 |
| Transfers | | | | |
| Transferred to stage 1 | 33 | -25 | -8 | 0 |
| Transferred to stage 2 | -10 | 31 | -21 | - |
| Transferred to stage 3 | -3 | -19 | 22 | -0 |
| Losses on new loans | 29 | 45 | 14 | 89 |
| Losses on deducted loans * | -38 | -45 | -32 | -114 |
| Losses on older loans and other changes | -40 | 4 | 75 | 39 |
| Provisions for loan losses as at 31.12.2024 | 96 | 212 | 175 | 484 |
| Provisions for loan losses | 83 | 200 | 161 | 444 |
| Provisions for losses on guarantees and undrawn credits | 14 | 12 | 14 | 40 |
| Total provision for losses as at 31.12.2024 | 96 | 212 | 175 | 484 |

*Losses on deducted loans relate to losses on loans redeemed.

The tables also include impairment losses on off-balance items (unused credit and guarantees). These are presented as other liabilities in the balance sheet.

| PARENT BANK | Stage 1 | Stage 2 | Stage 3 | |
|---|---------------------------------------|---------------------------------|---------------------------------|------------|
| NOK million | Expected losses in the next 12 months | Lifetime expected credit losses | Lifetime expected credit losses | Total |
| Provisions for loan losses as at 01.01.2024 | 116 | 209 | 121 | 446 |
| Transfers | | | | |
| Transferred to stage 1 | 30 | -22 | -8 | - |
| Transferred to stage 2 | -9 | 29 | -20 | - |
| Transferred to stage 3 | -3 | -19 | 22 | - |
| Losses on new loans | 25 | 42 | 14 | 81 |
| Losses on deducted loans * | -35 | -41 | -31 | -108 |
| Losses on older loans and other changes | -36 | -1 | 74 | 37 |
| Provisions for loan losses as at 31.12.2024 | 88 | 197 | 171 | 456 |
| Provisions for loan losses | 74 | 185 | 157 | 417 |
| Provisions for losses on guarantees and undrawn credits | 13 | 12 | 14 | 40 |
| Total provision for losses as at 31.12.2024 | 88 | 197 | 171 | 456 |

*Losses on deducted loans relate to losses on loans redeemed or transferred between the Bank and Sparebanken Sør Boligkreditt AS.

The tables also include impairment losses on off-balance items (unused credit and guarantees). These are presented as other liabilities in the balance sheet.

| GROUP | Stage 1 | Stage 2 | Stage 3 | |
|---|---------------------------------------|---------------------------------|---------------------------------|------------|
| NOK million | Expected losses in the next 12 months | Lifetime expected credit losses | Lifetime expected credit losses | Total |
| Provisions for loan losses as at 01.01.2023 | 110 | 199 | 126 | 434 |
| Transfers | | | | |
| Transferred to stage 1 | 61 | -56 | -6 | 0 |
| Transferred to stage 2 | -10 | 20 | -10 | -0 |
| Transferred to stage 3 | -1 | -5 | 6 | -0 |
| Losses on new loans | 57 | 64 | 7 | 128 |
| Losses on deducted loans * | -24 | -37 | -24 | -84 |
| Losses on older loans and other changes | -68 | 36 | 25 | -8 |
| Provisions for loan losses as at 31.12.2023 | 124 | 221 | 124 | 470 |
| Provisions for loan losses | 107 | 199 | 121 | 427 |
| Provisions for losses on guarantees and undrawn credits | 17 | 23 | 4 | 43 |
| Total provision for losses as at 31.12.2023 | 124 | 221 | 124 | 470 |

*Losses on deducted loans relate to losses on loans redeemed.

The tables also include impairment losses on off-balance items (unused credit and guarantees). These are presented as other liabilities in the balance sheet.

| PARENT BANK | Stage 1 | Stage 2 | Stage 3 | |
|---|---------------------------------------|---------------------------------|---------------------------------|------------|
| NOK million | Expected losses in the next 12 months | Lifetime expected credit losses | Lifetime expected credit losses | Total |
| Provisions for loan losses as at 01.01.2023 | 98 | 186 | 122 | 406 |
| Transfers | | | | |
| Transferred to stage 1 | 58 | -53 | -5 | - |
| Transferred to stage 2 | -9 | 19 | -10 | -0 |
| Transferred to stage 3 | -1 | -5 | 6 | -0 |
| Losses on new loans | 53 | 61 | 7 | 122 |
| Losses on deducted loans * | -20 | -33 | -23 | -76 |
| Losses on older loans and other changes | -63 | 33 | 24 | -6 |
| Provisions for loan losses as at 31.12.2023 | 116 | 209 | 121 | 446 |
| Provisions for loan losses | 99 | 187 | 117 | 403 |
| Provisions for losses on guarantees and undrawn credits | 16 | 23 | 4 | 43 |
| Total provision for losses as at 31.12.2023 | 116 | 209 | 121 | 446 |

*Losses on deducted loans relate to losses on loans redeemed or transferred between the Bank and Sparebanken Sør Boligkreditt AS.

The tables also include impairment losses on off-balance items (unused credit and guarantees). These are presented as other liabilities in the balance sheet.

6. Non-performing loans

All commitments in Stage 3 are defined as being in default. According to definition of default, payment default is based on a minimum amount of NOK 1 000 for retail customers and NOK 2 000 for corporate customers. However, a new relative limit of 1 percent of the customer's commitment has also been introduced. Both conditions must be met before a default can be said to exist.

In addition to direct payment default, default will also exist in the event of other objective causes or qualitative assessments and loss indications. Default will also exist in the following situations:

“Forbearance”: This may be defined as a combination of financial difficulties and concessions on the part of the bank, where the bank has granted terms that would not have been granted to a healthy customer.

“Unlikelihood to pay”: This may relate to breaches of covenant or other information about the customer whose impact on the probability of default must be evaluated.

Contagion and quarantine rules have also been introduced, which means that if a joint loan is defaulted, co-borrowers will be tainted, and there will be a quarantine period of 3 to 12 months from the date on which the default is cleared until the customer is declared healthy.

| PARENT BANK | | NOK million | GROUP | |
|-------------|------------|--|------------|------------|
| 31.12.2023 | 31.12.2024 | | 31.12.2024 | 31.12.2023 |
| 949 | 1 291 | Total non-performing loans (step 3) | 1 397 | 1 071 |
| 121 | 171 | Impairment 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 in % of gross loans | 1.04% | 0.84% |

7. Impairment losses by sector, industry and stage

Impairment losses by sector and industry

| PARENT BANK | | | | NOK million | GROUP | | | |
|-------------|---------|---------|----------------------------------|---|----------------------------------|---------|---------|---------|
| Stage 1 | Stage 2 | Stage 3 | Loss allowances as of 31.12.2024 | | 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 | - | 4 | Public administration | 4 | - | 1 | 3 |
| 2 | 2 | 0 | 4 | Primary Industry | 5 | 0 | 2 | 2 |
| 3 | 7 | 24 | 34 | Manufacturing 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 | Social 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 |

Industries are presented based on official industrial codes and are grouped as the Group reports these internally.

8. Migration of gross loans

| 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 | 152 253 | 1 397 | 19 991 | 130 865 |
| 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 % |

| 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 % |

| 31.12.2023 | | | | | 31.12.2024 | | | | |
|-------------|---------|---------|--------|--|-------------|---------|---------|---------|--|
| PARENT BANK | | | | | NOK million | | | | |
| 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 | 10 104 | 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 | |

| 31.12.2023 | | | | | 31.12.2024 | | | | |
|-------------|---------|---------|--------|---|-------------|---------|---------|---------|--|
| PARENT BANK | | | | | NOK million | | | | |
| 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 | |

9. Customer deposits by sector and industry

| PARENT BANK | | NOK million | GROUP | |
|---------------|---------------|--------------------------------------|---------------|---------------|
| 31.12.2023 | 31.12.2024 | | 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 |

The breakdown is based on official industry codes and corresponds to the Groups internal reporting.

10. Loans to customers by sector and industry

| PARENT BANK | | NOK million | GROUP | |
|---------------|---------------|------------------------------------|----------------|----------------|
| 31.12.2023 | 31.12.2024 | | 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 |
| 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. Impairment losses in this note are not comparable to other figures relating to losses.

The breakdown is based on official industry codes and corresponds to the Groups internal reporting.

11. Fair values of financial instruments

Classification of financial instruments

Financial instruments are classified at different levels.

Level 1:

Includes financial assets and liabilities measured using unadjusted observable market values. This includes listed shares, derivatives traded via active marketplaces and other securities with quoted market values.

Level 2:

Instruments measured using techniques in which all assumptions (all inputs) are based on directly or indirectly observable market data. Such values may be obtained from external market players or reconciled against external market players offering these types of services.

Level 3:

Instruments measured using techniques in which at least one essential assumption cannot be supported by observable market values. This category includes investments in unlisted companies and fixed-rate loans where no required market information is available.

For a more detailed description, see Note 22 Fair value of financial instruments in the 2023 Annual Financial Statements.

| PARENT BANK | | | | | 31.12.2024 | | GROUP | | | |
|--|------------|---------|---------|---|------------------|------------|---------|---------|--|--|
| Recognized value | Fair value | | | NOK million | Recognized value | Fair value | | | | |
| | Level 1 | Level 2 | Level 3 | | | Level 1 | Level 2 | Level 3 | | |
| Assets recognized 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 recognized 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 recognized 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 recognized 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 | | | |
|--|------------|---------|---------|---|------------------|------------|---------|---------|--|
| Recognized value | Fair value | | | NOK million | Recognized value | Fair value | | | |
| | Level 1 | Level 2 | Level 3 | | | Level 1 | Level 2 | Level 3 | |
| Assets recognized 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 recognized 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 recognized 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 recognized at fair value | | | | | | | | | |
| 783 | | 783 | | Financial derivatives | 922 | | 922 | | |
| 89 646 | - | 20 437 | 69 289 | Total financial liabilities | 139 387 | - | 70 143 | 69 272 | |

Movement level 3

| GROUP | | | |
|--|------------------------|----------------------|------------|
| NOK million | Net loans to customers | Of which credit risk | Shares |
| Recognized value as at 01.01.2023 | 4 535 | 3 | 197 |
| Acquisitions Q1-Q4 | 564 | - | 12 |
| Change in value recognized during the period | 31 | -5 | -8 |
| Disposals Q1-Q4 | -913 | - | -0 |
| Recognized value as at 31.12.2023 | 4 217 | -2 | 201 |
| Acquisitions Q1-Q4 | 1 631 | | 49 |
| Change in value recognized during the period | -29 | -11 | -14 |
| Disposals Q1-Q4 | -842 | | -5 |
| Recognized value as at 31.12.2024 | 4 976 | -14 | 231 |

| PARENT BANK | | | |
|--|------------------------|----------------------|------------|
| NOK million | Net loans to customers | Of which credit risk | Shares |
| Recognized value as at 01.01.2023 | 20 081 | 3 | 197 |
| Acquisitions Q1-Q4 | 3 589 | - | 12 |
| Change in value recognized during the period | 31 | -5 | -8 |
| Disposals Q1-Q4 | -914 | - | -0 |
| Recognized value as at 31.12.2023 | 22 787 | -2 | 201 |
| Acquisitions Q1-Q4 | 1 631 | | 49 |
| Change in value recognized during the period | -29 | -11 | -18 |
| Disposals Q1-Q4 | -2 136 | | -5 |
| Recognized value as at 31.12.2024 | 22 252 | -14 | 227 |

Sensitivity analysis

Changes in value as a result of a change in credit spread of 10 basis points.

| GROUP / PARENT BANK | | |
|---|------------|------------|
| NOK million | 31.12.2024 | 31.12.2023 |
| Loans to customers | 18 | 16 |
| - of which loans to corporate market (CM) | - | 1 |
| - of which loans to retail market (RM) | 17 | 15 |

12. Financial derivatives, collateral received and offsetting

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 has the right to offset balances if certain events occur. The amounts are not offset in the balance sheet because 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 in the table below can be offset.

| GROUP | | | | | | 31.12.2024 |
|-------------------------|-----------------------|--|---|---|------------------------------------|-------------|
| NOK million | Gross carrying amount | Amounts offset in the balance sheet* (net presented) | Net financial assets in the balance sheet | Related amounts not presented net | | |
| | | | | Financial instruments (net settlements) | Other collateral, received/pledged | Net amount |
| Derivated - assets | 3 789 | - | 3 789 | 284 | 3 368 | 138 |
| Derivated - liabilities | -919 | - | -919 | -284 | 13 | -648 |
| Net | 2 870 | - | 2 870 | - | 3 381 | -510 |

| GROUP | | | | | | 31.12.2023 |
|-------------------------|-----------------------|--|---|---|------------------------------------|-------------|
| NOK million | Gross carrying amount | Amounts offset in the balance sheet* (net presented) | Net financial assets in the balance sheet | Related amounts not presented net | | |
| | | | | Financial instruments (net settlements) | Other collateral, received/pledged | Net amount |
| Derivated - assets | 2 002 | - | 2 002 | 303 | 1 375 | 323 |
| Derivated - liabilities | -922 | - | -922 | -303 | 8 | -626 |
| Net | 1 080 | - | 1 080 | - | 1 383 | -303 |

| PARENT BANK | | | | | | 31.12.2024 |
|-------------------------|-----------------------|--|---|---|------------------------------------|-------------|
| NOK million | Gross carrying amount | Amounts offset in the balance sheet* (net presented) | Net financial assets in the balance sheet | Related amounts not presented net | | |
| | | | | Financial instruments (net settlements) | Other collateral, received/pledged | Net amount |
| Derivated - assets | 1 037 | - | 1 037 | 284 | 591 | 162 |
| Derivated - liabilities | -919 | - | -919 | -284 | 13 | -648 |
| Net | 117 | - | 117 | - | 604 | -487 |

| PARENT BANK | | | | | | 31.12.2023 |
|-------------------------|-----------------------|--|---|---|------------------------------------|-------------|
| NOK million | Gross carrying amount | Amounts offset in the balance sheet* (net presented) | Net financial assets in the balance sheet | Related amounts not presented net | | |
| | | | | Financial instruments (net settlements) | Other collateral, received/pledged | Net amount |
| Derivated - assets | 931 | - | 931 | 234 | 515 | 181 |
| Derivated - 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.

13. Debt securities and subordinated loan capital

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/ Redeemed | 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 |

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 in debt securities – Parent bank

| NOK million | 31.12.2023 | Issued | Matured/ Redeemed | 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 |

Change in subordinated capital – Parent bank and Group

| NOK million | 31.12.2023 | Issued | Matured/ Redeemed | Other changes during the period | 31.12.2024 |
|--|--------------|------------|----------------------|---------------------------------------|--------------|
| Subordinated 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 |

Change in non-perferred senior debt – Parent bank and Group

| NOK million | 31.12.2023 | Issued | Matured/ Redeemed | Other changes during the period | 31.12.2024 |
|--|--------------|--------------|----------------------|---------------------------------------|--------------|
| Non-preferred senior debt | 7 100 | 1 000 | - | - | 8 100 |
| Value adjustments | 2 | | | -69 | -67 |
| Accrued interest | 75 | | | 10 | 85 |
| Total non-preferred senior debt | 7 177 | 1 000 | - | -59 | 8 118 |

14. Equity certificate holders

The 20 largest equity certificate holders as of December 31, 2024:

| NAME | Number of EC | 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 Fondsinans Utbytte | 398 248 | 0.95 |
| 14. U.S. Bank National Association | 324 600 | 0.78 |
| 15. Verdipapirfondet Fondsinans 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 Klip Aksjenorge | 241 446 | 0.58 |
| Total - 20 largest certificate holders | 27 813 765 | 66.69 |

As of January 1st, 2024, the ownership ratio was 40.0 percent. Hybrid capital, classified as equity, has been excluded when calculating the ownership ratio. As of December 31, 2024, the ownership ratio was 40.0 percent.

The equity certificate capital amounted to NOK 2 085 152 850 distributed over 41 703 057 equity certificates, each with a nominal value of NOK 50. At the reporting date, Sparebanken Sør owned 18 921 of its own equity certificates.

Risk and capital management

The Group's risk management procedures ensure that the Group's risk exposure is known at all times and are instrumental in helping the Group to achieve its strategic objectives and comply with legal and regulatory requirements. Governing targets are established for the Group's overall risk level and each specific risk area, and systems are in place to calculate, manage and control risk. The aim of capital management is to ensure that the Group has an acceptable tier 1 capital ratio, is financially stable and achieves a satisfactory return commensurate with its risk profile. The Group's total capital ratio and risk exposure are monitored through periodic reports.

Credit risk

Credit risk is defined as the risk of loss due to customers or counterparties failing to meet their obligations. One of the key risk factors relating to Sparebanken Sør's operations is credit risk. Future changes in the Bank's losses will also be impacted by general economic trends. This makes the granting of credit and associated processes one of the most important areas for the Bank's risk management.

Credit risk is managed through the Group's strategy and policy documents, credit routines, credit processes, scoring models and authority mandates.

Market risk

Market risk generally arises from the Group's unhedged transactions in the interest rate, currency and equity markets. Such a risk can be divided into interest rate risk, currency risk, share risk and spread risk, and relates to changes in results caused by fluctuations in interest rates, market prices and/or exchange rates. The Board of Directors establishes guidelines and limits for managing market risk.

Liquidity risk

Liquidity risk relates to Sparebanken Sør's ability to finance its lending growth and fulfil its loan obligations subject to market conditions. Liquidity risk also includes a risk of the financial markets that the Group wishes to use ceasing to function. The Board of Directors establishes guidelines and limits for the management of liquidity risk.

Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failing internal processes, procedures or systems, human error or malpractice, or external events. Examples of operational risk include undesirable actions and events such as IT systems failure, money laundering, corruption, embezzlement, insider dealing, fraud, robbery, threats against employees, breaches of authority and breaches of established routines, etc.

Business risk

Business risk is defined as the risk of unexpected fluctuations in revenue based on factors other than credit risk, liquidity risk, market risk and operational risk. This risk could, for example, derive from regulatory

amendments or financial or monetary policy measures, including changes in fiscal and currency legislation, which could have a negative impact on the business.

All risks at Sparebanken Sør must be subject to active and satisfactory management, based on objectives and limits for risk exposure and risk tolerance established by the Board of Directors.

Quarterly trends in results

| NOK million | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| Profit (NOK million) | | | | | |
| Net interest income | 829 | 838 | 823 | 824 | 815 |
| Net commission income | 118 | 104 | 116 | 85 | 105 |
| Net income from financial instruments | -41 | 10 | 21 | 39 | -13 |
| Income from associated companies | 36 | 42 | 46 | 5 | 33 |
| Other operating income | 11 | 3 | 1 | 3 | 3 |
| Total net income | 953 | 997 | 1 007 | 956 | 943 |
| Total operating expenses before losses | 368 | 338 | 345 | 330 | 370 |
| Operating profit before losses | 585 | 660 | 662 | 626 | 573 |
| Losses on loans, guarantees and undrawn credits | 33 | 23 | 13 | 6 | 31 |
| Profit before taxes | 552 | 637 | 648 | 620 | 543 |
| Tax expenses | 127 | 150 | 144 | 47 | 116 |
| Profit for the period | 425 | 487 | 504 | 573 | 426 |
| Profit as % of average assets | | | | | |
| Net interest income | 1.87 % | 1.96 % | 1.98 % | 2.07 % | 2.03 % |
| Net commission income | 0.27 % | 0.24 % | 0.28 % | 0.21 % | 0.26 % |
| Net income from financial instruments | -0.09 % | 0.02 % | 0.05 % | 0.10 % | -0.03 % |
| Income from associated companies | 0.08 % | 0.10 % | 0.11 % | 0.01 % | 0.08 % |
| Other operating income | 0.03 % | 0.01 % | 0.00 % | 0.01 % | 0.01 % |
| Total net income | 2.15 % | 2.33 % | 2.43 % | 2.40 % | 2.35 % |
| Total operating expenses before losses | 0.83 % | 0.79 % | 0.83 % | 0.83 % | 0.92 % |
| Operating profit before losses | 1.32 % | 1.54 % | 1.59 % | 1.57 % | 1.43 % |
| Losses on loans, guarantees and undrawn credit | 0.07 % | 0.05 % | 0.03 % | 0.02 % | 0.08 % |
| Profit before taxes | 1.25 % | 1.49 % | 1.56 % | 1.56 % | 1.35 % |
| Tax expenses | 0.29 % | 0.35 % | 0.35 % | 0.12 % | 0.29 % |
| Profit for the period | 0.96 % | 1.14 % | 1.21 % | 1.44 % | 1.06 % |
| Key figures, income statement | | | | | |
| Return on equity after tax (adjusted for hybrid capital) | 9.8 % | 11.7 % | 12.5 % | 14.4 % | 10.5 % |
| Costs as % of income | 38.6 % | 33.9 % | 34.3 % | 34.5 % | 39.2 % |
| Costs as % of income, excl. net income from financial instruments | 37.0 % | 34.2 % | 35.0 % | 36.0 % | 38.7 % |
| Key figures, balance sheet | | | | | |
| Total assets | 176 509 | 170 282 | 167 881 | 161 902 | 157 407 |
| Average total assets | 176 000 | 170 000 | 167 000 | 160 000 | 159 000 |
| Net loans to customers | 133 441 | 132 257 | 131 171 | 128 869 | 127 532 |
| Growth in loans as %, last 12 mths. | 4.6 % | 4.9 % | 4.6 % | 3.5 % | 3.0 % |
| Customer deposits | 74 216 | 72 413 | 73 927 | 70 527 | 69 272 |
| Growth in deposits as %, last 12 mths. | 7.1 % | 5.4 % | 6.6 % | 5.5 % | 5.6 % |
| Deposits as % of net loans | 55.6 % | 54.8 % | 56.4 % | 54.7 % | 54.3 % |
| Equity (incl. hybrid capital) | 18 040 | 17 808 | 17 158 | 16 862 | 16 752 |
| Losses on loans as % of net loans, Annualised | 0.10 % | 0.07 % | 0.04 % | 0.02 % | 0.10 % |
| Other key figures | | | | | |
| Liquidity reserves (LCR). Group | 199 % | 173 % | 170 % | 150 % | 156 % |
| Liquidity reserves (LCR). Group- EUR | 471 % | 434 % | 210 % | 239 % | 310 % |
| Liquidity reserves (LCR). Parent Bank | 162 % | 144 % | 155 % | 134 % | 146 % |
| Common equity tier 1 capital ratio | 16.4 % | 16.7 % | 16.7 % | 16.6 % | 16.8 % |
| Tier 1 capital ratio | 18.3 % | 18.9 % | 18.6 % | 18.6 % | 18.1 % |
| Total capital ratio | 20.7 % | 21.9 % | 21.1 % | 20.7 % | 20.3 % |
| Common equity tier 1 capital | 14 739 | 14 774 | 14 603 | 14 428 | 14 178 |
| Tier 1 capital | 16 447 | 16 648 | 16 275 | 16 110 | 15 346 |
| Net subordinated capital | 18 674 | 19 294 | 18 406 | 17 967 | 17 193 |
| Leverage ratio | 9.1 % | 9.3 % | 9.2 % | 9.3 % | 9.0 % |

| NOK million | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 |
|--|------------|------------|------------|------------|------------|
| Number of branches | 30 | 31 | 31 | 31 | 31 |
| Number of FTEs in banking operations | 535 | 531 | 519 | 511 | 505 |
| Key figures, equity certificates | | | | | |
| Equity certificate ratio | 40.0 % | 40.0 % | 40.0 % | 40.0 % | 40.0 % |
| Number of equity certificates issued | 41 703 057 | 41 703 057 | 41 703 057 | 41 703 057 | 41 703 057 |
| Profit per equity certificate (Parent Bank) | 5.9 | 3.5 | 3.6 | 4.6 | 5.7 |
| Profit per equity certificate (Group) | 3.8 | 4.4 | 4.6 | 5.3 | 3.9 |
| Book equity per equity certificate | 157.8 | 154.1 | 149.8 | 145.2 | 149.9 |
| Price/book value per equity certificate | 1.25 | 1.14 | 0.99 | 0.96 | 0.96 |
| Listed price on Oslo Stock Exchange at end of period | 197.9 | 175.0 | 148.6 | 139.0 | 144.0 |

Key figures Group 2020-2024

| NOK million | 31.12.2024 | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| Income statement (NOK million) | | | | | |
| 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 % |

| NOK million | 31.12.2024 | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|---|------------|------------|------------|------------|------------|
| Number of branches | 30 | 31 | 35 | 35 | 35 |
| Number of FTEs in banking operations | 535 | 505 | 485 | 464 | 442 |
| 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 |

Calculations

| NOK million | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | 31.12. 2024 | 31.12. 2023 |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Return on equity adjusted for hybrid capital | | | | | | | |
| Profit after tax | 425 | 486 | 503 | 574 | 427 | 1 988 | 1 773 |
| Interest on hybrid capital | -32 | -30 | -30 | -25 | -22 | -116 | -82 |
| Tax on hybrid capital | 8 | 7 | 7 | 6 | 5 | 29 | 20 |
| Profit after tax, incl. interest on hybrid capital | 401 | 464 | 481 | 555 | 410 | 1 901 | 1 711 |
| Opening balance, equity | 17 808 | 17 158 | 16 862 | 16 752 | 16 466 | | |
| Opening balance, hybrid capital | -1 747 | -1 545 | -1 545 | -1 085 | -1 085 | | |
| Opening balance, equity excl. hybrid capital | 16 061 | 15 613 | 15 317 | 15 667 | 15 381 | | |
| Closing balance, equity | 18 040 | 17 808 | 17 158 | 16 862 | 16 752 | | |
| Closing balance, hybrid capital | -1 585 | -1 747 | -1 545 | -1 545 | -1 085 | | |
| Closing balance, equity excl. hybrid capital | 16 455 | 16 061 | 15 613 | 15 317 | 15 667 | | |
| Average equity | 17 924 | 17 483 | 17 010 | 16 807 | 16 609 | 17 306 | 16 266 |
| Average equity excl. Hybrid capital | 16 258 | 15 837 | 15 465 | 15 492 | 15 524 | 15 763 | 15 181 |
| Return on equity | 9.4 % | 11.1 % | 11.9 % | 14.0 % | 10.2 % | 11.5 % | 10.9 % |
| Return on equity, excl. hybrid capital | 9.8 % | 11.7 % | 12.5 % | 14.4 % | 10.5 % | 12.1 % | 11.3 % |
| Net interest income, incl. interest on hybrid capital | | | | | | | |
| Net interest income, incl. interest on hybrid capital | 829 | 838 | 823 | 824 | 815 | 3 315 | 3 043 |
| Interest on hybrid capital | -24 | -22 | -22 | -18 | -16 | -87 | -61 |
| Net interest income, incl. interest on hybrid capital | 805 | 816 | 801 | 806 | 799 | 3 227 | 2 982 |
| Average total assets | 176 000 | 170 000 | 167 000 | 160 000 | 159 000 | 168 000 | 159 000 |
| As percentage of total assets | 1.82 % | 1.91 % | 1.93 % | 2.03 % | 1.99 % | 1.92 % | 1.88 % |
| Profit from ordinary operations (adjusted earnings) | | | | | | | |
| Net interest income, incl. interest on hybrid capital | 805 | 816 | 801 | 806 | 799 | 3 227 | 2 982 |
| Net commission income | 118 | 104 | 116 | 85 | 105 | 424 | 400 |
| Share of profit from associated companies | 36 | 42 | 46 | 5 | 33 | 128 | 99 |
| Other operating income | 2 | 3 | 1 | 3 | 3 | 9 | 9 |
| Operating expenses | 347 | 328 | 345 | 330 | 348 | 1 351 | 1 276 |
| Profit from ordinary operations (adjusted earnings), before tax | 613 | 637 | 618 | 569 | 592 | 2 437 | 2 214 |
| Losses on loans, guarantees and undrawn credits | 33 | 23 | 13 | 6 | 31 | 75 | 49 |
| Profit excl. finance and adjusted for non-recurring items | 580 | 614 | 605 | 562 | 561 | 2 361 | 2 164 |
| Tax (25 %) adjusted for tax, share of profit associated companies | 109 | 115 | 112 | 114 | 112 | 449 | 440 |
| Ordinary operations /adjusted earnings after losses and tax | 471 | 499 | 493 | 449 | 448 | 1 912 | 1 725 |
| Average equity, excl. hybrid capital | 16 258 | 15 837 | 15 465 | 15 492 | 15 524 | 15 763 | 15 181 |
| Return on equity, profit excl. finance and adjusted for non-recurring items | 11.5 % | 12.5 % | 12.8 % | 11.6 % | 11.5 % | 12.1 % | 11.4 % |
| Average interest rates/margins | | | | | | | |
| Average lending rate RM (return) | 5.66 % | 5.70 % | 5.72 % | 5.68 % | 5.48 % | | |
| Average lending rate CM (return) | 7.14 % | 7.16 % | 7.19 % | 7.24 % | 7.18 % | | |
| Average deposit rate RM | 2.97 % | 2.91 % | 2.91 % | 2.87 % | 2.47 % | | |
| Average deposit rate CM | 3.90 % | 3.94 % | 4.01 % | 3.86 % | 3.74 % | | |
| Average 3-month NIBOR | 4.69 % | 4.74 % | 4.72 % | 4.71 % | 4.72 % | | |
| Lending margin RM (lending rate - 3-month NIBOR) | 0.97 % | 0.96 % | 1.00 % | 0.97 % | 0.76 % | | |
| Lending margin CM (lending rate - 3-month NIBOR) | 2.44 % | 2.42 % | 2.47 % | 2.53 % | 2.47 % | | |
| Deposit margin RM (3-month NIBOR - deposit rate) | 1.73 % | 1.83 % | 1.81 % | 1.84 % | 2.24 % | | |
| Deposit margin CM (3-month NIBOR - deposit rate) | 0.80 % | 0.80 % | 0.71 % | 0.85 % | 0.98 % | | |
| Interest-rate margin (lending rate – deposit rate) | | | | | | | |
| Interest-rate margin RM | 2.69 % | 2.79 % | 2.81 % | 2.82 % | 3.01 % | | |
| Interest-rate margin CM | 3.24 % | 3.22 % | 3.18 % | 3.38 % | 3.44 % | | |

The Board of Directors' report and accounting presentations refer to certain adjusted figures, which are not defined by IFRS (Alternative Performance Measures – APM). For definitions of Sparebanken Sør's APM, please refer to next section.

Alternative performance measures – APM

Sparebanken Sør's alternative performance measures (APMs) provide useful information which supplements the financial statements. These measures are not defined under IFRS and may not be directly comparable with other companies' adjusted measures. The APMs are not intended to replace or overshadow any IFRS measures of performance but have been included to provide a better picture of Sparebanken Sør's underlying operations.

Key financial ratios regulated by IFRS or other legislation are not considered APMs. The same is true of non-financial information. Sparebanken Sør's APMs are presented in the key figures for the Group, in the calculations and in the Board of Directors' report. APMs are shown with comparable figures for earlier periods. All APMs referred to below have been applied consistently over time.

Sparebanken Sør's APMs 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 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. |
| 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. |
| 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. |
| 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 frequently used to compare banks and is calculated as Sparebanken Sør's closing equity certificate price at the end of the period |
| Losses on loans as % of net loans (annualised) | divided by the book value per equity certificate. 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. |
| Gross non-performing loans (over 90 days) as % of gross loans | This ratio provides relevant information on the bank's credit exposure. It is calculated as total non-performing exposure (over 90 days) divided by total loans, including loans transferred to SSBK, 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. |

Declaration in accordance with sections §5-6 of the Norwegian Securities Trading Act

The Board of Directors and CEO of Sparebanken Sør hereby confirm that the bank and the group's financial statements for the 4th quarter of 2024 have been prepared in accordance with applicable accounting standards, and that the information provided in the financial statements provides a true and fair view of the company's assets, liabilities, financial position and overall results.

In addition, we confirm that the half-year report provides a true and fair view of the company's development, results and financial position, as well as a description of the most significant risk and uncertainty factors facing the company.

Kristiansand, 31 December 2024 / 6 February 2025



Knut Ruhaven Sæthre
Chairman



Mette Ramfjord Harv
Deputy Chairman



Merete Steinvåg Østby



Erik Edvard Tønnesen



Trond Randøy



Eli Giske



Hans Arthur Frigstad



Tina Maria Kvale



Geir Bergskaug
CEO